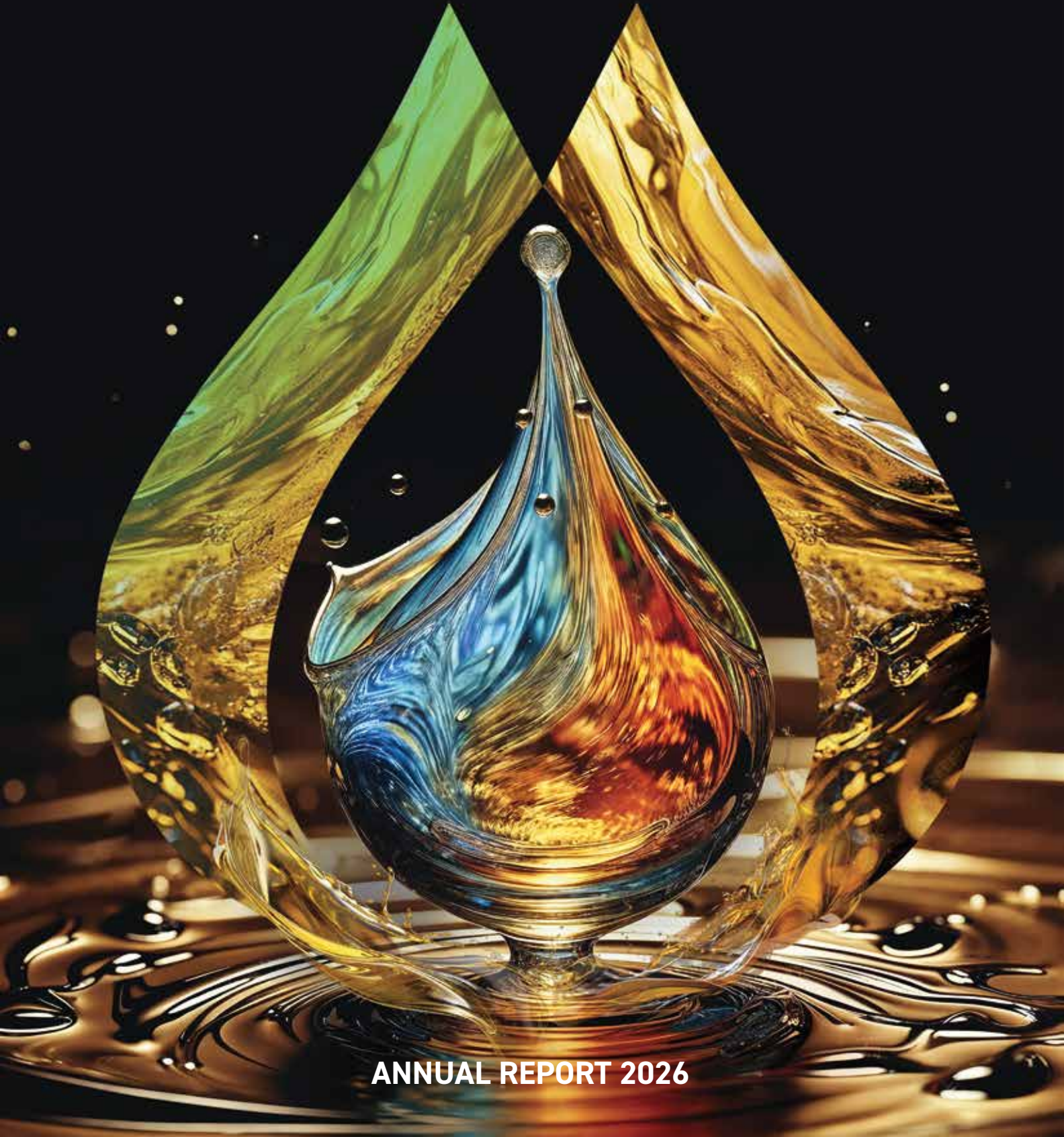




PPL

THE ENERGY WITHIN



ANNUAL REPORT 2026

THE ENERGY WITHIN



The Energy Within is more than a reflection of our renewed identity. It is a belief that the greatest potential lies beneath the surface. Within our people, within our technology and within Pakistan's rich natural resources. As PPL expands its focus towards offshore exploration and mineral development, we continue to unlock new possibilities that will shape a more secure, resilient and sustainable energy future. This report chronicles that journey of discovery, transformation and enduring purpose.

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COMPANY INFORMATION

BOARD OF DIRECTORS*

MR. SHAHID KHAN
Chairman

Independent, Non-Executive Director

MR. MOHAMMAD KHALID ABDUL REHMAN
Chief Executive Officer /
Managing Director

MR. ABDUL GHANI DADABHOY
Independent, Non-Executive Director

MR. DAWOOD MUHAMMAD BAREACH
Independent, Non-Executive Director

MR. IKRAMULLAH KHAN
Non-Executive Director

MR. LAEEQ AHMED
Independent, Non-Executive Director

MR. MIRZA NASIR-UD-DIN MASHHOOD
AHMAD
Non-Executive Director

MR. MOHAMMAD IRFAN SIDDIQUI
Independent, Non-Executive Director

MR. QUMAR SARWAR ABBASI
Non-Executive Director

MS. SADIA KHAN
Independent, Non-Executive Director

MR. SHAKEEL QADIR KHAN
Non-Executive Director

* A new Board of Directors was elected on 15 September 2026. The names of the directors who served during FY2025-26 are provided in the 'Attendance at Board and Committee Meetings' section of this Annual Report.

COMPANY SECRETARY

MR. ALI JAFFAR

CHIEF FINANCIAL OFFICER

MR. MUHAMMAD MUBBASSHAR
SIDDIQUE

REGISTERED OFFICE

Pakistan Petroleum Limited
4th Floor, P.I.D.C. House,
Dr. Ziauddin Ahmed Road
P.O. Box 3942, Karachi-75530
UAN: +92-21-111-568-568
Fax: +92-21-35680005 & 35682125

ISLAMABAD OFFICE

20th Floor, Meezan Tower
Jinnah Avenue, Sector G-8/3
Islamabad. UAN: +92-51-111-568-568

FIELD LOCATIONS

Sui Field
Sui, Dera Bugti Agency, Balochistan

Kandhkot Field
District Kashmore, Sindh

Adhi Field
Tehsil Gujjar Khan, Rawalpindi, Punjab

Mazarani Field
Mazarani, Larkana, Sindh

Hala Field
Sanghar, Sindh

Gambat South Field
Sanghar, Sindh

Shah Bandar Field
Sujawal, Sindh

Dhok Sultan Field
Tehsil Jhand, District Attock, Punjab

REGISTRATION NUMBER

CUIN: 0000378

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

SHARE REGISTRAR

FAMCO Share Registration Services (Private) Limited
8-F, Next to Hotel Faran, Nursery Block-6
P.E.C.H.S., Shahra-e-Faisal, Karachi.
Tel: +92-21-34380101-05
Fax: +92-21-34380106
Email: info.shares@famcosrs.com

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank AL Habib Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

LEGAL ADVISORS

Messrs. Surridge & Beecheno

WEBSITE

www.ppl.com.pk



VISION

Empowering sustainable growth through integrated energy solutions and beyond.

MISSION

Transform into a dynamic energy and minerals company focused on innovation and strategic diversification.

CORE VALUES

FIRST

FAIRNESS
Foster ethical, impartial, and inclusive practices across all levels of the organization

INNOVATION
Continuously seek smarter and technology driven solutions

RESPECT
Embrace diversity, nurture talent, and promote a culture of collaboration

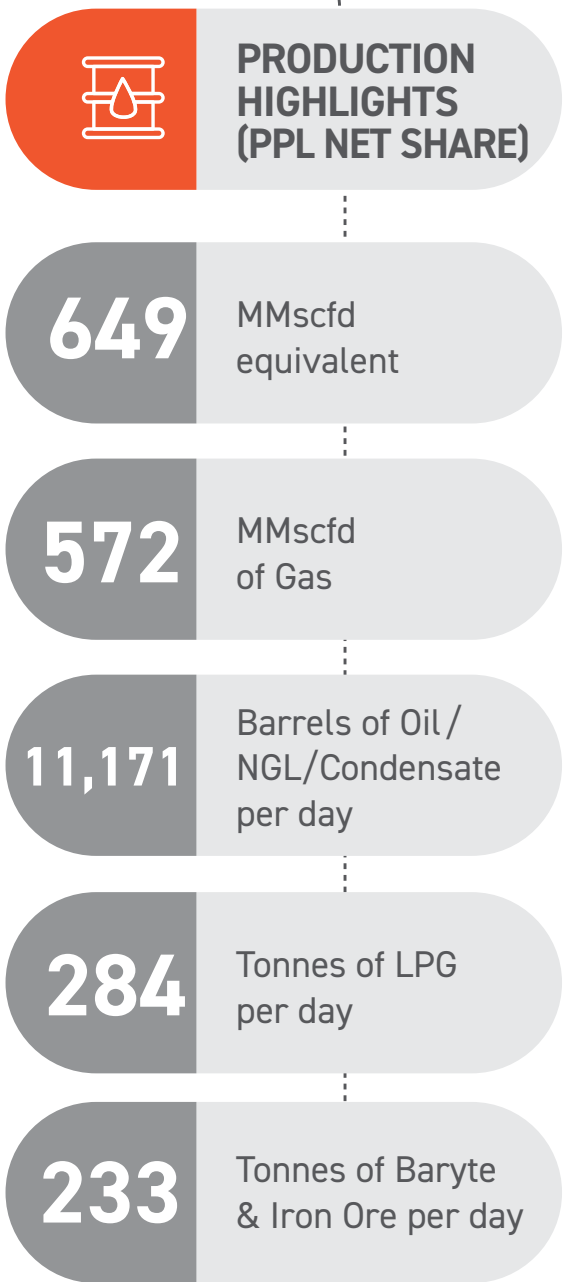
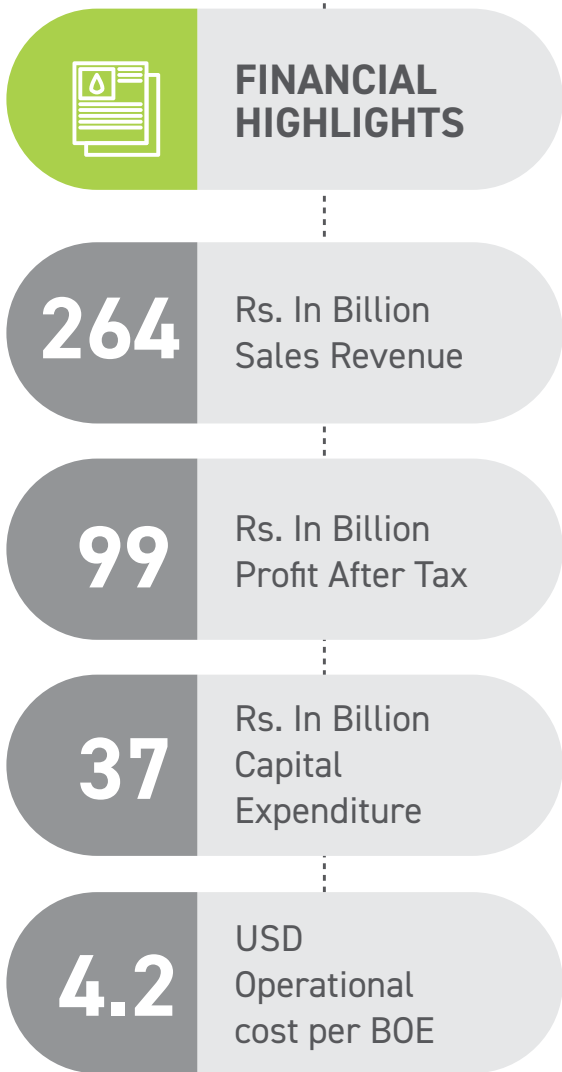
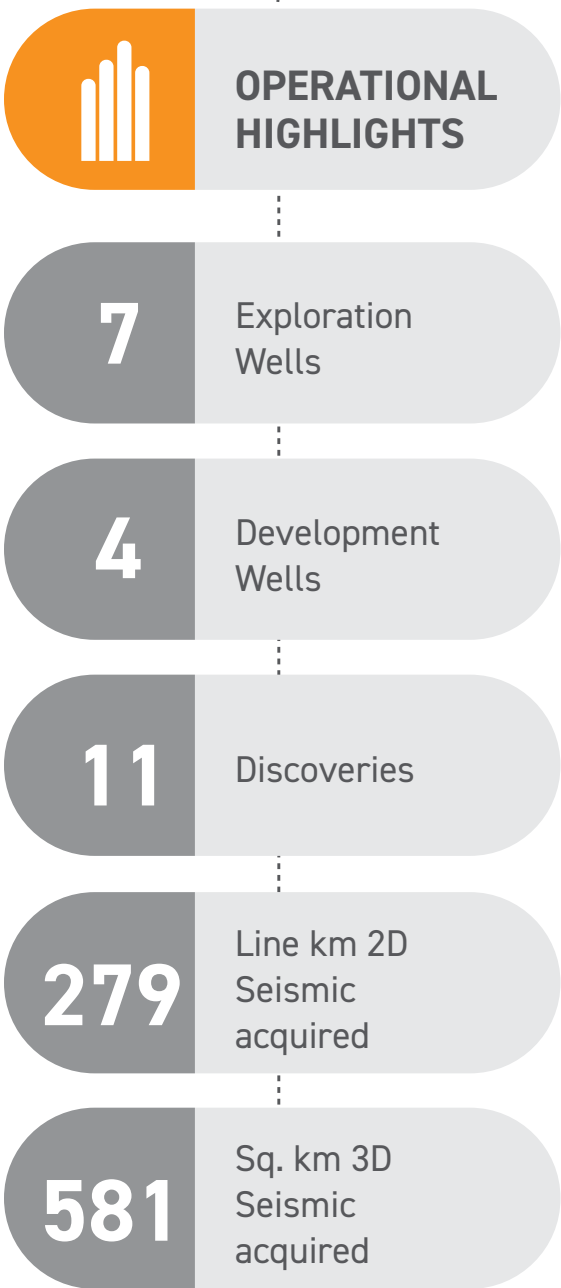
SUSTAINABILITY
Committed to protect the environment, support local communities, and empower future generations

TRANSPARENCY
Ensure accountability and openness in our actions and decisions



AT A GLANCE

2025-2026



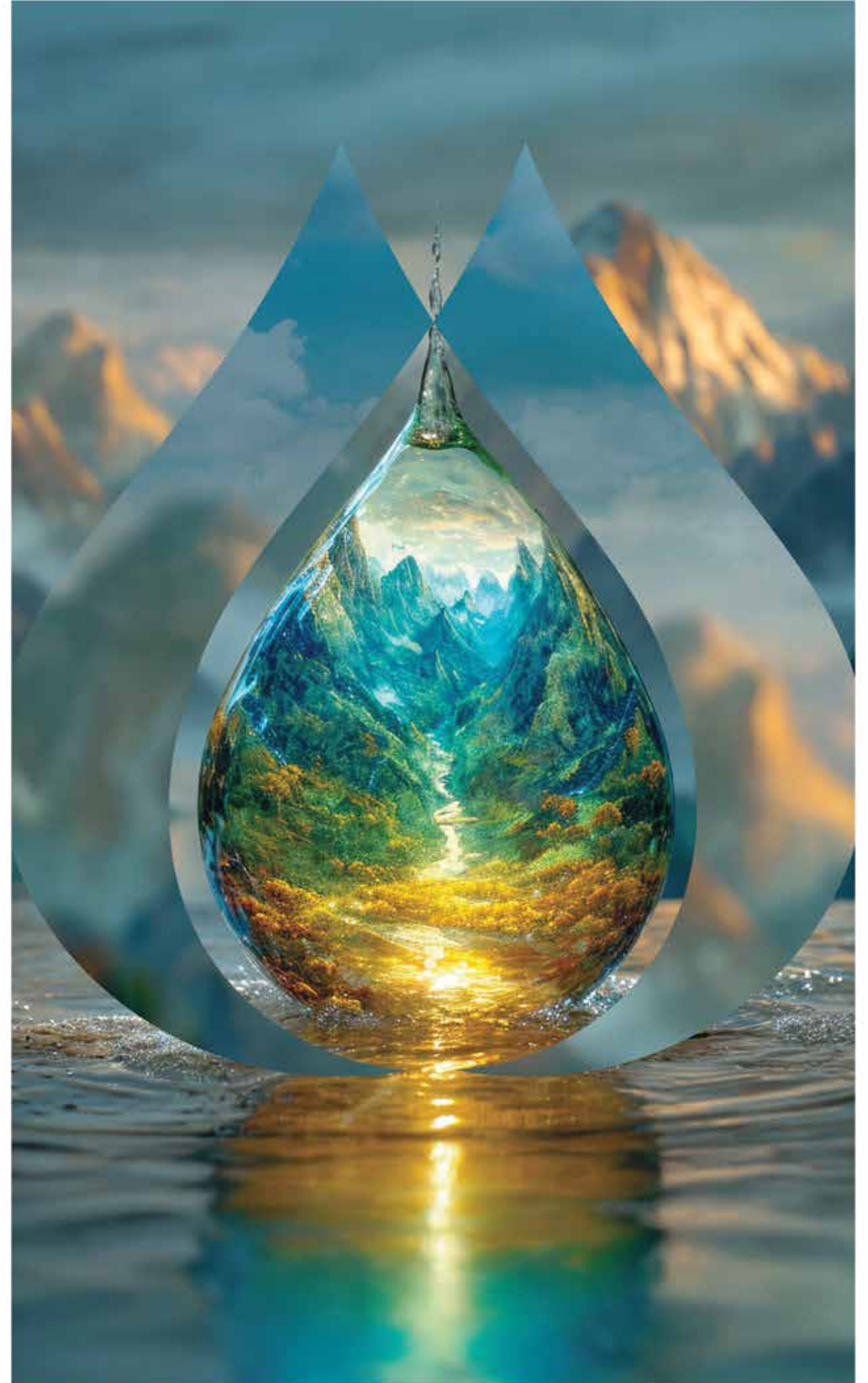
CALENDAR OF MAJOR EVENTS

SEP Oil & gas discovery from exploration well Dhok Sultan-3 in Dhok Sultan block.	SEP Approval for increase in PPL's funding commitment for the Reko Diq project.		OCT Gas discovery from exploration well Barki-1 in Kotri North block.
OCT AGM approved final cash dividend of 25%.		OCT Declaration of first interim cash dividend of 20%.	NOV Commencement of production from Dhok Sultan-3.
	NOV Published first-ever Environmental, Social and Governance (ESG) Report.	NOV Production enhancement at Gambat South GPF-II, delivering incremental production of ~5 MMscfd of gas, 35 BPD of condensate and 1 tonne/day of LPG.	NOV Gas discovery from exploration well Sawan North Deep-1 in Sawan block.
NOV Received Silver Award from the South Asian Federation of Accountants (SAFA) for Annual Report 2024 in the Public Sector category.	DEC PPL bagged second position at the 40th Corporate Excellence Awards organized by the Management Association of Pakistan (MAP) amongst the Oil and Gas Exploration sector in the Industrial Category.		DEC Strategic G2G-backed farm-out of Eastern Offshore Indus C Block, transferring operatorship to TPOC and assigning participating interests to TPOC, OGDCL and MariEnergies.

DEC Discovery of hydrocarbons from exploration well Baragzai X-01 in Nashpa block.	DEC Discovery of unconventional gas from exploration well LAL X-1 in Kandhkot.		JAN Pakistan Pavilion, led by the Petroleum Division with support from PPL and other E&P companies, showcased the country's mineral potential at Future Minerals Forum 2026 in Saudi Arabia.
JAN Two additional hydrocarbon discoveries from exploration well Baragzai X-01 in Nashpa block.	JAN Two hydrocarbon discoveries from exploration well Bilitang-1 in Tal block.	FEB Declaration of second interim cash dividend of 20%.	
FEB Fourth hydrocarbon discovery from exploration well Baragzai X-01 in Nashpa block.	MAR Fifth hydrocarbon discovery from exploration well Baragzai X-01 in Nashpa block.	APR Declaration of third interim cash dividend of 20%.	APR Established a dedicated mining business unit, "PPL Minerals".
MAY Commissioning of the Faiz X-1 Deep well with gas and condensate production.		MAY Award of eight offshore blocks, two as an operator and six as a JV partner.	JUN Commencement of execution phase of Baryte, Lead and Zinc Project, with award of Project Management Consultancy contract to M/s DMT.

THE SOURCE THAT DEFINES US

Every hydrocarbon journey begins with a source. For PPL, that source is shaped by decades of expertise, adaptation to evolving technology, strong governance and a culture rooted in integrity. This chapter explores the foundations that continue to guide our decisions, shape our progress and strengthen our ability to unlock new possibilities.



CHAIRMAN'S MESSAGE

Dear Members,

I am deeply honoured by the trust and confidence reposed in me through my unanimous appointment as Chairman of the newly constituted Board of Pakistan Petroleum Limited. I welcome my fellow Directors and look forward to drawing upon the Board's collective experience and diverse perspectives to strengthen PPL's governance, strategic direction and long term value creation.

PPL operates in an increasingly complex energy environment marked by geopolitical uncertainty, commodity price volatility, evolving environmental expectations and rapid changes in the global energy landscape. Against this backdrop, our priority must remain the responsible development of our indigenous hydrocarbon resources, replacement and augmentation of reserves, optimization of producing assets, timely commercialization of discoveries and prudent pursuit of new opportunities. At the same time, capital discipline, operational efficiency, technological advancement and carefully evaluated diversification will be essential to strengthening the Company's resilience and supporting energy security.

The Board is firmly committed to integrity, transparency, accountability and sound corporate governance. Management must remain empowered to perform its responsibilities professionally, ethically and without undue influence, while the Board provides strategic direction, oversight and support without encroaching upon day to day operations. Material risks and challenges should be brought before the Board transparently so that decisions can benefit from its collective judgment and remain firmly aligned with the interests of the Company and its stakeholders.

Looking ahead, our focus will be on strengthening PPL's competitive position, financial and operational resilience, enterprise risk management, ESG performance and capacity for sustainable growth. Strong collaboration between the Board and management, founded on mutual respect, accountability and a shared strategic vision, will be central to navigating emerging challenges while capitalizing on opportunities in the evolving energy and natural resources landscape.

I acknowledge with appreciation the contributions of the outgoing Board and extend my gratitude to PPL's management and employees for their professionalism, resilience and commitment. Together by Allah's Grace, we will build on the strong foundations and work to create enduring value for our shareholders, employees, host communities and all other stakeholders.

Shahid Khan

Chairman, Board of Directors

CHAIRMAN'S REVIEW

DEAR SHAREHOLDERS,

The year ended 30 June 2026 was marked by a challenging operating environment for Pakistan Petroleum Limited (PPL), shaped by geopolitical uncertainty, volatile energy markets, domestic economic pressures, circular debt, security challenges and declining production from mature fields. Against this backdrop, PPL remained focused on sustaining production, replenishing reserves, advancing key development projects and pursuing selected opportunities in minerals and international exploration and production. The Board remained actively engaged in overseeing the Company's strategic, operational, financial and governance priorities.

OPERATIONAL PERFORMANCE

PPL delivered a resilient performance during FY2025-26, achieving average hydrocarbon production of approximately 649 MMscfde, around three percent higher than the previous year despite gas curtailment and reduced offtake from certain fields. The Board acknowledges the support of government authorities in securing Development and Production Leases for the Adhi and Sui fields, ensuring continuity of operations at two key assets.

During the year, six wells were tied-in and commissioned, the Makori East Secondary Compression Facility was completed, processing capacity at Tolanj was enhanced, and eleven wells were drilled across operated and partner-operated blocks. Production enhancement initiatives and continued progress on GPF-III plant further strengthened the asset base.

EXPLORATION AND GROWTH

Exploration remains fundamental to PPL's long-term sustainability. During FY2025-26, the Company recorded eleven hydrocarbon discoveries and, together with positive reserves revision, added approximately 242 BCFe of reserves, achieving a Reserve Replacement Ratio of 102% and maintaining reserves life at about ten years.

PPL also expanded its offshore footprint through Pakistan's Offshore E&P Bid Round 2025, securing interests in eight offshore blocks, including two as operator. In addition, Pakistan International Oil Limited continued appraisal and development activities in Abu Dhabi's Offshore Block-5, providing exposure to an international petroleum province with potential long-term value.

MINERALS DIVERSIFICATION

The Company continued to advance its minerals strategy. The Barite, Lead and Zinc Project in Khuzdar entered the execution phase, while mineral exploration activities expanded in Chagai and new opportunities were evaluated in Khyber Pakhtunkhwa. Progress also continued on the Reko Diq copper and gold project, which has the potential to become a transformative investment for PPL and a project of national significance.

FINANCIAL CAPACITY AND GOVERNANCE

Circular debt remains a significant challenge, constraining liquidity and limiting internally generated funds for exploration and development activities. While PPL maintained a gas collection ratio exceeding 90%, continued financial discipline, prudent capital allocation and prioritization of investments remain essential.

The Board remained closely engaged in overseeing key strategic initiatives, risk management, internal controls and compliance. Sustainability and climate-related risks were further integrated into the Company's Enterprise Risk Management Framework, while an independent Board evaluation was conducted to strengthen governance and decision-making.

SAFETY AND SUSTAINABILITY

No review of the year would be complete without acknowledging, with deep regret, the contractor fatalities that occurred during FY2025-26. These incidents underscore the need for uncompromising safety standards, stronger contractor oversight, effective supervision and clear accountability. The Board remains committed to ensuring that safety remains a core organizational priority.

PRIORITIES AHEAD

PPL remains a strategically important contributor to Pakistan's energy security, supported by a strong asset base and technical capability. Looking ahead, the Company's priorities include sustaining production, accelerating commercialization of discoveries, improving exploration quality and capital efficiency, strengthening liquidity, maintaining disciplined oversight of international and mineral investments, and further enhancing organizational capability, safety and sustainability.

APPRECIATION

On behalf of the outgoing Board, I thank PPL's management and employees for their dedication and professionalism, particularly those serving in remote and challenging locations. I also express appreciation to the Government of Pakistan, regulators, joint-venture partners, local communities and other stakeholders for their continued support.

As my tenure as Chairman comes to a close, I record my sincere appreciation to my fellow directors for their contributions and commitment to the long-term interests of the Company and its shareholders. It has been an honour to serve as Chairman of Pakistan Petroleum Limited since December 2020. PPL possesses the assets, capabilities and talent to continue creating sustainable value while contributing to Pakistan's energy security and economic development.



Shahab Rizvi

Ex-Chairman, Board of Directors
14 September 2026

MANAGING DIRECTOR'S MESSAGE

DEAR SHAREHOLDERS,

I am pleased to present Pakistan Petroleum Limited's performance for the financial year 2025-26. During a year shaped by geopolitical uncertainty, gas curtailment and a heightened security situation, PPL remained resilient and focused on disciplined execution, operational reliability and long-term value creation. The Company delivered profit after tax of approximately PKR 99 billion and achieved its highest-ever collections of Rs. 284 billion, reflecting disciplined financial management and sustained engagement with customers. Our performance reflects the strength of our asset base, the capability of our people and our continued commitment to supporting Pakistan's energy security while positioning the Company for future growth.

The global energy industry continues to transform amid geopolitical uncertainty, shifting market dynamics and the move towards lower-carbon solutions and critical minerals. Conventional hydrocarbons, however, remain essential to meeting energy demand. In Pakistan, declining indigenous gas reserves and demand-supply imbalances continue to shape the operating environment.

In response, PPL is pursuing a balanced strategy that strengthens its core hydrocarbon business while diversifying into minerals and evaluating opportunities across the broader energy value chain. We remain focused on revitalizing exploration, optimizing production and advocating sustained policy support, market-based gas pricing and demand stabilization for the long-term sustainability of Pakistan's energy sector.

Exploration and production development remain central to PPL's long-term success. The Company continues to expand its reserves base through disciplined investment in high-potential onshore and offshore opportunities, while targeting prospects near existing fields and selectively de-risking frontier areas. During the year, PPL drilled seven exploration and four development wells, strengthening its portfolio and supporting future production potential. The eleven discoveries made during the year, including two in operated and nine in partner-operated areas resulted in net additions of 242 BCFe of 2P reserves, with a Reserve Replenishment Ratio of 102%.

In value realization, PPL remained focused on sustaining production from existing assets through tie-in of new wells, production optimization and operational efficiencies. Average production stood at 649 MMscfd despite gas curtailment prior to escalation in the Middle East.

We are encouraged by PPL's successful participation in Pakistan's Offshore Bidding Round 2025, securing eight offshore blocks, two as operator and six as partner-operated. This marks an important step in expanding our offshore portfolio and strengthening PPL's position in Pakistan's evolving exploration landscape. Through execution of the farm-out agreement of Eastern Offshore Indus Block C with Turkish Petroleum Overseas Company, PPL strengthened Pakistan-Türkiye energy cooperation and brought additional technical capability to advance offshore exploration. We will continue to pursue high-value international opportunities aligned with our core expertise.

Diversification into minerals is a strategic step aligned with the evolving energy and resource landscape. The establishment of PPL Minerals as a dedicated mining business unit reinforces our commitment to unlocking Pakistan's mineral potential and pursuing growth beyond hydrocarbons.

Sustainability remains integral to our strategy and operating model. We continue to embed ESG principles through strengthened governance, climate risk assessment and expanded ESG reporting coverage. While maintaining our focus on energy security and operational excellence, we continued to advance resource efficiency, emissions management, contractor safety and community investment, reinforcing our commitment to responsible and sustainable growth.

Beyond business performance, we continued our longstanding social investment in education, healthcare, clean drinking water, infrastructure and community welfare, supporting sustainable socio-economic development in our areas of operation.

Innovation remains central to building a resilient and agile organization. During the year, our digital transformation journey advanced through enterprise-wide adoption of AI-enabled tools, supporting improved productivity across functions.

Safety remains our highest priority. The Company maintained zero Tier-1 Process Safety Events and recorded no major environmental spill. Regrettably, three contractor fatalities occurred during seismic campaigns in Balochistan; all incidents were thoroughly investigated, and lessons learned were applied to prevent recurrence.

Looking ahead, we remain focused on executing our long-term strategy with discipline and purpose. By strengthening the core hydrocarbon business, expanding into minerals, embracing innovation, advancing ESG priorities and maintaining prudent financial management, we are building a more resilient and diversified Company.

I record my sincere appreciation to the outgoing Board of Directors for their strategic stewardship, the Ministry of Energy (Petroleum Division) for its continued guidance, and our joint-venture partners and regulators for their collaboration. I also warmly welcome the new Board of Directors and look forward to their guidance, oversight and support as we advance PPL's strategic priorities, strengthen operational performance and pursue sustainable value creation for all stakeholders. Above all, I thank our people for their dedication and our shareholders for their continued trust.

Pakistan Paindabad!



Mohammad Khalid Abdul Rehman
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

STATEMENT OF BUSINESS ETHICS

It is a fundamental policy of PPL to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted comprehensive Code of Conduct (Code) for members of the Board of Directors and Employees. The Code defines acceptable and unacceptable behaviour, provides guidance to Directors / Employees in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

CODE OF CONDUCT SALIENT FEATURES OF THE CODE FOR DIRECTORS CONFLICT OF INTEREST

Each Director must avoid any conflict of interest between the Director and the Company, its

associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

CORPORATE OPPORTUNITIES

Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain; or competing with the Company for business opportunities.

CONFIDENTIALITY

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorised by the Chairman of the Board or legally mandated.

HONESTY, INTEGRITY & FAIR DEALING

Directors must act honestly and fairly and exhibit high ethical standards in dealing with all stakeholders of the Company.

COMPLIANCE WITH LAWS, RULES & REGULATIONS

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act 2017, Rule Book of the Stock Exchange and insider trading laws.

ENCOURAGING THE REPORTING OF ANY POSSIBLE ILLEGAL OR UNETHICAL BEHAVIOUR

Directors should take steps to ensure that the Company promotes ethical behaviour; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.



TRADING IN COMPANY'S SHARES

Certain restrictions / reporting requirements apply to trading by the Directors in Company's shares. Directors shall make sure that they remain compliant with these statutory requirements.

COMPLIANCE PROCEDURES

Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

INSIDE INFORMATION & INSIDER TRADING

PPL's Directors and Sponsors who come into knowledge of inside information in performance of their duties, whether intentionally or by coincidence, are considered to be insiders. Any unauthorized dissemination or use of any inside information, directly or indirectly, is insider trading, is strictly prohibited and actionable under law.

SALIENT FEATURES OF THE CODE FOR EMPLOYEES

CONFLICT OF INTEREST

Employees must not engage in activities or transactions which may give rise to, or which may be seen to have given rise to conflict between their personal interests and the interest of the Company.

CONFIDENTIALITY & DISCLOSURE OF INFORMATION

Staff is expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to the press, to any outside source, or to any other staff who are not entitled to such information.

INSIDE INFORMATION & INSIDER TRADING

PPL's staff who come into knowledge of inside information in performance of their duties, whether intentionally or by coincidence, are considered to be insiders. Any unauthorised dissemination or use of any inside information, directly or indirectly, is insider trading and is strictly prohibited and actionable under law.

POLITICAL CONTRIBUTION

No funds or assets of the Company must be contributed to any political party or organisation or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

BRIBES & COMMERCIAL PAYMENTS

No member of staff must give or receive bribes or other payments (in cash or in kind), which are intended to influence a business decision or compromise independent judgment; nor must give money in order to obtain business for the Company, nor receive money or any other benefit for having given the Company business to an outside agency.

PROPER RECORDING OF FUNDS, ASSETS, RECEIPTS & DISBURSEMENTS

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

AGREEMENTS WITH AGENTS, SALES REPRESENTATIVES OR CONSULTANTS

Agreements, contracts, purchase orders etc. should state clearly the services / material to be performed / supplied for the Company, the amount to be paid and all other relevant terms and conditions. Payments made must bear a reasonable relationship to the value of the services / material delivered.

RELATIONS & DEALINGS WITH SUPPLIERS, CONSULTANTS, AGENTS, INTERMEDIARIES & OTHER THIRD PARTIES

PPL's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that PPL's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE) POLICY

Every staff member at work, as a condition of employment, must take reasonable care for the health and safety of himself / herself and others including visitors who may be affected by his / her acts or omissions at work; and cooperate in Company's efforts to protect the environment. Heads of departments carry overall responsibility for ensuring commitment towards quality assurance in respective areas.

SMOKING POLICY

Smoking and exposure of workplace to tobacco poses serious health hazard to the staff besides potential risks of fire and explosions. Considering this, smoking is permitted only in designated 'Smoking Areas'.

SEAT BELT / HELMET POLICY

As per policy, it is mandatory for all staff and contractors to fasten seat belts at all seats (front & rear) while sitting in the vehicles during occupational travel. PPL staff is required to wear road safety helmets while riding on a motorcycle.

OTHER EMPLOYMENT, OUTSIDE INTERESTS, CIVIC ACTIVITIES

PPL does not allow any of its staff members to take any part-time and/or full-time second employment

during their engagement with the Company. Employees intending to use knowledge, information, experience or position gained through his/her association with the Company to further himself/herself materially in an outside capacity has a duty to disclose that intention to the Company.

UNSOLICITED GIFTS

Accepting gifts that might place staff under obligation is prohibited. Staff must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

TRAVEL SPONSORED BY CONTRACTORS / CONSULTANTS /THIRD PARTY AT THEIR EXPENSE

No PPL staff shall accept any free travel offers from anyone or any company doing or intending to do business with PPL including vendors, as it is not contemplated as acceptable behaviour and creates conflict of interest. These offers include airfare, hotel or any other cost that should normally not be paid by a vendor. These free offers should also not be accepted during vacation period by any staff member.

FAMILY CONNECTIONS AND EMPLOYMENT OF RELATIVES

Any dealings between staff and outside organisations in which they have a direct, indirect or family connection must be fully disclosed to the Management. There is no prima facie objection to the employment of relatives but inappropriate job relationships must be avoided.

COMPANY & PERSONAL PROPERTY

PPL's staff must not take or use Company's property or the property of another staff without permission; nor must the staff use the Company's property, whether owned or hired by the Company, for private purposes without the Management's permission.

ALCOHOL & DRUGS

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all the Company's premises and work-sites.

GAMBLING

All forms of organised gambling or betting on the Company's premises is forbidden.

RUMOUR MONGERING & GOSSIPING

Rumour mongering, persuasive allegations, accusations

and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow staff members are strictly prohibited.

HARASSMENT

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any staff that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, humiliating, offensive, or hostile environment. PPL is also compliant with all the requirements of "Harassment of Women at Workplace Act 2010".

GRIEVANCE HANDLING

PPL has a comprehensive Grievance Handling Procedure. PPL strives to provide a fair & impartial process to its employees / trainees and ensures timely resolution of their grievance.

WHISTLE BLOWING

In order to enhance good governance and transparency, PPL has a Whistle Blowing Policy. The Policy provides an avenue to its staff, vendors and those who deal with PPL to raise concerns and report illegal and unethical issues like fraud, corruption or any other unlawful conduct or conduct which is in violation of the Company's policies and procedures or the misuse or pilferage of the Company's assets and property or endangers the public or the environment.

GENERAL DISCIPLINE

Every staff member must adhere to Company's rules of service and make sure that he/she is familiar with all of them.

REPORTING VIOLATIONS / DISCIPLINARY ACTIONS

Any violation of this Code shall be promptly reported to the Human Resources (HR) department by any staff member having knowledge thereof or having reasonable belief that such a violation has occurred. Upon receipt of a report of a violation or a suspected violation of this Code, HR may initiate proceedings in accordance with the Company's disciplinary procedure.

PARTICULARS AND SHAREHOLDING, IF ANY, IN THE COMPANY

All employees in Job Group-10 and above need to notify the ownership and transactions in the shares of the Company, whether held/undertaken directly or indirectly, by self, spouse or minor children.



GLOBAL COMPACT

PPL has proudly completed around two decades of its association with the United Nations Global Compact (UNGC). UNGC was developed in the year 2000 as an initiative to provide a human face to the global market and is aligned with United Nations' efforts, with particular reference to Millennium Development Goals. With over 25,000 participants and other stakeholders, including business and civil society from over 160 countries, UNGC provides a leadership platform for participants to strengthen their commitment to sustainability and corporate citizenship. UNGC binds all participating organisations to share initiatives compliant with UNGC's ten principles, focusing on human rights, enabling working conditions for employees, environmental conservation and transparency.

PPL reiterates commitment and shares continuous progress on UNGC's 10 principles in its ongoing efforts to further strengthen its corporate governance, human resource development, quality, health, safety and environment (QHSE) and corporate social responsibility (CSR) programmes.

Further reinforcing its commitment to UNGC Principles, PPL developed and published its first-ever Environmental, Social and Governance Report in 2025, marking a significant step in the Company's sustainability journey. The report reflects PPL's forward-looking approach towards integrating environmental, social and governance principles and opportunities in its business operations.

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

PPL'S COMMITMENT

PPL respects the dignity and rights of its human resource. Through our Corporate Social Responsibility Programme, we also support the right to education, healthcare and basic civic amenities for communities.

PRINCIPLE 2

Businesses should ensure that they are not complicit in human rights abuses.

PPL'S COMMITMENT

PPL is highly committed to conducting its business in accordance with the highest ethical and legal standards.

LABOUR STANDARDS

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PPL'S COMMITMENT

We acknowledge and respect rights to freedom of association and collective bargaining. We are committed to addressing issues, problems and grievances proactively to regulate the Company's operations with dignity of labour, minimisation of animosity and fostering a relationship of trust between management and workers.

PRINCIPLES 4 & 5

Businesses should support the elimination of all forms of forced and compulsory labour. Businesses should support the effective abolition of child labour.

PPL'S COMMITMENT

PPL supports abolition of child labour and elimination of all forms of forced and compulsory labour in its areas of operations or by any of its business partners and contractors.

PRINCIPLE 6

Businesses should support the elimination of discrimination in respect of employment and occupation.

PPL'S COMMITMENT

PPL is committed to provide equal opportunities for employment as well as growth without any discrimination on the basis of race, sex, religion, language, social origin, birth or other status.

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PPL'S COMMITMENT

PPL is committed to environmental conservation by complying with National Environmental Quality Standards.

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

PPL'S COMMITMENT

PPL ensures proactive acceptance of its responsibility and accountability for environmental imperatives. The Company recognises that operational excellence cannot be achieved without embedding QHSE considerations in business decision making processes. Therefore, PPL remains committed to raising environmental awareness among staff, suppliers and contractors for encouraging ecofriendly practices.

PRINCIPLE 9

Businesses should encourage the development and diffusion of environment friendly technologies.

PPL'S COMMITMENT

PPL believes in the use of emerging environment friendly technologies, especially for new projects, to reduce its carbon footprint.

ANTI-CORRUPTION

PRINCIPLE 10

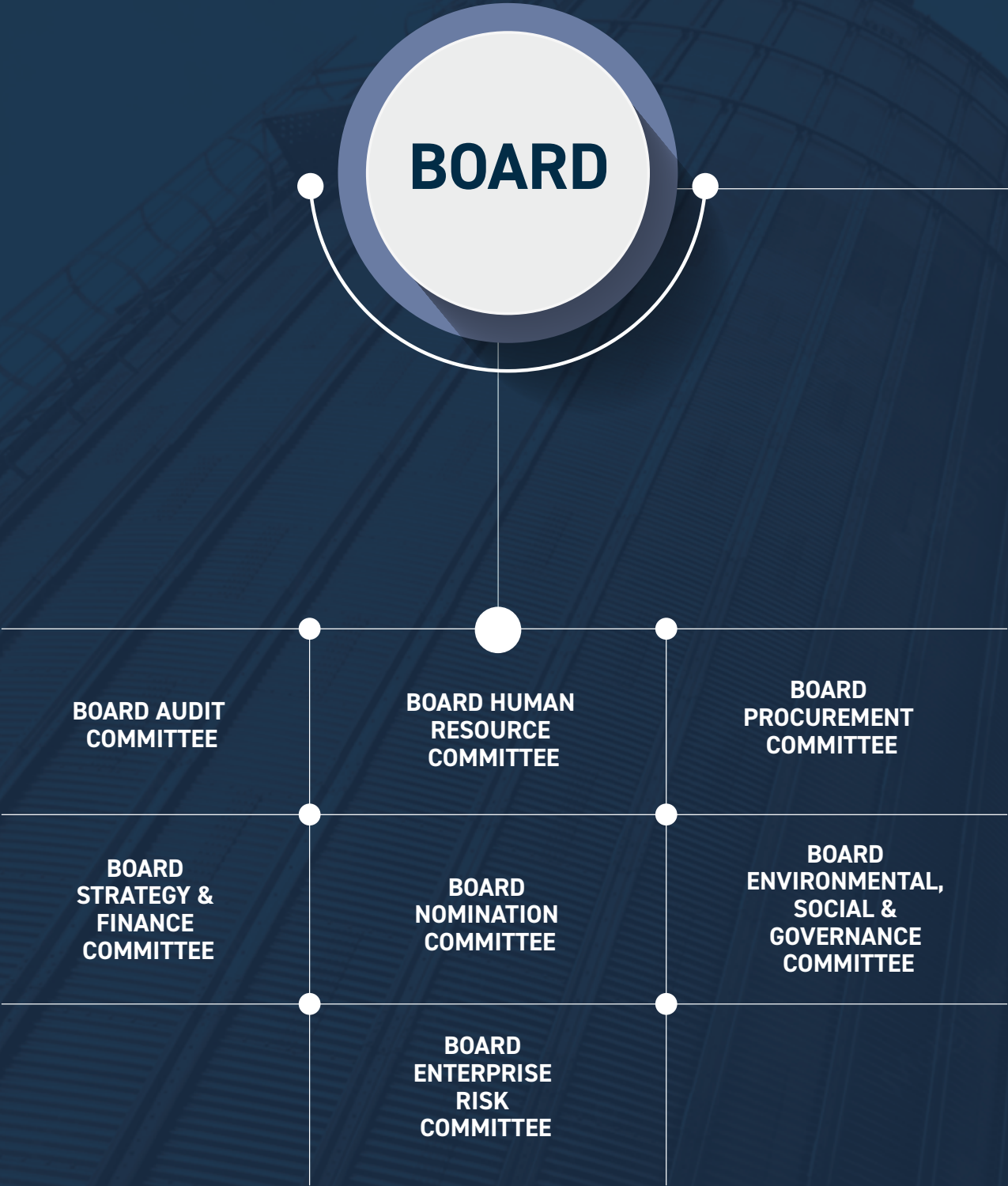
Businesses should work against all forms of corruption, including extortion and bribery.

PPL'S COMMITMENT

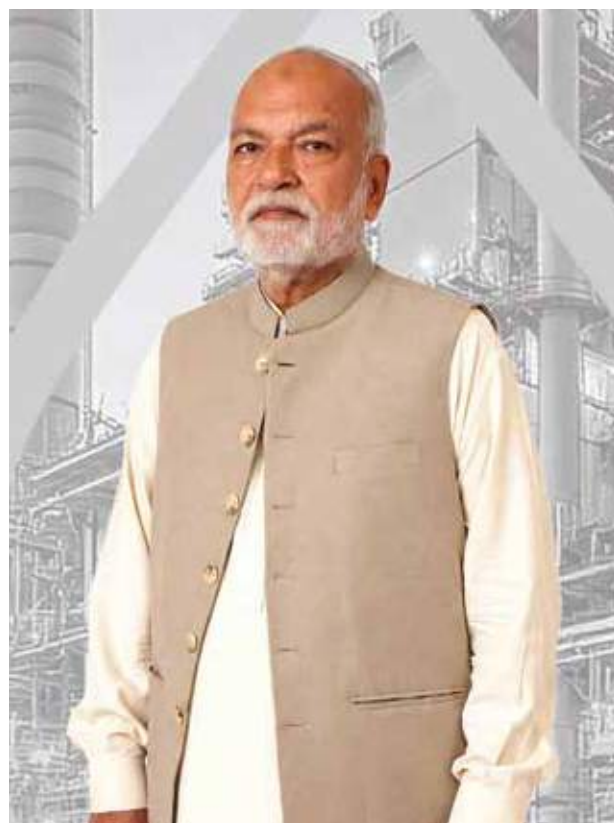
PPL is committed to eliminate corruption through implementation of ethical codes and policies that govern business operations and relationships with external stakeholders. The ethical commitments and values are embedded in the Company's Code of Conduct, the compliance of which is mandatory for members of the Board of Directors and all employees. The Company has zero tolerance to all forms of corrupt practices including bribery, extortion and other forms of corruption.



GOVERNANCE FRAMEWORK



PROFILE OF THE BOARD OF DIRECTORS



MR. SHAHID KHAN
CHAIRMAN – INDEPENDENT,
NON-EXECUTIVE DIRECTOR

Mr. Shahid Khan is a senior public sector leader with more than four decades of experience in administration, policy formulation, governance, regulatory oversight and institutional reform. Beginning his civil service career in 1980, he progressed through field, provincial and federal assignments, including Deputy Commissioner, Commissioner, Director General Lahore Development Authority, Director General Hajj, Secretary Home, Industries and Food Punjab, Federal Secretary Religious Affairs, Federal Interior Secretary, Secretary to the President and Chairman NAVTTC. He also chaired numerous high level inquiry committees across procurement, energy, infrastructure, trade and governance, leading multidisciplinary reviews, examining complex evidence and formulating accountability and institutional reform measures. His contribution to national security and public service has been recognized through the Hilal e Imtiaz.

His academic and professional training complements this extensive administrative experience. He holds a Master of Public Administration and a Certificate in Program & Policy

Analysis from Pennsylvania State University, an MSc in Anthropology from Quaid i Azam University, an LL.B. from the University of Balochistan and a Bachelor's degree in Economics from the University of the Punjab. He has also completed the National Management Course, Advanced Course in Management and international training in general management for state enterprises in the Netherlands. This multidisciplinary background in public administration, economics, law, policy analysis and social sciences provides a strong foundation for institutional analysis, strategic decision making and public sector governance.

His principal strengths lie in strategic governance, institutional oversight, risk assessment, stakeholder coordination and complex decision making. Experience in leading major public institutions and multidisciplinary inquiries enables him to evaluate technical, financial, regulatory and governance issues from a Board level perspective. His exposure to ESG, strategy and finance, enterprise risk and nomination functions is particularly relevant to PPL as it addresses reserve replacement, capital intensive investment, regulatory pressures, energy transition, sustainability obligations and long term corporate resilience.

For PPL, as Chairman of the Board and the ESG committee his value lies primarily in providing disciplined Board leadership and institutional stewardship. His background equips him to strengthen governance, challenge and guide management constructively, oversee strategic and enterprise risks, safeguard institutional accountability and help ensure that major decisions remain transparent, evidence based and aligned with the Company's long term interests, while preserving the proper distinction between Board oversight and management's operational responsibilities.

Mr. Khan combines extensive public sector leadership, multidisciplinary academic training and contemporary Board level governance experience, providing a strong foundation for chairing a strategically important state owned energy company operating in an increasingly complex business and regulatory environment. His core strength for PPL is the ability to bring strategic judgment, governance discipline, risk oversight and institutional accountability to complex energy sector decisions, ensuring that the Board leads effectively while management remains empowered to operate the business.



MR. MOHAMMAD KHALID ABDUL REHMAN
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Mr. Mohammad Khalid Abdul Rehman was appointed Managing Director & Chief Executive Officer of Pakistan Petroleum Limited (PPL) on January 10, 2026. He has been associated with PPL since 2009 and previously served as Chief Financial Officer (CFO) from February 1, 2020, bringing to the role extensive leadership experience in finance, corporate planning and strategic oversight.

Mr. Rehman is a member of the Board Human Resource Committee and the Board Enterprise Risk Committee. He also serves as a director on the boards of PPL's wholly owned subsidiaries, PPL Asia E&P B.V. and PPL Europe E&P Limited, as well as associated companies comprising Reko Diq Investments Limited, Reko Diq Holdings Limited, Reko Diq Mining Company (Private) Limited, Pakistan Minerals (Private) Limited and Pakistan International Oil Limited.

With over 30 years of national and international experience, Mr. Rehman has held a range of senior leadership roles across finance and corporate functions. He began his PPL career in 2009 as Chief Accountant in the Finance

Department and subsequently served as Manager Treasury Operations, Senior Manager Finance and Senior Manager Corporate Planning. He assumed charge as CFO in 2020 and was promoted to Deputy Managing Director / CFO on April 27, 2022.

Before joining PPL, Mr. Rehman worked with several reputable organizations, including Ernst & Young Ford Rhodes Sidat Hyder, Umer Group of Companies, ORIX Leasing Pakistan Limited, State Street Fund Services Toronto, Inc. and Bank of Montreal. His career has provided him with broad exposure across Pakistan, Canada and Egypt.

Mr. Rehman is a Fellow Member of the Institute of Chartered Accountants of Pakistan, a Certified Public Accountant from the Institute of Chartered Accountants of Ontario, Canada, and an Associate Member of the Institute of Cost and Management Accountants of Pakistan.

He has attended numerous national and international training programs covering leadership, strategy, International Financial Reporting Standards, taxation and risk assessment.



MR. ABDUL GHANI DADABHOY
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Mr. Abdul Ghani Dadabhoy was elected to the Board of Directors on 15 September 2026. He chairs the Board Procurement Committee and is a member of the Board Audit Committee, Board Strategy & Finance Committee, and Board Nomination Committee.

Mr. Dadabhoy brings more than two decades of experience in private equity, investment management, and real estate development. He serves as Chief Executive Officer of Shields REIT Management Company Limited, a REIT management company overseeing REIT, private equity, and venture capital funds, with assets exceeding PKR 20 billion under development and management.

He also serves as Chief Executive Officer of Dadabhoy Investments (Private) Limited and as a director of Shields (Private) Limited, the holding company of the Dadabhoy Group, which holds investments exceeding US\$200 million across real estate, healthcare, education, and media.

Mr. Dadabhoy also serves as an independent director on the boards of Nadra Technologies (Private) Limited, National Power Parks Management Company Limited, and Balochistan Minerals Resources Company Limited, serving on their finance, audit, and procurement committees. He is a director of the Dadabhoy Foundation and serves as the Honorary Consul of the Republic of Lithuania in Karachi.

He holds a Bachelor of Finance from the Institute of Business Management, Karachi, and an MBA from Saïd Business School, University of Oxford. He has also completed executive programs at the London School of Economics and attended the National Security Workshop at the National Defence University.



MR. DAWOOD MUHAMMAD BAREACH
INDEPENDENT, NON-EXECUTIVE DIRECTOR

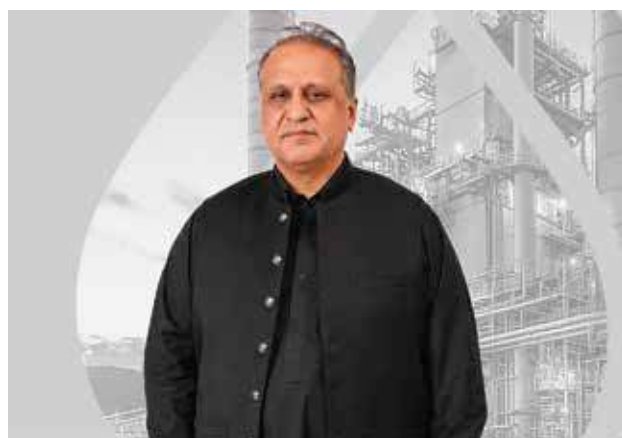
Mr. Dawood Muhammad Bareach was elected to the Board of Directors on 15 September 2026. He chairs the Board Audit Committee and the Board Enterprise Risk Committee, and is a member of the Board Strategy & Finance Committee and the Board Environmental, Social & Governance Committee.

Mr. Bareach is a senior development professional with over 30 years of experience in governance, public policy, development management and poverty alleviation. His career spans district, provincial, federal and international levels, including a senior role with UNDP, providing broad operational and strategic exposure. He has led large cross-functional teams, strengthened institutional capacity, delivered multi-sector development programs, managed significant public investment portfolios and engaged with multilateral and bilateral donors, including ADB, EU, World Bank, UNDP and WFP. He is recognized for sound decision-making, strategic planning and practical problem-solving.

He retired as Special Secretary, Ministry of Interior and Narcotics Control, Government of Pakistan, in June 2026. Previously, he served as Chief Secretary, Government of Azad Jammu & Kashmir; Additional Secretary (Development), Ministry of Planning, Development & Special Initiatives, Government of Pakistan; Additional Chief Secretary (Development),

Government of Balochistan; Director General (Administration) and Director General, National Institute of Management / National School of Public Policy, Lahore; Additional Secretary, Ministry of Religious Affairs and Interfaith Harmony, Government of Pakistan; Secretary, Industries, Commerce and Investment Department, Government of Punjab; Special Secretary, Local Government & Community Development Department, Government of Punjab; Special Secretary, Health Department, Government of Punjab; Additional Secretary (Development), Education Department, Government of Balochistan; and National Programme Manager, Area Development Programme Balochistan, United Nations Development Programme (UNDP). Earlier in his career, he served as Deputy Commissioner and Assistant Commissioner.

He holds a master's degree in Education and Development from the University of East Anglia, United Kingdom, awarded in 2005, and a Bachelor of Engineering degree from NED University of Engineering and Technology, Karachi, awarded in 1989.



MR. IKRAMULLAH KHAN
NON-EXECUTIVE DIRECTOR

Mr. Ikramullah Khan was elected as a member of the Board of Directors on 15 September 2026. He is a member of the Board Audit Committee, Board Procurement Committee and Board Environmental, Social and Governance Committee.

Mr. Khan is a senior bureaucrat with more than 26 years of proven experience in public administration. He has demonstrated expertise in leading change management initiatives and introducing public policy reforms, with a focus on improving governance in the public sector.

He is currently serving as Additional Chief Secretary, Home and Tribal Affairs Department, Khyber Pakhtunkhwa (KPK). Previously, he served as Additional Chief Secretary, Planning and Development Department, KPK; Senior Member Board of Revenue; Secretary, Finance Department, KPK; Secretary, Home and Tribal Affairs Department, KPK; Additional Secretary, Industries, KPK; Political Agent (District Head), Kurram Tribal District, KPK; Director General, FATA Disaster Management Authority, KPK; Project Director, Independent Monitoring Unit, Elementary and Secondary Education Department, KPK; District Coordination Officer (District Head), Layyah District, Punjab; Managing Director, Cholistan Development Authority, Punjab; and Justice Sector Reform Specialist, Pakistan Resident Mission, Asian Development Bank, Islamabad, in addition to holding various positions during his early career.

He is also a director on the boards of Khyber Pakhtunkhwa Oil and Gas Company Limited and Khyber Pakhtunkhwa Minerals Development and Management Company Limited.

Mr. Khan holds a Master of Science in International Relations from Quaid-i-Azam University and a Bachelor of Arts from the University of Peshawar.



MR. LAEEQ AHMED
INDEPENDENT, NON-EXECUTIVE
DIRECTOR

Mr. Laeeq Ahmed was elected to the Board of Directors on 15 September 2026. He chairs the Board Nomination Committee and serves as a member of the Board Audit Committee, Board Strategy & Finance Committee, Board Human Resource Committee and Board Procurement Committee.

Mr. Ahmed has over three decades of public-sector experience in Pakistan. His expertise includes strategy and policy development for energy, renewable energy, hydropower and surface-water treatment; infrastructure financing; business development; international investor and contractor relations; and the structuring of public-private partnerships, divestitures and greenfield transactions.

Since 1989, he has served as Chief Executive Officer of Olympus International (Private) Limited, where he provides project development and advisory services to local and foreign investors in the energy sector.

Mr. Ahmed holds an MBA from the Wharton School, University of Pennsylvania, USA, and a Bachelor of Arts in Economics and Political Science from Forman Christian College, University of the Punjab.

He has served on the boards of several governmental, corporate and professional organizations, contributing to economic policy, the integration of social protection into national business transactions, and enterprise productivity and competitiveness. His previous board roles include the Privatization Commission, Dancom Pakistan (Private) Limited, Oil & Gas Development Company Limited, Pakistan National Council of the Arts, and National Transmission and Despatch Company Limited. He has also chaired the Business Support Council and is a member of the Lahore Chamber of Commerce and Industry.

Mr. Ahmed is certified by the Securities and Exchange Commission of Pakistan under the SOE Directors Training Programme. He has also attended national and international training courses, including the Salzburg Seminar program on 'Negotiation Theory and Practice' in business and trade disputes, conducted in association with Harvard Law School in Salzburg, Austria.



MR. MOHAMMAD IRFAN SIDDIQUI
INDEPENDENT, NON-EXECUTIVE
DIRECTOR

Mr. Mohammad Irfan Siddiqui was elected as a member of the Board of Directors on 15 September 2026. He chairs the Board Strategy & Finance Committee and is a member of the Board Human Resource Committee, Board Procurement Committee and Board Enterprise Risk Committee.

Mr. Siddiqui is a seasoned entrepreneurial executive and oil and gas professional with over 30 years of international industry experience. He has managed oil and gas operations across 12 countries, working in diverse cultural, operational and technical environments across the USA, Middle East, Africa and the Far East.

He brings a distinctive end-to-end industry perspective gained through senior leadership roles with leading global oilfield service companies, E&P operators and government institutions. His career includes serving as Country Manager, Halliburton Pakistan (2015–2021); Country Manager, Pressure Pumping Services, and Business Development Manager for Saudi Arabia, Kuwait, Qatar and Bahrain at Baker Hughes (2011–2015); and Technical Advisor at Citadel Group, Egypt (2010–2011). Prior to this, he spent 20 years with Schlumberger in a range of local and international roles, including senior assignments in East Africa, the East Mediterranean, Pakistan, Indonesia and the USA.

Mr. Siddiqui has led multidisciplinary teams on major oil and gas initiatives, including Saudi Aramco's first unconventional oil and gas project, and has contributed to mature-field revitalization initiatives in Egypt, Indonesia, the USA and Kuwait.

His broad expertise spans operations and management, business development, start-ups and turnarounds, unconventional resources including shale and tight gas, onshore and offshore operations, renewable and alternative energy solutions, human resource development, sales and marketing, contracting and negotiations. Throughout his career, he has built strong senior-level relationships with major international oilfield service companies and E&P operators.

Since March 2025, Mr. Siddiqui has been working with the Ministry of Planning and Special Initiatives on energy-sector matters, focusing on diversifying the energy mix, reducing environmental impact, and increasing domestic production to enhance energy security and affordability. He led the team that formulated Pakistan's Green Hydrogen Policy, with particular emphasis on green ammonia and leveraging the country's renewable energy potential.

He also served on the consultative group for the UN ESCAP mission on the Analysis of Pakistan's Energy Transition and Investment Plan, which culminated in a finalized draft report containing key policy recommendations to strengthen the energy sector. More recently, he served as a member of the "Low Offtake of Domestic Refineries and Associated Impact" committee constituted by the Prime Minister of Pakistan.

Throughout his career, Mr. Siddiqui has received multiple Presidential Gold and Silver Awards, as well as outstanding sales achievement awards across several international assignments.

Mr. Siddiqui holds a bachelor's degree in Petroleum Engineering from UET Lahore and a master's degree in Petroleum Engineering from the University of Texas at Austin, USA, where he completed 32 hours of graduate coursework. He has also completed leadership training at Texas A&M University, along with specialized training in operations, finance, sales and marketing in the USA, UK, UAE, Malaysia, Indonesia and Thailand.



**MR. MIRZA NASIR-UD-DIN
MASHHOOD AHMAD**
NON-EXECUTIVE DIRECTOR

Mr. Mirza Nasir-ud-Din Mashhood Ahmad was re-elected to the Board of Directors on 15 September 2026. He is a member of the Board Human Resource Committee, Board Strategy & Finance Committee and Board Procurement Committee.

He is a senior civil servant and public policy professional with more than three decades of experience in governance, human development, administrative reform, human rights and public sector management.

He currently serves as Special Secretary, Petroleum Division, Ministry of Energy, Government of Pakistan. During his career, he has held several senior leadership positions, including Special Secretary, Ministry of National Health Services, Regulations and Coordination; Special Secretary and Additional Secretary, Establishment Division; Chairman, Central Board of Film Censors; and Director General, National Commission for Human Development.

Mr. Ahmad holds a master's degree in International Human Rights Law from the University of Essex, United Kingdom, which he completed as a British Council Chevening Scholar, and a master's degree in International Relations from the University of Peshawar. His academic areas of focus include economic, social and cultural rights, refugee law, child law and peacekeeping.

His professional development includes a Postgraduate Diploma in Women's Law from the Human Rights Studies Centre, Faculty of Law, University of Peshawar; completion of the Common Training Programme at the Civil Services Academy of Pakistan; the National Security and War Course at the National Defence University, Islamabad; and the Senior Management Course at the National School of Public Policy, Lahore. He has also undertaken international management training in Australia.

In addition to serving on the Board of PPL, he also serves on the Board of Pakistan State Oil Company Limited as a representative of the Government of Pakistan.



MR. QUMAR SARWAR ABBASI
NON-EXECUTIVE DIRECTOR

Mr. Kumar Sarwar Abbasi was re-elected as a member of the Board of Directors on 15 September 2026. He is a member of the Board Audit Committee, the Board Environmental, Social and Governance Committee, and the Board Nomination Committee.

Mr. Abbasi joined the Civil Services in 1994 through the 22nd Common Training Programme. He is currently serving as Additional Finance Secretary, Corporate Division, Ministry of Finance, Government of Pakistan. During his civil service career, Mr. Abbasi has held various positions in federal ministries and organizations, including Additional Secretary (HRM), Corporate Division, Ministry of Finance; Executive Director Operations, CPEC Authority; and Senior Joint Secretary, Ministry of Planning, Development and Special Initiatives. He has also served as Joint Secretary in the Ministry of Finance (Economic Affairs Division) and the National Assembly, and as Joint Secretary to the Cabinet, World Bank-China Debt Management and Public Accounts Committee.

He completed his Master of Arts in Development Administration and Management from the Institute for Development Policy and Management, University of Manchester, UK. He also holds a Master of Arts degree in International Relations from the University of Peshawar.

Mr. Abbasi is also serving on the boards of Pakistan National Shipping Corporation, Saindak Metals Limited, Exim Bank Pakistan, and Saudi Pak Industrial & Agricultural Investment Company.



MS. SADIA KHAN
INDEPENDENT, NON-EXECUTIVE
DIRECTOR

Ms. Sadia Khan was elected as a member of the Board of Directors on 15 September 2026. She is the Chairperson of the Board Human Resource Committee and a member of the Board Strategy & Finance Committee and the Board Environmental, Social & Governance Committee.

Ms. Sadia is a seasoned fintech executive with nearly 25 years of industry experience, primarily in product development and technology. She has spent 15 years in senior executive and board-level roles, with extensive experience in building and scaling technology businesses serving the financial services sector.

Ms. Sadia served for two decades at AutoSoft Dynamics, a Pakistan-based product company, where she held senior leadership positions before serving as CEO from 2017 to 2022. During her tenure, she led the company's growth and expansion, strengthened its products and operations, and helped build a client base across Pakistan, Bahrain, Afghanistan, Zambia and South Sudan.

She also oversaw major core banking and lending system migrations for Faysal Bank, Al Baraka Bank and Sindh Bank, as well as mobile wallet and treasury system implementations across several banks.

In 2022, Ms. Sadia led AutoSoft's acquisition by Contour Software (Private) Limited, a subsidiary of Constellation Software Inc. (CSI), a publicly traded company on the Toronto Stock Exchange, marking its first acquisition in Pakistan.

Ms. Sadia holds a bachelor's degree in Computer Sciences from Rutgers, The State University of New Jersey, USA.

She serves on the boards of several corporate and development organizations, including Faysal Bank Limited, Kashf Foundation, Naseeb Networks, Naseeb Online Service (Private) Limited and Nur International University.



MR. SHAKEEL QADIR KHAN
NON-EXECUTIVE DIRECTOR

Mr. Shakeel Qadir Khan was re-elected as a member of the Board of Directors on 15 September 2026. He is a member of the Board Enterprise Risk Committee and the Board Nomination Committee.

He joined the Pakistan Administrative Service in 1998. In the early years of his career, Mr. Khan served in Shangla, Swat, Mohmand and Khyber Agency, and later held key positions including Chief Economist, DCO Mansehra, Political Agent Bajaur and Director General, Provincial Disaster Management Authority, Khyber Pakhtunkhwa.

At the senior level, he served as Secretary for Law and Order, and Planning and Development departments in FATA, as well as in the Planning and Development, Home and Tribal Affairs, and Finance departments of Khyber Pakhtunkhwa. He has also served as Chairman, Balochistan Development Authority; Additional Chief Secretary, Khyber Pakhtunkhwa; Chief Secretary, Azad Jammu and Kashmir; and Additional Secretary, Power Division. He is currently serving as Chief Secretary, Balochistan.

Mr. Khan holds a Bachelor's degree in Electrical Engineering and a Postgraduate Diploma in Financial Services from the University of Surrey, UK. He is also an alumnus of Bucerius Law School, Hamburg, and a graduate of the National Institute of Management, Lahore, and the National Defence University. He has represented Pakistan at various forums in Europe, the Middle East, the USA, Southeast Asia and South Asia.

During his diverse and multifaceted career, Mr. Khan has gained extensive experience in financial management, disaster management, institutional development, planning and development, social service delivery and security-related matters.

He is a member of the boards of directors of Oil & Gas Development Company Limited, Reko-Diq Holdings Limited, Reko-Diq Investment Limited and Reko-Diq Mining Company (Private) Limited. He has previously served on the boards of National Transmission and Dispatch Company, Genco Holding Company Limited, Sui Southern Gas Company Limited, Power Information Technology Company and Power Planning and Monitoring Company, and also served as Chairman of the Board of Directors of the Bank of Khyber.



BOARD COMMITTEES

The Board has formed the following Committees:

- Board Audit Committee
- Board Human Resource Committee
- Board Strategy and Finance Committee
- Board Enterprise Risk Committee
- Board Procurement Committee
- Board Nomination Committee
- Board Environmental, Social & Governance Committee

The compositions, roles and responsibilities of the Board Committees are set out in the Terms of Reference of the respective Committees.

BOARD AUDIT COMMITTEE

COMPOSITION

The Board Audit Committee is comprised of:

- | | |
|-------------------------------|-------------|
| • Mr. Dawood Muhammad Bareach | – Chairman |
| • Mr. Abdul Ghani Dadabhoy | – Member |
| • Mr. Ikramullah Khan | – Member |
| • Mr. Laeeq Ahmed | – Member |
| • Mr. Kumar Sarwar Abbasi | – Member |
| • Head of Internal Audit | – Secretary |

TERMS OF REFERENCE

The Terms of Reference of the Board Audit Committee include:

- (i) Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.
- (ii) Discussion of major observations with the external auditors arising from interim review and final audit of financial statements, review of the management letter issued by the external auditors and the management’s response thereto.
- (iii) Review of the scope and extent of the internal audits ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- (iv) Recommendation of the appointment of external auditors and any questions of resignation or removal of the external auditors, audit fees and the provision by the external auditors of any service to the Company in addition to the audit of the Company’s financial statements.
- (v) Ascertainment of the adequacy and effectiveness of the internal control system including financial and operational controls, accounting system, and reporting structure.
- (vi) Determination of compliance with statutory requirements and monitoring compliance with the best practices of corporate governance.
- (vii) Institute special projects, value for money studies or other investigations of any matters directed by the Board of Directors.
- (viii) Overseeing whistle-blowing policy and protection mechanism.

Seven meetings of the Board Audit Committee were held during the year.

BOARD HUMAN RESOURCE COMMITTEE

COMPOSITION

The Board Human Resource Committee is comprised of:

• Ms. Sadia Khan	– Chairperson
• Mr. Laeeq Ahmed	– Member
• Mr. Mirza Nasir-Ud-Din Mashhood Ahmad	– Member
• Mr. Mohammad Irfan Siddiqui	– Member
• Mr. Mohammad Khalid Abdul Rehman	– Member
• Mr. Ali Jaffar	– Secretary

TERMS OF REFERENCE

The Committee is responsible for the effective governance of the matters relating to Human Resource management by ensuring the establishment of appropriate human resource management strategies, policies and practices that are aligned with the organisation’s Vision and Mission.

The Terms of Reference of the Board Human Resource Committee include:

- (i) Ensure applicability of Human Resource Management policies to the entire workforce, including recruitment, training, performance management, succession planning, and compensation philosophy.
- (ii) Selection, evaluation, compensation (including retirement benefits) and Succession Planning of the CEO.
- (iii) Selection, evaluation, compensation (including retirement benefits) of COO, DMDs, CFO, Company Secretary and the Head of Internal Audit.

Twelve meetings of the Board Human Resource Committee were held during the year.

BOARD STRATEGY AND FINANCE COMMITTEE

COMPOSITION

The Board Strategy and Finance Committee is comprised of:

• Mr. Mohammad Irfan Siddiqui	– Chairman
• Mr. Abdul Ghani Dadabhoy	– Member
• Mr. Dawood Muhammad Bareach	– Member
• Mr. Laeeq Ahmed	– Member
• Mr. Mirza Nasir-Ud-Din Mashhood Ahmad	– Member
• Ms. Sadia Khan	– Member
• Mr. Shahid Khan	– Member
• Mr. Ali Jaffar	– Secretary

TERMS OF REFERENCE

The primary purpose of the Board Strategy and Finance Committee is to oversee the implementation of the Company’s strategy, monitor progress of the delivery of operational targets and to assist the Board in fulfilling its responsibilities with respect to the monitoring and oversight of the Company’s financial resources in line with its strategies.

The Terms of Reference of the Board Strategy and Finance Committee include:

- (i) Examination and recommendations to the Board in respect of the:
 - Long-Term Strategic Vision and Plan of the Company.
 - The Annual Strategic Plan for the Company and its alignment with the Long-Term Plan.

- Updates on execution of the Annual Strategic Plan.
- Updates on the Company’s petroleum exploration operations in respect of: selection of new domestic areas, farm-ins and farm-outs, surrender of licenses and relinquished areas.
- Development of existing, as well as, new petroleum discoveries.
- Development of non-petroleum businesses, and consideration of new ventures not in the Company’s traditional business stream and updates on the Company’s subsidiaries PPLA and PPLE.
- (ii) Review of the Company’s overall performance on the Annual Strategy Plan by monitoring its Key Performance Indicators (KPIs) on a quarterly basis.
- (iii) Review of data, benchmarking the Company’s operational performance and costs against competitors on a bi-annual basis.
- (iv) Review and evaluation of propositions relating to investments in operational assets and businesses or entering into partnerships or joint ventures with other parties for the purpose of business expansion.
- (v) Evaluation and recommendation of the Annual Operating and Capital Budget.
- (vi) Review of policies relating to financial matters.
- (vii) Review of the financial position of the Company and its operational segments periodically.
- (viii) Periodic performance evaluation of utilization of operating and capital budgets.
- (ix) Analysis and evaluation of matters relating to treasury function.
- (x) Review of the Company’s borrowing plans and recommendations to the Board for approval after assessing credit, long term loan facilities and working capital requirements.
- (xi) Evaluation of proposals regarding enlistment and approval for addition or deletion of banks in the Company’s approved panel of banks.
- (xii) Review of major litigation, claims or other contingencies, whether secured or unsecured, that could have a material effect on the Company’s financial position or operating results.
- (xiii) Review of major financial commitments and approvals required by the Board.

Four meetings of the Board Strategy and Finance Committee were held during the year.

BOARD ENTERPRISE RISK COMMITTEE

COMPOSITION

The Board Enterprise Risk Committee is comprised of:

• Mr. Dawood Muhammad Bareach	– Chairman
• Mr. Mohammad Irfan Siddiqui	– Member
• Mr. Mohammad Khalid Abdul Rehman	– Member
• Mr. Shahid Khan	– Member
• Mr. Shakeel Qadir Khan	– Member
• Mr. Ali Jaffar	– Secretary

TERMS OF REFERENCE

The Board Enterprise Risk Committee advises the Board on the Company’s overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments that may be relevant for the Company’s risk policies.

The Terms of Reference of the Board Enterprise Risk Committee include:

- (i) Monitor organisation’s risk profile;
- (ii) In relation to risk assessment:
 - Review the risk management infrastructure and the critical risk management policies adopted by the Company.
 - Review regularly and approve the parameters used in risk management measures and the methodology adopted.
 - Set a standard for accurate and timely monitoring of large exposures and certain types of risks of critical importance.

- (iii) Oversee that the executive team has identified and assessed all the risks and established risk management infrastructure to address them.
- (iv) Define risk review activities regarding decisions, initiatives, transactions and exposures.
- (v) Understand and approve the management's definition of risk related reports regarding the full range of risks as well as their form and frequency.
- (vi) Review and assess the effectiveness of the Company's Enterprise Risk Management processes and recommend improvements.

One meeting of the Board Enterprise Risk Committee was held during the year.

BOARD PROCUREMENT COMMITTEE

COMPOSITION

The Board Procurement Committee is comprised of:

• Mr. Abdul Ghani Dadabhoy	– Chairman
• Mr. Ikramullah Khan	– Member
• Mr. Laeeq Ahmed	– Member
• Mr. Mirza Nasir-Ud-Din Mashhood Ahmad	– Member
• Mr. Mohammad Irfan Siddiqui	– Member
• Mr. Ali Jaffar	– Secretary

TERMS OF REFERENCE

The Board Procurement Committee ensures transparency in procurement transactions brought before the Committee and compliance with the provisions of the Public Procurement Regulatory Authority (PPRA) Rules.

The Terms of Reference of the Board Procurement Committee include:

- (i) Serve as an advisory forum to suggest measures to streamline and simplify the procurement of goods and services.
- (ii) Review special cases of procurement referred by the Procurement Committee of the management for seeking the directives of the Committee.
- (iii) Identify, review and approve new and innovative procurement practices and strategies to strengthen, streamline and speed-up the procurement process and ensure that the procurement process achieves value for money in delivering the corporate strategy and strategic priorities.
- (iv) Review the Company's policies and procedures for the procurement of goods, services and works and recommend changes for improvement thereof.
- (v) Review and approve awards of high value Engineering Procurement and Construction (EPC) Contracts and Original Equipment Manufacturer (OEM) Procurement Contracts.
- (vi) Review (a) the annual procurement plan (b) any changes to financial authorities relating to procurement and (c) any updates and changes made in the Company's Procurement Manual.

Nine meetings of the Board Procurement Committee were held during the year.

BOARD NOMINATION COMMITTEE

COMPOSITION

The Board Nomination Committee is comprised of:

• Mr. Laeeq Ahmed	– Chairman
• Mr. Abdul Ghani Dadabhoy	– Member
• Mr. Kumar Sarwar Abbasi	– Member
• Mr. Shahid Khan	– Member
• Mr. Shakeel Qadir Khan	– Member
• Mr. Ali Jaffar	– Secretary

TERMS OF REFERENCE

The Committee identifies and recommends candidates for the Board for the consideration of the shareholders after examining their skills and characteristics that are needed in such candidates.

The Terms of Reference of the Board Nomination Committee include:

- (i) Evaluate balance of executive and non-executive directors including independent directors and those representing minority interests with requisite range of skills, competencies, knowledge, experience and approach so that the Board as a group includes core competencies and diversity, considered relevant in the context of the Company's operations.
- (ii) Consider candidates on merit with due regard for benefits of diversity on the Board taking care that appointees have enough time available to devote to their positions.
- (iii) Identify and nominate candidates for filling vacancies as and when they arise.
- (iv) Oversee the development and implementation of a board induction process for new directors and a program of continuing director development as needed.

One meeting of the Board Nomination Committee was held during the year.

BOARD ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

COMPOSITION

The Board Environmental, Social & Governance (ESG) Committee is comprised of:

• Mr. Shahid Khan	– Chairman
• Mr. Dawood Muhammad Bareach	– Member
• Mr. Ikramullah Khan	– Member
• Mr. Kumar Sarwar Abbasi	– Member
• Ms. Sadia Khan	– Member
• Mr. Ali Jaffar	– Secretary

TERMS OF REFERENCE

The Terms of Reference of the Board Environmental, Social & Governance Committee include:

- (i) To proactively understand and address the impacts of the Company's activities, principal and emerging sustainability risks and opportunities relevant to the Company and its business, assess their potential financial and operational effects and implement strategies for management and mitigation thereof.
- (ii) Ensure Diversity, Equity and Inclusion (DE&I) policies to encourage gender mainstreaming, gender equality and the participation of women on the board, management and workforce.
- (iii) Ensure Company's sustainability and DE&I related strategies, priorities and targets and periodic monitoring and review of performance thereon.
- (iv) Review sustainability strategies, policies, goals and targets with sector specific challenges and local perspective.
- (v) Monitor and assess Company's sustainability performance, including key performance indicators, benchmarks and targets.
- (vi) Monitor and assess effectiveness of internal controls in collecting ESG data, ensuring placement of appropriate management system to support the data's verifiability.
- (vii) Oversee and facilitate transparent communication of the Company's sustainability performance to stakeholders, especially investors.
- (viii) Promote ESG awareness and ensure ESG-related training opportunities to employees, management and the Board.
- (ix) Advise on management recommendations on the sustainability implications of major projects, investments and initiatives for effective decision making.
- (x) Report its findings, recommendations, and activities to the Board on a regular basis.

Two meetings of the Board Environmental, Social & Governance Committee were held during the year.



ATTENDANCE OF BOARD AND COMMITTEE MEETINGS AND FEE PAID TO DIRECTORS

FINANCIAL YEAR 2025-26

Name of Directors	Board of Directors			Board Human Resource Committee			Board Strategy & Finance Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	✓	16	16	✓	12	12	✓	4	4
Mian Imtiazuddin	✓	16	16	-	-	-	✓	4	4
Mr. Shahab Rizvi	✓	16	16	✓	12	12	✓	4	4
Mr. Imtiaz Ahmed Hussain Laliwala	✓	16	16	-	-	-	-	-	-
Mr. Aftab Ahmad	✓	16	16	✓	12	12	✓	4	4
Mr. Shakeel Qadir Khan	✓	16	11	-	-	-	-	-	-
Mr. Kumar Sarwar Abbasi	✓	16	12	-	-	-	-	-	-
Mr. Zafar Abbas	✓	10	10	-	-	-	-	-	-
Mr. Imran Ahmed	✓	8	7	✓	9	9	✓	2	2
Mr. Nasir-ud-Din Mashhood Ahmad	✓	7	6	✓	3	3	✓	2	2
Mr. Usman Ahmed Chaudhry	✓	6	6	-	-	-	-	-	-
Mr. Mohammad Khalid Abdul Rehman	✓	6	6	✓	3	3	✓	2	2
Mr. Sikandar Ali Memon	✓	3	3	✓	5	5	✓	2	2
Mr. Imran Abbasy	✓	4	4	✓	2	2	✓	-	-

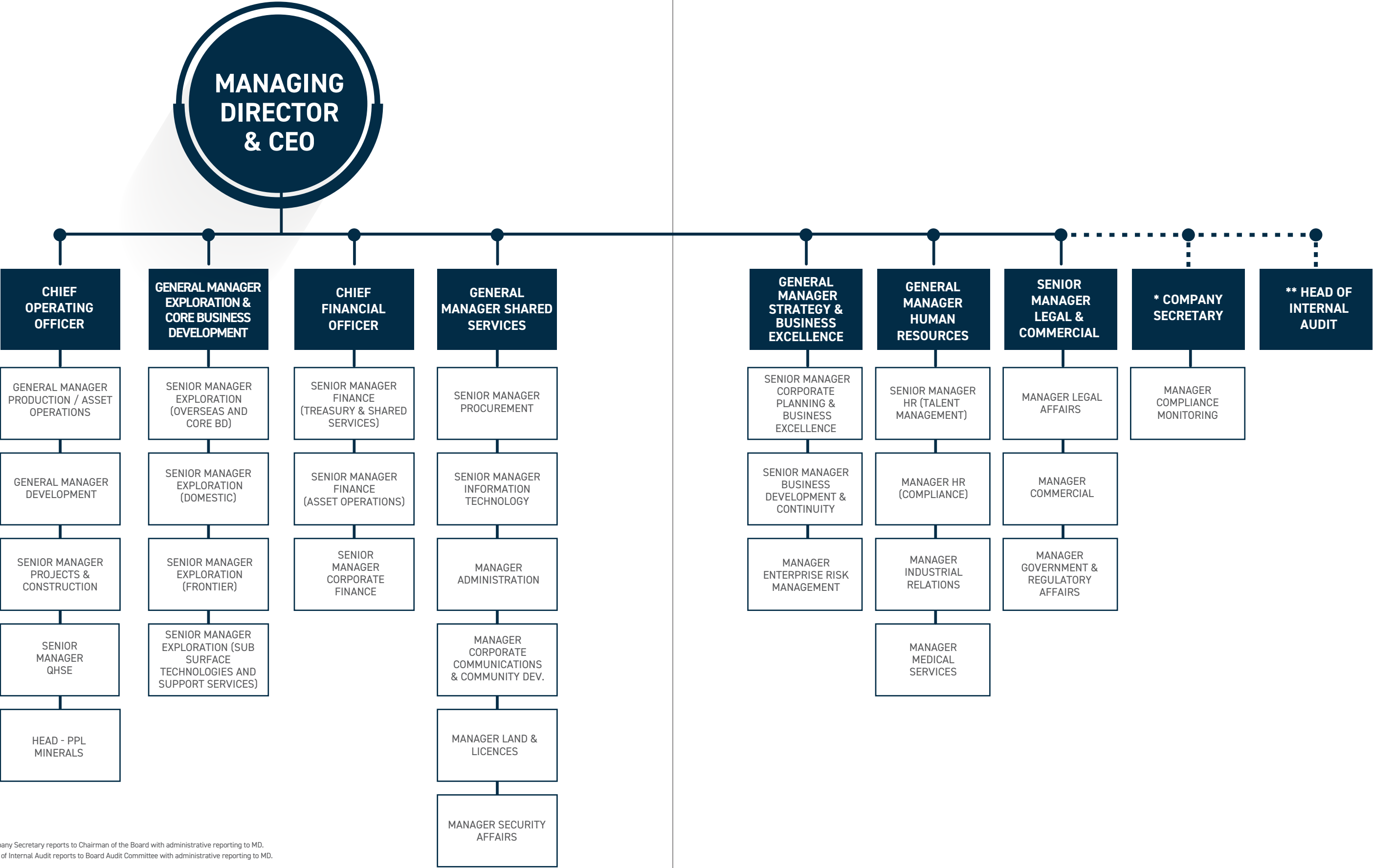
Name of Directors	Board Procurement Committee			Board Enterprise Risk Committee			Board Audit Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	-	-	-	✓	-	-	-	-	-
Mian Imtiazuddin	✓	9	9	✓	1	1	✓	7	7
Mr. Shahab Rizvi	✓	9	9	✓	1	1	-	-	-
Mr. Imtiaz Ahmed Hussain Laliwala	✓	9	9	✓	1	1	✓	7	7
Mr. Aftab Ahmad	-	-	-	✓	1	1	✓	7	7
Mr. Shakeel Qadir Khan	✓	9	4	✓	1	1	-	-	-
Mr. Kumar Sarwar Abbasi	-	-	-	-	-	-	✓	7	7
Mr. Zafar Abbas	✓	6	6	-	-	-	✓	4	4
Mr. Imran Ahmed	-	-	-	-	-	-	-	-	-
Mr. Nasir-ud-Din Mashhood Ahmad	-	-	-	-	-	-	-	-	-
Mr. Usman Ahmed Chaudhry	✓	3	2	-	-	-	✓	3	3
Mr. Mohammad Khalid Abdul Rehman	-	-	-	-	-	-	-	-	-
Mr. Sikandar Ali Memon	-	-	-	-	-	-	-	-	-
Mr. Imran Abbasy	-	-	-	-	-	-	-	-	-

Name of Directors	Board Nomination Committee			Extraordinary General Meeting			Annual General Meeting		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	✓	1	1	✓	1	1	✓	1	1
Mian Imtiazuddin	-	-	-	✓	1	1	✓	1	1
Mr. Shahab Rizvi	-	-	-	✓	1	1	✓	1	1
Mr. Imtiaz Ahmed Hussain Laliwala	✓	1	1	✓	1	1	✓	1	1
Mr. Aftab Ahmad	-	-	-	✓	1	1	✓	1	1
Mr. Shakeel Qadir Khan	✓	1	1	✓	1	-	✓	1	-
Mr. Kumar Sarwar Abbasi	✓	1	1	✓	1	1	✓	1	1
Mr. Zafar Abbas	-	-	-	✓	1	1	✓	1	1
Mr. Imran Ahmed	-	-	-	✓	1	1	✓	1	1
Mr. Nasir-ud-Din Mashhood Ahmad	-	-	-	-	-	-	-	-	-
Mr. Usman Ahmed Chaudhry	-	-	-	-	-	-	-	-	-
Mr. Mohammad Khalid Abdul Rehman	-	-	-	-	-	-	-	-	-
Mr. Sikandar Ali Memon	-	-	-	-	-	-	✓	1	1
Mr. Imran Abbasy	-	-	-	✓	1	1	-	-	-

Name of Directors	Board ESG Committee			Board Oversight Committee			Fee Paid to the Directors (Rs.)
	Members	Meetings	Attendance	Members	Meetings	Attendance	
Mr. Abid Sattar	✓	2	2	-	-	-	8,800,000
Mian Imtiazuddin	✓	2	2	✓	8	8	11,275,000
Mr. Shahab Rizvi	✓	2	2	✓	8	8	14,300,000
Mr. Imtiaz Ahmed Hussain Laliwala	-	-	-	✓	8	8	11,275,000
Mr. Aftab Ahmad	✓	2	2	-	-	-	10,450,000
Mr. Shakeel Qadir Khan	✓	2	2	-	-	-	4,125,000
Mr. Kumar Sarwar Abbasi	✓	2	1	-	-	-	6,050,000
Mr. Zafar Abbas	-	-	-	-	-	-	7,425,000
Mr. Imran Ahmed	-	-	-	-	-	-	5,500,000
Mr. Nasir-ud-Din Mashhood Ahmad	-	-	-	-	-	-	2,200,000
Mr. Usman Ahmed Chaudhry	-	-	-	-	-	-	1,925,000
Mr. Mohammad Khalid Abdul Rehman	✓	1	1	✓	4	4	-
Mr. Sikandar Ali Memon	-	-	-	✓	2	1	-
Mr. Imran Abbasy	-	-	-	✓	2	2	-

Notes:
1. Meetings indicate those held during the period when the concerned director served on the Board.
2. Mr. Mohammad Khalid Abdul Rehman, the current MD/CEO, and former MD/CEOs, Mr. Imran Abbasy and Mr. Sikandar Ali Memon, did not receive director's fee from the Company.

OUR PILLARS OF STRENGTH



* Company Secretary reports to Chairman of the Board with administrative reporting to MD.
** Head of Internal Audit reports to Board Audit Committee with administrative reporting to MD.

EXECUTIVE COMMITTEE



MOHAMMAD KHALID ABDUL REHMAN
Managing Director & CEO



ABDUL MALIK KAKAR
General Manager Production / Asset Operation



AJAZ AHMAD KHAN
General Manager Shared Services



ALI JAFFAR
Company Secretary



ARSHAD HUSSAIN PALEKAR
General Manager Exploration &
Core Business Development



MUHAMMAD NAUMAN YOUNAS
General Manager Strategy and Business Excellence



ADEEL RAHMANI
Head of Human Resources



MUHAMMAD MUBBASSHAR SIDDIQUE
Chief Financial Officer



SHANZA BAIG
Head of Legal & Commercial



SYED SHARIQ ALI HASHMI
Head of Development

INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

PPL's Annual Report 2026 has been prepared keeping in view the principles of the International Integrated Reporting <IR> Framework, highlighting the connectivity among the Company's strategy, governance, performance, sustainability and value creation. This year, the Company has integrated its Sustainability Report into the Annual Report, bringing financial and sustainability-related information together in a single, connected report. It also includes the Company's sustainability-related financial disclosures prepared in accordance with the applicable IFRS Sustainability Disclosure Standards. The Report addresses all eight core content elements of the Framework and presents a holistic view of the Company's activities, performance, risks, opportunities and long-term value creation:

Organizational Overview and External Environment

This report outlines PPL's identity, principal activities and the broader environment in which it operates. It presents information on the Company's vision, mission, values, ownership structure and core oil and gas exploration and production operations, alongside its diversification efforts. It also discusses the external factors and market conditions that influence PPL's strategy and performance, providing stakeholders with an understanding of the context in which the Company conducts its business.

Governance

This report describes PPL's governance structure and practices, with emphasis on transparency, accountability and effective oversight. The Governance Framework section provides a clear view of the Board and Management Committees, while the Corporate Governance section in the Directors' Report covers the composition of the Board of Directors, and the respective roles and responsibilities of the Chairman, Chief Executive Officer and Board Committees. Relevant disclosures regarding compliance with applicable corporate governance frameworks are also included.

Business Model

The Business Model section provides a clear explanation of how the Company creates value by converting inputs such as financial, human and natural resources into outputs through its core

exploration and production activities. It also provides an overview of the Company's position within the value chain, its key business outputs, and its contribution to local indigenous oil and gas production. The report also includes information on tax contributions and corporate social responsibility initiatives.

Risks and Opportunities

The Risks & Opportunities section outlines the principal risks and emerging opportunities that may affect PPL's ability to create and sustain value. It discusses the potential implications of these matters for the Company's operations and resources, together with the measures and strategies adopted to manage and mitigate associated risks. In addition, the ESG Report highlights the Company's key climate-related risks and opportunities and their impact on its strategy, business model, operational performance, and financial outcomes.

Strategy and Resource Allocation

The Corporate Strategy & Resource Allocation Plan outlines the Company's long-term strategic direction and the approach adopted to achieve its objectives. It sets out PPL's key priorities, including arresting production decline, enhancing the reserves base, revitalizing exploration and appraisal activities, creating shareholder value and pursuing diversification opportunities.

Performance

The report provides detailed coverage of PPL's financial and operational performance, including asset-wise production and exploration work programs. It presents an analysis of revenue, profitability and the Company's contribution to the national economy, supported by key performance indicators, financial ratios and information on the Company's financial position and overall performance. The ESG Report provides a comprehensive overview of the Company's sustainability performance and disclosures, prepared in accordance with the GRI Standards

Outlook

The report provides an overview of PPL's future prospects and strategic direction. It includes forward-looking information relating to exploration, development and diversification initiatives, as well as the Company's key strategic priorities. It also reflects PPL's preparedness to respond to potential challenges and uncertainties while pursuing opportunities that support sustainable growth.

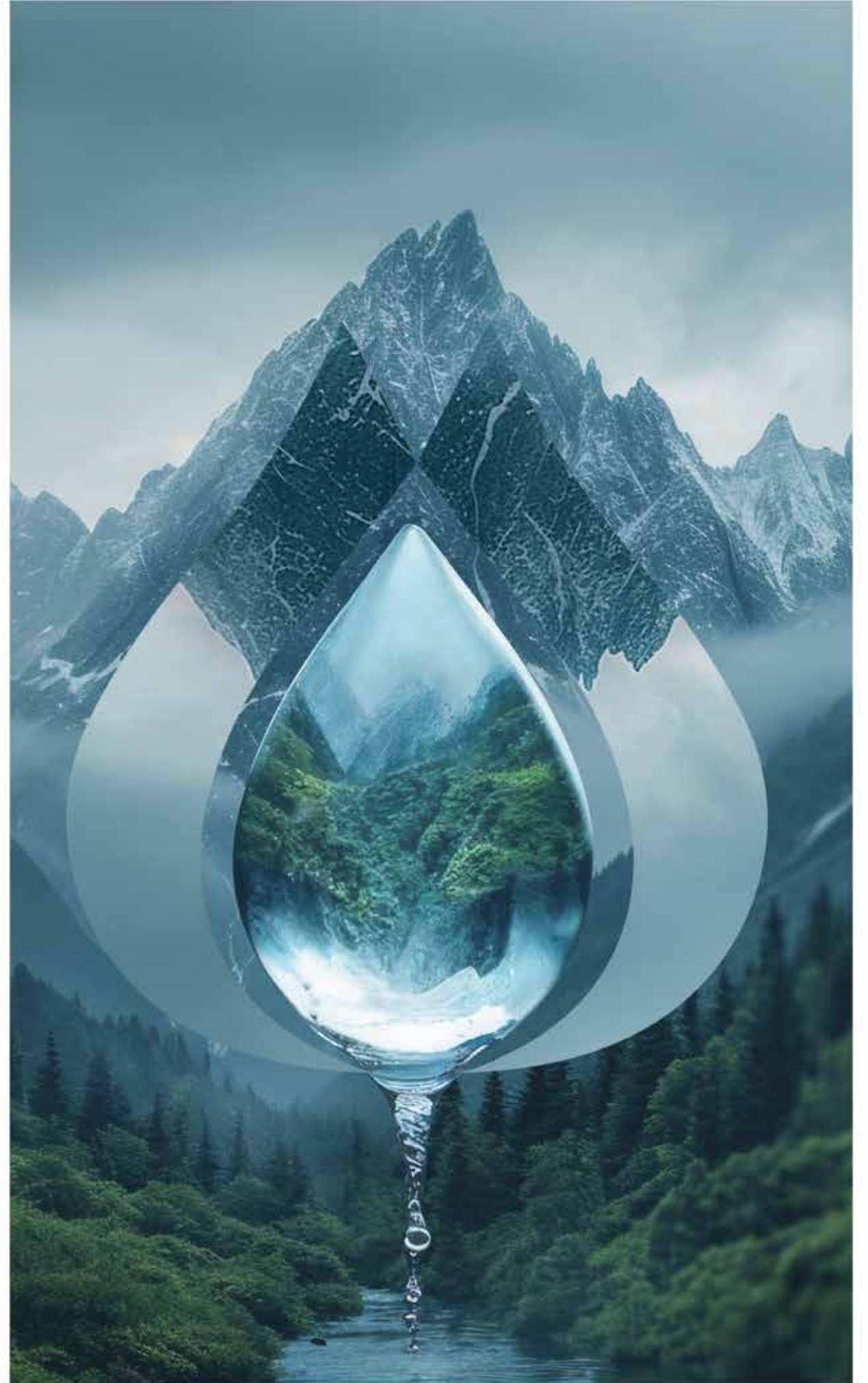
Basis of Preparation and Presentation

This Annual Report has been prepared with reference to the <IR> Framework issued by the IFRS Foundation. It combines financial, sustainability and other non-financial information to provide stakeholders with a concise, connected and comprehensive view of PPL's value-creation process. The Report incorporates sustainability-related disclosures prepared with reference to IFRS S1 and IFRS S2. It presents qualitative and quantitative information on matters considered material to the Company and that may significantly affect its ability to create value for stakeholders over the short, medium and long term.



THE FRONTIERS THAT INSPIRE US

The greatest opportunities often lie beyond the known. As PPL expands its horizons through strategic growth, offshore exploration and emerging resource opportunities, this chapter highlights the ambitions shaping our next frontier.



OUR PRESENCE

GROUP'S EXPLORATION, PRODUCTION AND MINING ASSETS

NAME OF FIELDS/BLOCKS		OPERATOR	OTHER PARTNERS	GROUP'S WORKING INTEREST % AS AT JUNE 30, 2026
PRODUCING FIELDS				
1	Adhi	PPL	OGDCL, POL	39.00%
2	Dhok Sultan (EWT Phase)	PPL	GHPL	75.00%
3	Gambat South	PPL	GHPL, AROL	65.00%
4	Hala	PPL	MEL	65.00%
5	Kandhkot	PPL	-	100.00%
6	Kandhkot East (Chachar)	PPL	GHPL	75.00%
7	Mazarani	PPL	GHPL	87.50%
8	Shah Bandar	PPL	MEL, GHPL, SEHCL	63.00%
9	Sui	PPL	-	100.00%
10	Block 22	PEL	PPL, GHPL, Pyramid	35.53%
11	Digri	UEPL	PPL	25.00%
12	Ghauri (Dharian EWT Phase)	MEL	PPL	35.00%
13	Kirthar	POGC	PPL	30.00%
14	Kotri North (Takri EWT Phase)	UEPL	PPL, AROL	40.00%
15	Latif	UEP-BETA	PPL, PGEL	33.30%
16	Miano	UEP-BETA	PPL, PGEL, OGDCL	15.16%
17	Nashpa	OGDCL	PPL, GHPL	28.55%
18	Qadirpur	OGDCL	PPL, KUFPEC, Al-Haj, PKPEL-2	7.00%
19	Sawan	UEP-BETA	PPL, PGEL, GHPL, PPL-E	34.07%
20	Tal	MOL	PPL, OGDCL, GHPL, POL	27.76%
21	Ziarat	MEL	PPL-E	40.00%
EXPLORATION BLOCKS				
1	Barkhan	PPL	PPL-E	100.00%
2	Baska	PPL	ZhenHua	82.50%
3	Bela West	PPL	MEL, GHPL	58.50%
4	Dhok Sultan	PPL	GHPL	75.00%
5	Gambat South	PPL	GHPL, AROL	65.00%
6	Hala	PPL	MEL	65.00%
7	Hisal	PPL	POL, AOC, GHPL	62.50%
8	Gambat-II	PPL	OGDCL	70.00%
9	Kalat	PPL	-	100.00%
10	Kalat South	PPL	OGDCL, MEL	40.00%
11	Kalat West	PPL	MEL, GHPL, BECL	47.50%
12	Kharan	PPL	-	100.00%
13	Kharan-East	PPL	-	100.00%
14	Khuzdar	PPL	-	100.00%
15	Margand	PPL	BECL	97.50%
16	Musakhel	PPL	OGDCL, POGC, GHPL	37.20%
17	Naushahro Firoz	PPL	-	100.00%
18	Nausherwani	PPL	GHPL	97.50%
19	Punjab	PPL	OGDCL, GHPL	47.50%
20	Shah Bandar	PPL	MEL, GHPL, SEHCL	63.00%
21	Shaigalu	PPL	MEL, OGDCL, GHPL, BECL	38.00%
22	Sirani	PPL	GHPL	75.00%
23	Sorah	PPL	-	100.00%
24	Sui North	PPL	MEL, GHPL, BECL, PEHCL	47.50%
25	Baran	POGC	PPL, OGIL	31.00%
26	Dadhar	MEL	PPL, UEPL, GHPL, BECL	28.50%
27	Ghauri	MEL	PPL	35.00%
28	Harnai	MEL	PPL-E	40.00%
29	Khuzdar North	OGDCL	PPL, GHPL	25.00%

NAME OF FIELDS/BLOCKS		OPERATOR	OTHER PARTNERS	GROUP'S WORKING INTEREST % AS AT JUNE 30, 2026
30	Kirthar	POGC	PPL	30.00%
31	Kotri North	UEPL	PPL, AROL	40.00%
32	Kuhan	UEP-BETA	PPL, GHPL, BECL	35.00%
33	Latif	UEP-BETA	PPL, PGEL	33.30%
34	Lugai	OGDCL	PPL, MEL	30.00%
35	Mach	MEL	PPL, UEPL, GHPL, BECL	28.50%
36	Miran	OGDCL	PPL, KPOGCL, GHPL	10.00%
37	Nashpa	OGDCL	PPL, GHPL	30.00%
38	Pezu	OGDCL	PPL, KPOGCL	30.00%
39	Saruna West	POL	PPL, OGDCL	30.00%
40	Shakarganj West	OGDCL	PPL	50.00%
41	South Pishin	MEL	PPL, OGDCL, GHPL, BECL	33.25%
42	Suleiman	OGDCL	PPL, GHPL, BECL	47.50%
43	Tal	MOL	PPL, OGDCL, POL, GHPL	30.00%
44	Tanishpa	OGDCL	PPL, MEL, BECL	34.13%
45	Ziarat	MEL	PPL-E	40.00%
46	Ziarat North	MEL	PPL, OGDCL, GHPL, TPOC	24.87%
OFFSHORE BLOCKS				
47	Gharo Creek	PPL	OGDCL, MEL	40.00%
48	Kochi Creek	PPL	OGDCL, MEL	40.00%
49	Behr	MEL	PPL, OGDCL	30.00%
50	Bin Qasim South	OGDCL	PPL, MEL, PGEL	24.00%
51	Eastern Offshore Indus-C	TPOC	PPL, OGDCL, MEL	35.00%
52	Keti Bandar	OGDCL	PPL, MEL, PGEL	24.00%
53	Offshore Deep D	MEL	PPL, OGDCL	30.00%
54	Sapat Bandar	PGEL	PPL, OGDCL, MEL	23.00%
55	Zarrar	MEL	PPL, OGDCL, PGEL	24.00%
EXPLORATION BLOCKS (OUTSIDE PAKISTAN)				
56	Block 3 (Yemen)	TOTAL	PPL-E, OMV, YOGC	20.00%
57	Offshore Block 5 (Abu Dhabi)*	PIOL	PPL, OGDCL, GHPL, MEL	25.00%
MINERAL ASSETS				
1	Chagai EL-207**	DEW	PPL	49.00%
2	Chagai EL-331**	PPL	-	100.00%
3	Khuzdar (Barite, Lead & Zinc)	BME	PPL, GoB	50.00%
4	Nokkundi (Iron Ore)	BME	PPL, GoB	50.00%
5	Reko Diq (Copper and Gold)	Barrick	PPL, OGDCL, GHPL, BMRL, GoB	8.33%

The above table excludes the blocks for which relinquishment has been applied.
* In Offshore Block-5, PPL's share in development phase is 10%.
** These blocks have been offered / awarded subject to fulfilment of customary requirements.

- MINING / D&P LEASE

PPL OPERATED

PARTNER OPERATED
- EARLY PRODUCTION

PPL OPERATED

PARTNER OPERATED
- EXPLORATION LICENSE

PPL OPERATED

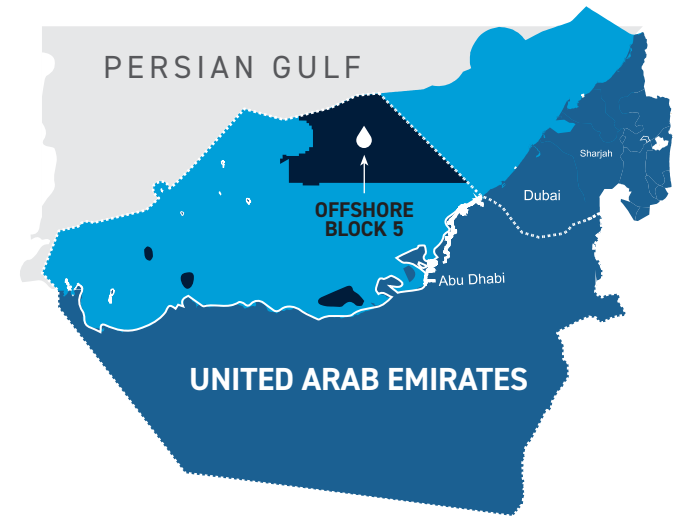
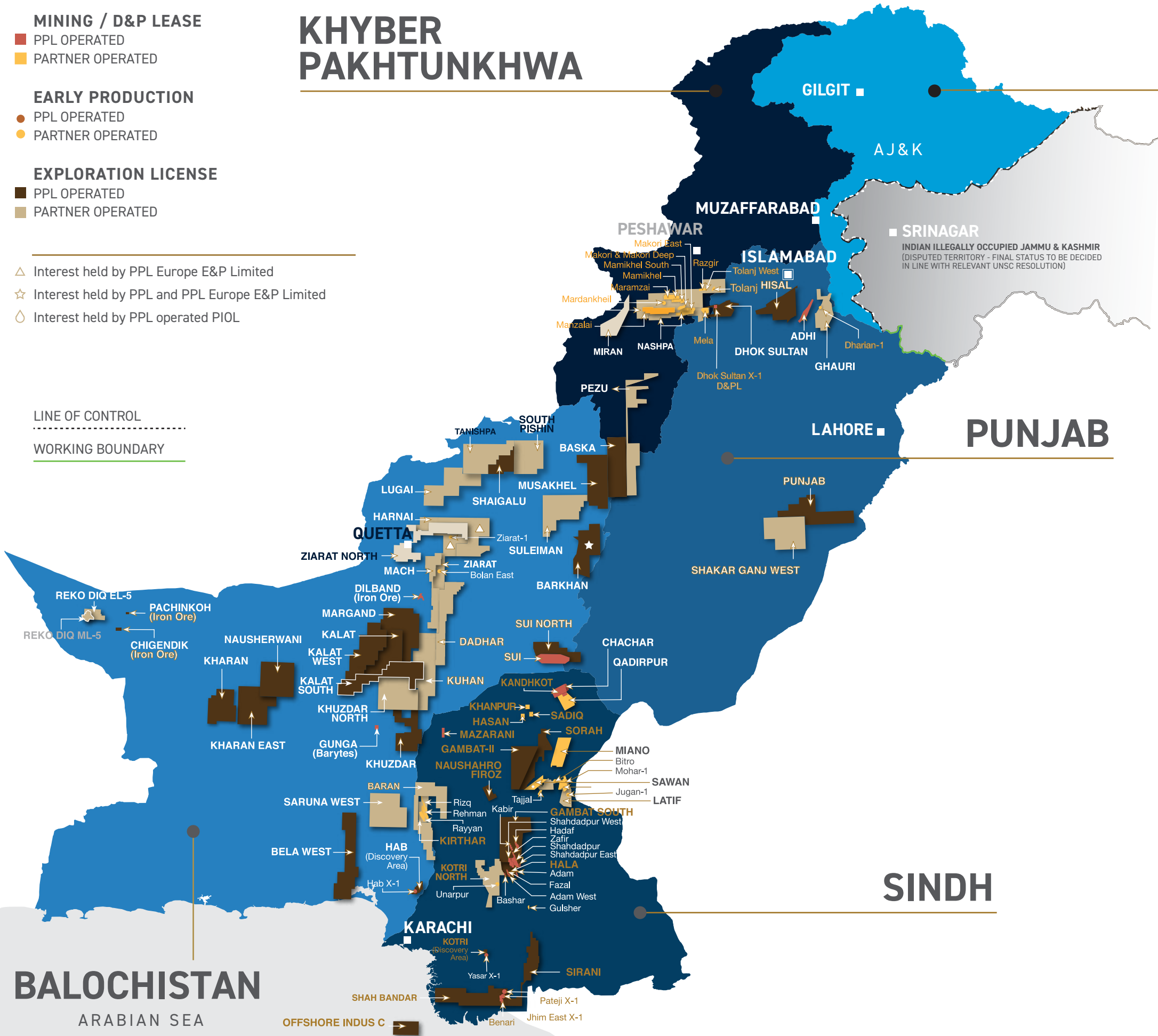
PARTNER OPERATED
- △ Interest held by PPL Europe E&P Limited

☆ Interest held by PPL and PPL Europe E&P Limited

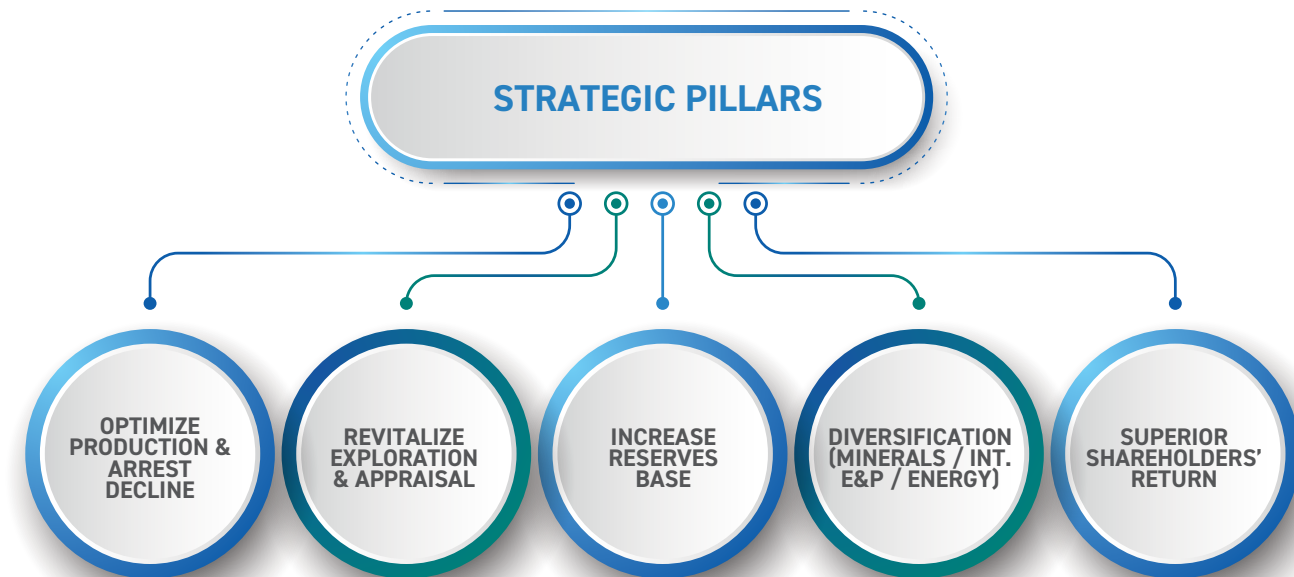
◇ Interest held by PPL operated PIOL

KHYBER PAKHTUNKHWA

GILGIT BALTISTAN



CORPORATE STRATEGY & RESOURCE ALLOCATION PLAN



CORPORATE STRATEGY

PPL's corporate strategy is anchored on three mutually reinforcing priorities: maximizing value from its existing asset base, creating new value through exploration and appraisal, and building long-term sustainability through diversification. Together, these priorities are aimed at mitigating natural production decline, replenishing reserves and positioning the Company for growth beyond conventional hydrocarbons.

To deliver these objectives, PPL pursues disciplined capital allocation, focused execution and strategic partnerships across its hydrocarbon and minerals portfolio. This balanced approach supports near-term production and reserve replacement while advancing long-term diversification and growth opportunities, contributing to national energy security and sustainable shareholder value.

Exploration remains central to reserve replenishment and long-term growth. The Company continues to pursue domestic and offshore opportunities while maintaining a selective approach to frontier areas in view of the evolving security environment. Through strategic partnerships, advanced geoscientific technologies

and rigorous technical evaluation, PPL seeks to mature high-potential prospects and maximize value from its asset portfolio.

In production operations, PPL focuses on maximizing recovery and value from producing assets through advanced recovery techniques, efficient utilization of processing infrastructure and data-driven decision-making. Cost optimization remains important to sustain profitability, while the Company continues to uphold high standards of quality, safety and environmental stewardship.

PPL maintains a balanced portfolio of producing fields, development projects and exploration prospects. Organic growth through exploration and appraisal activities is complemented by selective inorganic growth through strategic partnerships, joint ventures and acquisitions.

As part of its diversification strategy, PPL is expanding its presence in the minerals sector and pursuing opportunities beyond hydrocarbons. Through PPL Minerals, the Company is advancing exploration activities by identifying prospective areas, acquiring exploration rights and advancing on development projects, positioning itself to participate in Pakistan's growing minerals sector.

QHSE remains central to PPL's operations. Through continued investment in employee and contractor training and the adoption of industry best practices, the Company seeks to strengthen its culture of safety, operational excellence, responsible business practices and sustainable operations.

As a responsible corporate citizen, the Company will continue to support community and

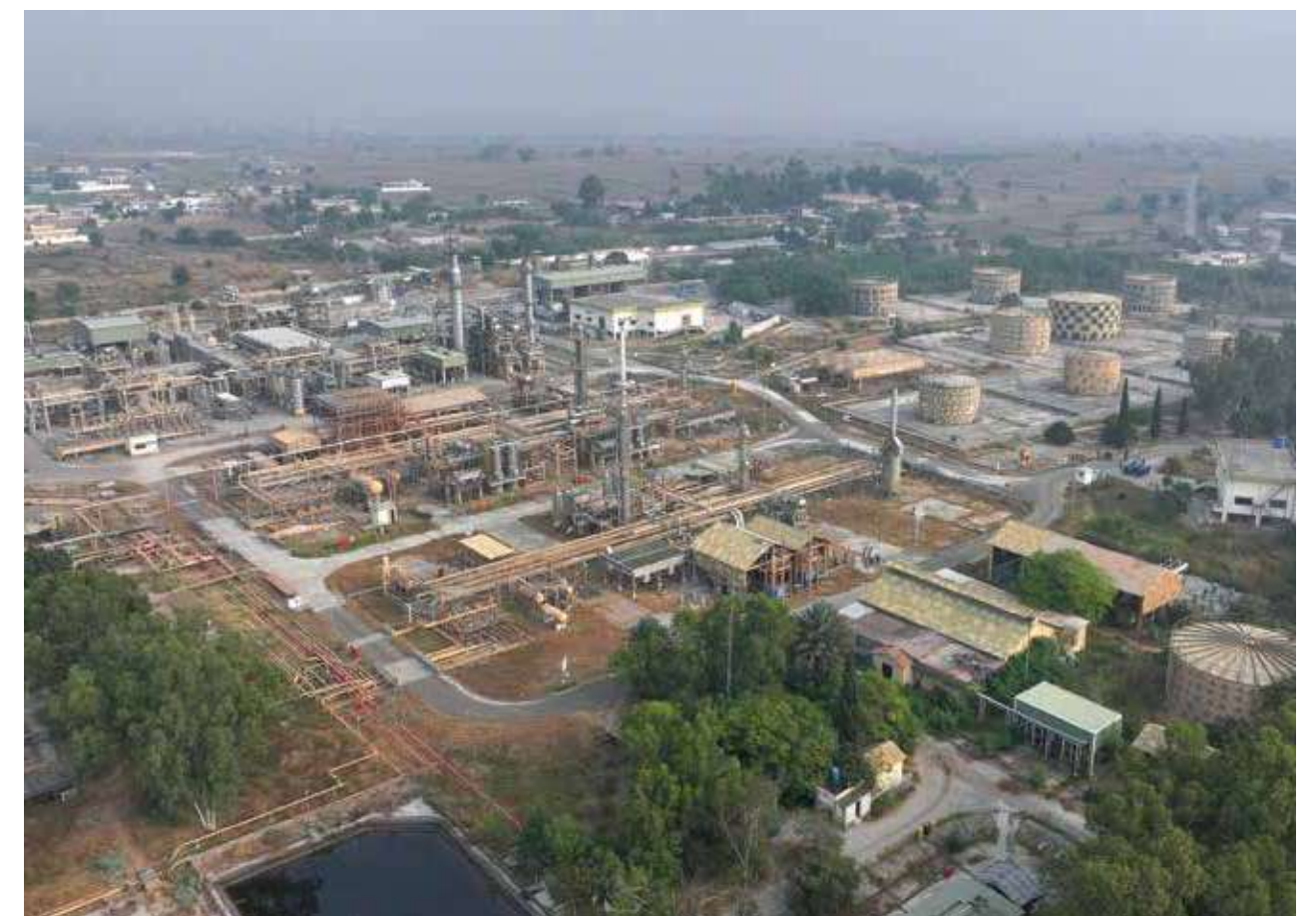
socio-economic development through strategic CSR initiatives within and beyond its operational areas.

Looking ahead, PPL will focus on effective project execution, disciplined capital allocation and human capital development. Building a skilled, agile and future-ready workforce capable of delivering multidisciplinary projects remains important to support the Company's long-term growth and value creation.

CONNECTING VISION, MISSION AND CORPORATE STRATEGY

PPL's Vision, "Empowering sustainable growth through integrated energy solutions and beyond," and Mission, "Transform into a dynamic energy and minerals company focused on innovation and strategic diversification," provide the context for the Company's corporate direction. The Vision outlines PPL's long-term aspiration, while the Mission indicates the direction of its planned transition. These are reflected in the Company's strategic priorities of maximizing value from the existing asset base, replenishing reserves through exploration and appraisal activities, and pursuing longer-term opportunities through diversification.

The Corporate Strategy links these priorities with PPL's role in supporting national energy security, responsible resource development and sustainable value creation. Its implementation is supported by operational and financial discipline, QHSE and ESG practices, corporate citizenship and investment in human capital. Together, the Vision, Mission and Corporate Strategy provide a framework for guiding the Company's direction as it develops its activities across the energy and minerals sectors.



RESOURCE ALLOCATION PLAN

The following table summarizes how PPL's key capitals are deployed to support business continuity, growth and long-term value creation.

CAPITAL AND RESOURCES	DEPLOYMENT AND VALUE CREATION
Financial Capital Operating cash flows and access to funding.	PPL allocates financial resources based on strategic priorities and expected returns. Capital deployment covers seismic acquisition, drilling, production optimization, infrastructure upgrades, asset integrity and minerals-related opportunities. Financial controls, investment reviews and cost optimization guide investment decisions and help maintain financial capacity for future growth.
Human Capital A skilled and experienced workforce across technical, operational and support functions.	PPL deploys its workforce across exploration, development, production, minerals and enabling functions based on operational and project requirements. Targeted recruitment, technical training, leadership development, succession planning and staff rotations strengthen organizational capability and maintain a suitable talent pipeline for current and future projects.
Intellectual Capital More than 75 years of technical knowledge, operating experience, subsurface data, systems and institutional processes.	PPL leverages its technical knowledge, subsurface data, operational experience and institutional systems to support prospect evaluation, reservoir management, production optimization and project execution. Investment in advanced technologies, data analytics, digital tools, knowledge sharing and cross-functional collaboration enhances exploration success, recovery, operational efficiency and informed decision-making.
Manufactured Capital Wells, processing facilities, pipelines, field infrastructure, equipment and other physical assets.	PPL develops, maintains and upgrades wells, processing facilities, pipelines, compression systems and other infrastructure to support exploration, development and production. Investments in new facilities, debottlenecking, rehabilitation, automation and asset-integrity programs support operational continuity, efficiency, safety and asset life.

CAPITAL AND RESOURCES	DEPLOYMENT AND VALUE CREATION
Natural Capital Exploration and development rights for hydrocarbon and mineral resources, and access to natural resources.	PPL responsibly manages its hydrocarbon and mineral resource portfolio through exploration, appraisal, development and production activities. Geological and geophysical studies, acreage acquisition, drilling and reservoir management support reserve replenishment, sustained production and the advancement of mineral opportunities. Responsible management of water, land, energy and other environmental resources, supported by resource-efficiency, emissions management and rehabilitation measures, helps manage environmental impacts and promote long-term resource availability.
Social and Relationship Capital Established relationships with government, regulators, joint venture partners, communities, suppliers and other stakeholders.	PPL maintains relationships with government and regulatory authorities, joint venture partners, local communities, suppliers and other stakeholders to facilitate approvals, partnerships, project execution and access to operating areas. Community and CSR initiatives address identified needs in health, education, skills development, infrastructure and local economic participation, supporting stakeholder trust and the Company's social license to operate.

COMPETITIVE ADVANTAGE & POSITIONING

The Company's diverse resource base—comprising financial strength, skilled human capital, extensive technical and institutional knowledge, established infrastructure, access to hydrocarbon and mineral resources, and strong stakeholder relationships—provides a solid foundation for sustainable competitive advantage. The Company's balanced portfolio of operated and partner-operated assets combines opportunities in established areas with selective exposure to offshore, frontier and mineral prospects, supporting production sustainability, growth and diversification.

PPL's longstanding presence in Pakistan and established relationships with communities and other stakeholders facilitate access to resources and operations across diverse locations. Its growing international presence further broadens the opportunity base. Together, these resources and capabilities strengthen operational resilience, support efficient project delivery and position the Company to respond to changing market conditions and pursue long-term value creation.

MAINTAINING A RESILIENT RESOURCE BASE

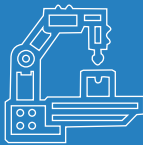
The Company proactively monitors and addresses potential constraints across its resource base through focused planning, capability development and disciplined investment. Key priorities include arresting the natural decline of mature fields through production optimization, replenishing

reserves through exploration and appraisal, accelerating activities in offshore blocks, and advancing diversification into minerals. These measures are intended to maintain resource availability, strengthen resilience and support the Company's long-term growth objectives.

The following illustrates the resources which are allocated to each strategic objective, along with the KPIs used to monitor progress and their future relevance:

STRATEGIC OBJECTIVE: OPTIMIZE PRODUCTION & ARREST DECLINE

Resources Allocated	Human, Intellectual and Manufactured
KPIs Monitored	Production and Opex per BOE
Nature	Short to medium-term; high priority
Status	On-going
Future relevance of KPIs	KPIs will remain critical to maximizing value from existing discoveries while improving operational cost efficiency.



STRATEGIC OBJECTIVE: REVITALIZE EXPLORATION & APPRAISAL

Resources Allocated	Financial, Manufactured and Natural
KPIs Monitored	Number of wells and Reserves Replacement Ratio
Nature	Medium to long-term; high priority
Status	On-going
Future relevance of KPIs	KPIs will remain essential for supporting the long-term sustainability of the core business.



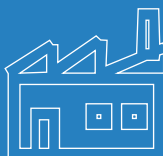
STRATEGIC OBJECTIVE: INCREASE RESERVES BASE

Resources Allocated	Financial, Human, Intellectual and Natural
KPIs Monitored	Reserves Replacement Ratio and Reserves to Production Ratio
Nature	Medium to long-term; high priority
Status	On-going
Future relevance of KPIs	KPIs will remain critical to sustaining the Company's significant contribution to indigenous hydrocarbon production.



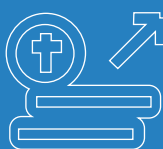
STRATEGIC OBJECTIVE: DIVERSIFICATION (MINERALS / INT. E&P / ENERGY)

Resources Allocated	Financial, Human, Manufactured and Social
KPIs Monitored	Revenue contribution from Non-E&P business, Free Cash Flows and Debtor days
Nature	Medium to long-term; high priority
Status	On-going
Future relevance of KPIs	KPIs will remain critical to strengthening resilience, reducing reliance on core oil and gas revenues, and developing cash flows insulated from circular debt.



STRATEGIC OBJECTIVE: SUPERIOR SHAREHOLDERS' RETURN

Resources Allocated	Human and Social
KPIs Monitored	Earnings per share, Return on Equity (ROE), Dividend declared per share and Payment to Govt Exchequer
Nature	Long-term; medium priority
Status	On-going
Future relevance of KPIs	A sustained focus on superior returns supports long-term shareholder value creation and reinforces investor confidence.



EFFECT OF EXTERNAL ENVIRONMENT ON BUSINESS STRATEGY

PPL's strategy is shaped by the political, economic, social, technological, environmental and legal conditions in which it operates. The Company monitors these external factors to assess their implications for operations, investment decisions

and long-term priorities, and responds through disciplined capital allocation, portfolio diversification, stakeholder engagement, technology adoption and strengthened governance and risk management.

EXTERNAL ENVIRONMENT COMPONENT	IMPACT ON BUSINESS STRATEGY AND PPL'S RESPONSE
POLITICAL	Political and security developments continue to shape the E&P operating environment. Timely revision of end-consumer tariffs remains important but may be influenced by public sensitivity to gas price increases. The UAE offers a supportive investment environment, while operations in Yemen remain suspended under force majeure. The Company manages exposure through stakeholder engagement, security oversight, strategic partnerships and geographic diversification.
ECONOMIC	Pakistan's macroeconomic environment improved during FY2025–26, supported by moderating inflation and exchange-rate stability. Global commodity prices and geopolitical developments nevertheless continue to affect the E&P sector. PKR depreciation and higher oil prices may support earnings but can constrain cash flows if end-consumer prices are not adjusted. The Company applies disciplined capital allocation, cost optimization and focused collection efforts to preserve liquidity and fund priority investments.
SOCIAL	Stakeholder expectations and community needs influence the Company's ability to operate and execute its strategy. The Company integrates early stakeholder engagement, local participation and initiatives in health, education and skills development into project planning and operations.

EXTERNAL ENVIRONMENT COMPONENT	IMPACT ON BUSINESS STRATEGY AND PPL'S RESPONSE
TECHNOLOGY & INNOVATION	Technology is increasingly important to operational performance and resource development. During the year, PPL commissioned an advanced Seismic Data Processing Facility, strengthening in-house processing and interpretation capabilities and reducing reliance on external resources. Rig-less production optimization, artificial intelligence and other emerging solutions offer further opportunities across conventional and unconventional operations. The Company continues to invest in digital, subsurface and production technologies to improve exploration outcomes, recovery, reliability and cost efficiency.
LEGAL	PPL operates within an evolving legal and regulatory framework covering petroleum operations, environmental protection, social matters, and health and safety. Changes in requirements may affect project approvals, timelines, operating practices and strategic decisions. The Company maintains regulatory engagement, governance oversight and scenario-based evaluation to support compliance and timely, informed decisions.
ENVIRONMENTAL	Environmental and climate-related developments may affect the Company's operations, assets and long-term strategy. Evolving standards and physical climate risks may also influence project design, operating costs and investment decisions. The Company incorporates climate and environmental considerations into risk assessment, investment appraisal and operational plans, supported by regulatory compliance and responsible resource management.

EFFECT OF SEASONALITY ON BUSINESS

Seasonality does not materially affect the Company's production or sales, as oil and gas are produced throughout the year subject to field capacity, maintenance and customer offtake.

During winter, however, higher gas demand and the prioritization of payments for imported RLNG by distribution companies may affect the timing of receipts for indigenous gas supplies.

IMPACT OF POLICIES OF THE GOVERNMENT OF PAKISTAN

Government policies relating to gas pricing, allocation and offtake, imported LNG and circular-debt resolution directly affect the Company's sales volumes, receivables, liquidity and investment capacity. The Company continues to engage with the Government and sector institutions on market-based pricing, improved recoveries and reforms to support sustainable indigenous gas production. As the Government of Pakistan is the Company's majority shareholder, its nominees on the Board contribute to the governance and strategic oversight of the Company in accordance with the applicable legal and regulatory framework.

APPROACH TO STRATEGIC DECISION MAKING



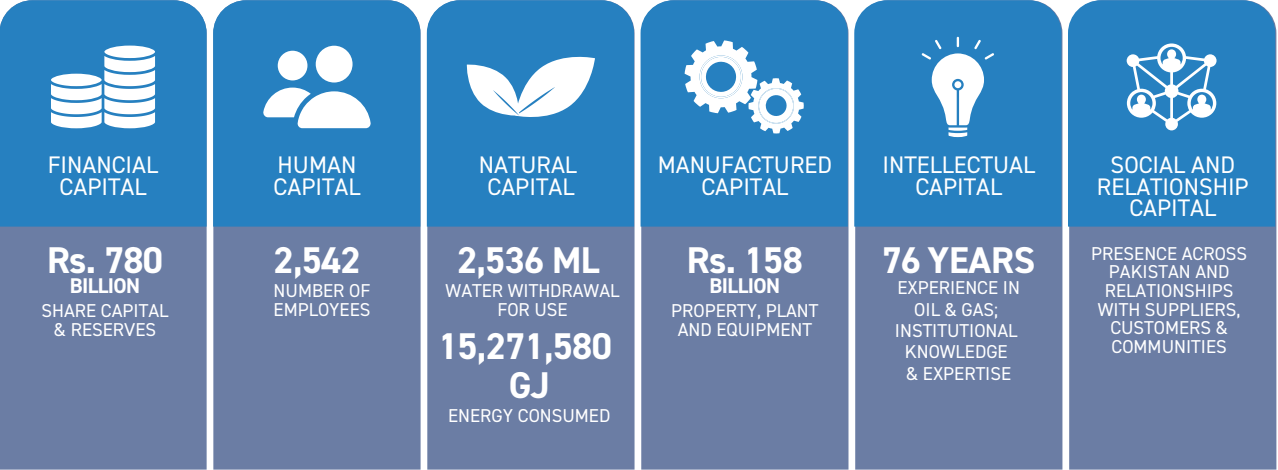
The Board of Directors has established a Board Strategy and Finance Committee (BSFC) to oversee the Company's strategic decision-making process. Strategic matters are first deliberated by management's Executive Committee (EXCOM) and subsequently presented to the BSFC for review and recommendation to the Board for final approval. The Board, through its policies and guidance, sets the organizational culture, which is reinforced by senior management. Strategic decision-making is further supported by the Company's risk management, governance and ethical frameworks.

E&P COMPETITIVE LANDSCAPE: FROM BLOCK BIDDING TO PRODUCTION

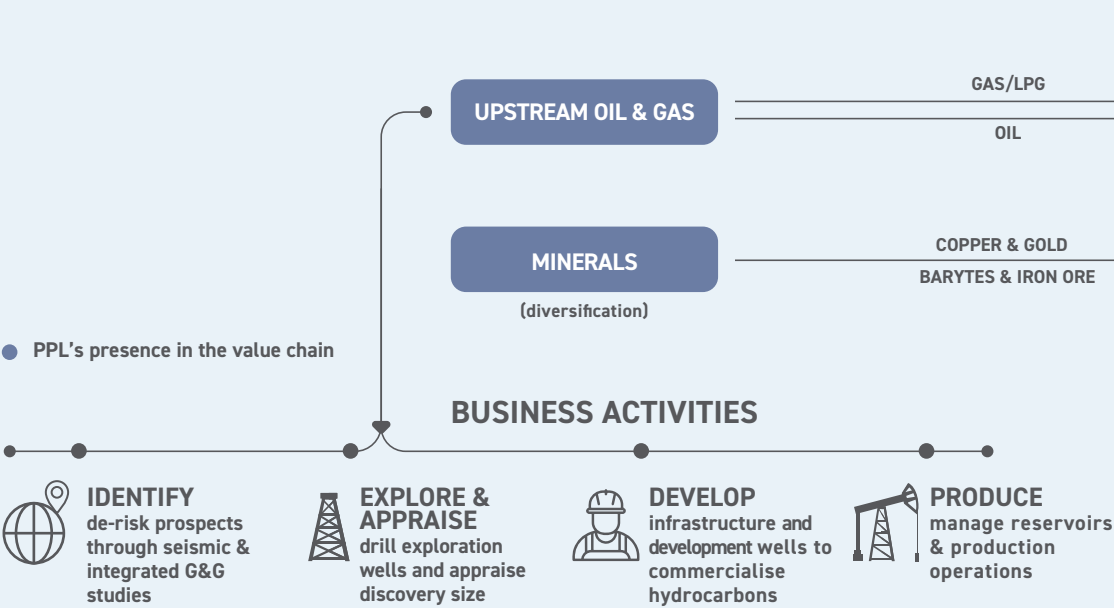
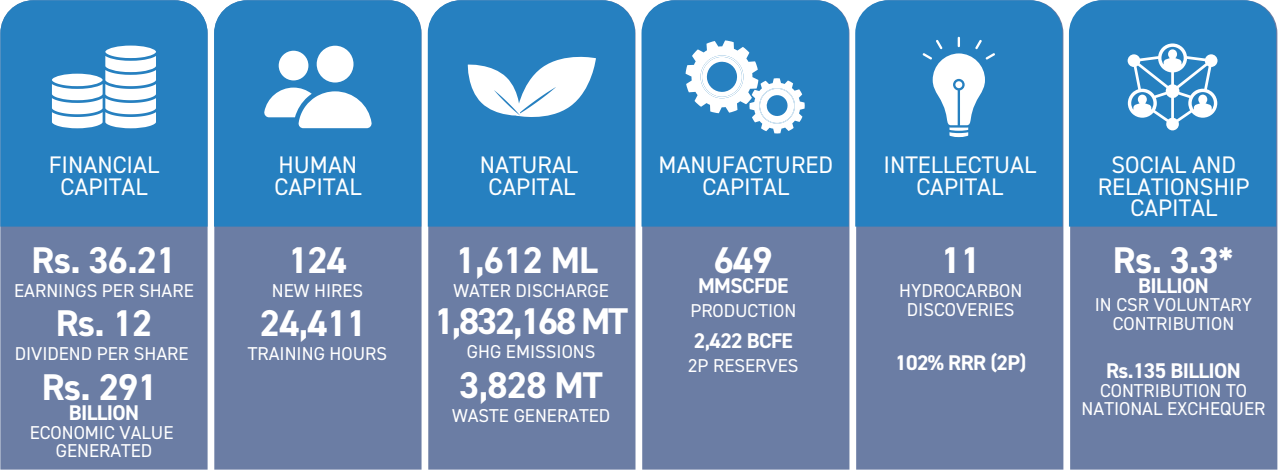
BLOCK BIDDING PHASE	EXPLORATION & APPRAISAL PHASE	DEVELOPMENT & PRODUCTION PHASE
Local and international E&P companies compete in government bidding rounds through committed exploration work program.	- Companies may collaborate through joint ventures to share exploration risk and combine technical and financial capabilities. - Competition continues for specialized resources, equipment and timely project execution.	- Competition for product sales is limited, as Pakistan remains a net importer of oil and gas. - Companies focus on accelerating development, early production and timely monetization of discoveries.

BUSINESS MODEL & VALUE CHAIN

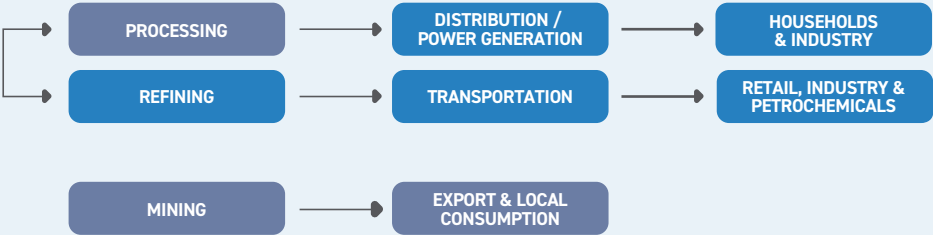
BUSINESS INPUTS



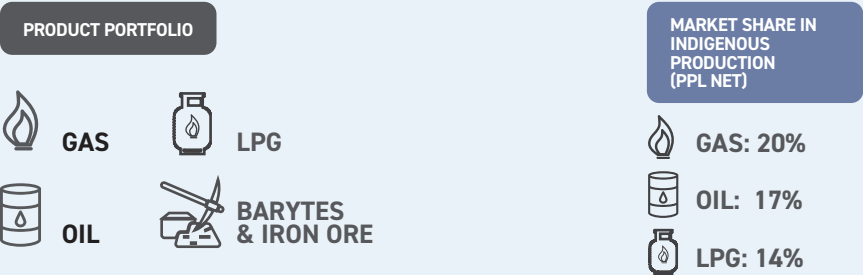
BUSINESS OUTCOMES



MIDSTREAM & DOWNSTREAM



BUSINESS OUTPUTS



* Total CSR contribution is Rs. 8.3 billion including mandatory contribution.



MONITORING OF KEY PERFORMANCE INDICATORS

FINANCIAL

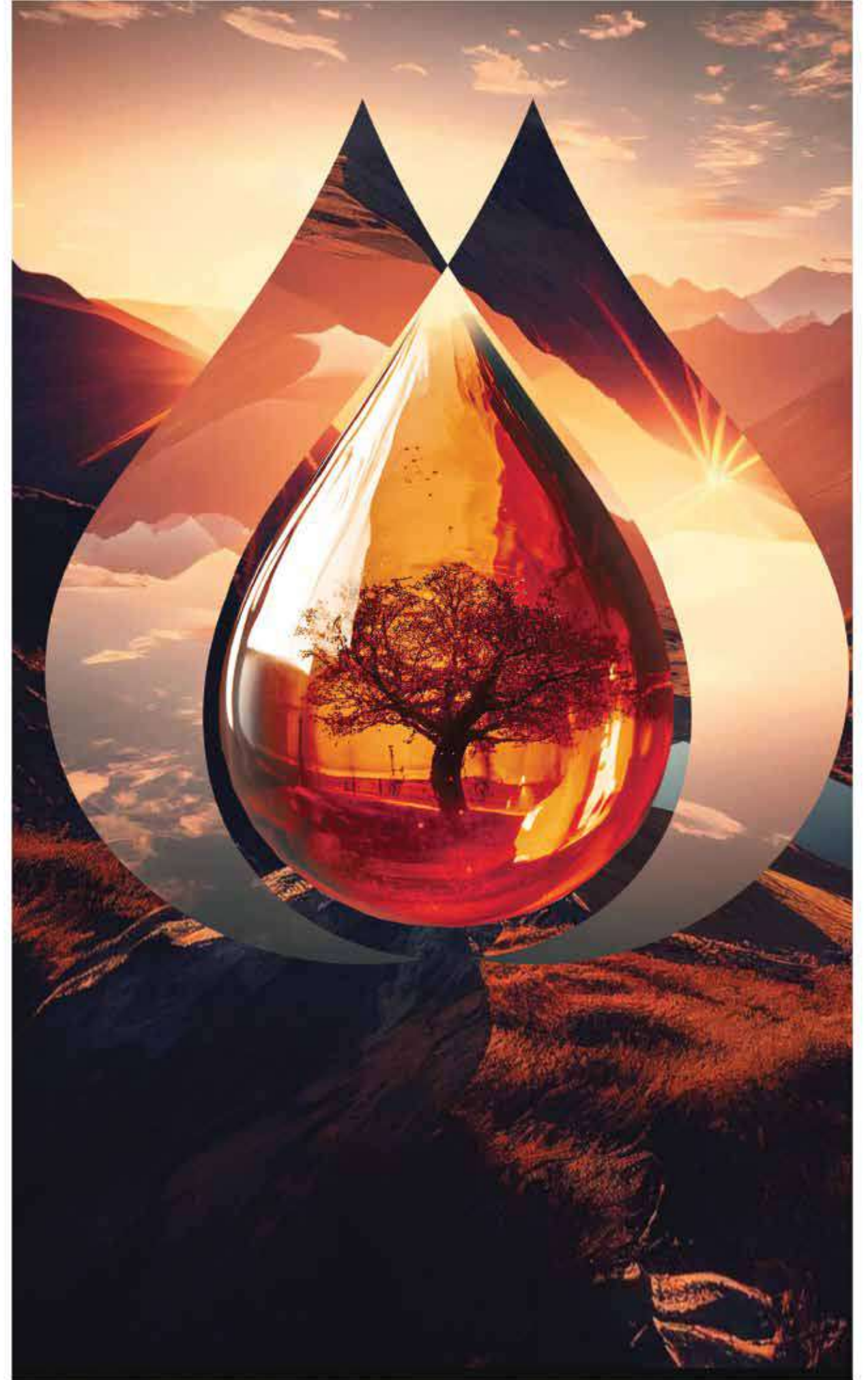
KEY PERFORMANCE INDICATORS	UNIT	2024-25	2025-26	COMMENTARY
Earnings per share	Rs per share	33.82	36.21	Increase in EPS is mainly attributable to higher sales volumes, increased international crude oil prices and the reversal of Super Tax provision related to prior years.
Return on Equity (ROE)	%	13.0	12.6	The marginal decrease in ROE reflects growth in the Company's equity base outpacing the increase in profitability, due to lower dividend distribution.
Free Cashflows	Rs billion	(13)	45	One-off significant cash outflow for Sui lease extension bonus in the previous year, augmented by better customer collections and lower tax payment in the current year.
Dividend declared per share	Rs per share	7.5	12.0	The higher dividend per share was declared due to improved cashflows during the year.
Opex per BOE	\$/BOE	3.7	4.2	The increase is attributable to higher operating costs, mainly reflecting inflationary impact, partially offset by higher sales volumes.
Revenue contribution from Non-E&P business	Rs billion	2.6	1.0	Lower revenue from barytes due to prevailing operating conditions.
CSR contribution - Voluntary	Rs billion	2.8	3.3	Increase in CSR contributions reflects the Company's continued commitment to community development.
Payment to Govt. exchequer	Rs billion	209	135	The decrease mainly reflects the payment of Sui lease-extension bonus in the previous year and lower income tax payment in the current year.
Debtor days	Days	786	762	Improved due to higher sales growth relative to the increase in receivables, supported by continued strong collections during the year.

NON-FINANCIAL

KEY PERFORMANCE INDICATORS	UNIT	2024-25	2025-26	COMMENTARY
LTIF	Ratio	0	0.27	Seven LTIs were recorded during the year including three contractor fatalities during 2D seismic survey in the highly rugged terrain of Khuzdar Block. Corrective measures were implemented based on the root-cause analysis.
Production	MMSCFDe	632	649	The increase was primarily driven by monetization of discoveries, production-enhancement initiatives, reduced gas curtailment and higher offtakes by GENCO-II.
Number of wells	Number	15	11	Seven exploration and four development wells were drilled during the year across operated and partner-operated areas.
Reserves Replacement Ratio (1P)	%	69	119	Mainly reflecting reserve additions in Tal, Nashpa and Kandhkot (West HRL), reclassification of contingent resources to reserves at Gambat South, and performance based upward revisions at Sui and Kandhkot.
Employee Engagement Index (EEI)	%	68	68	The EEI survey is conducted every two years, with the next survey planned for FY2026-27.
Reserves to Production Ratio (2P)	Years	10	10	The 2P reserves-to-production ratio remained stable at approximately 10 years, as reserve additions/revisions during the year broadly offset the production for the year.

THE MOMENTUM THAT DELIVERS

Vision becomes reality through action. This chapter captures PPL's achievements, operational performance and the momentum created through continued excellence.





DIRECTORS' REPORT

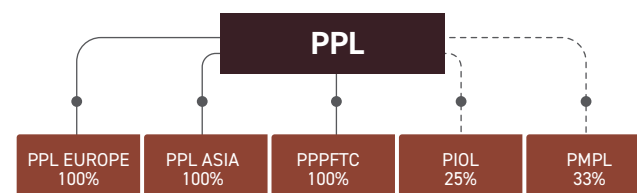
We are pleased to present the Directors' report and audited financial statements of your Company for the year ended June 30, 2026, together with the auditor's report thereon. A review of the Company's performance for the year, along with key highlights, is set out in the following paragraphs.

INTRODUCTION

Pakistan Petroleum Limited (PPL) is one of Pakistan's leading oil and gas exploration and production companies and has been contributing significantly to the country's energy needs since the early 1950s. The Company operates across various regions of Pakistan, with an international presence in the UAE and Yemen. In addition to its core E&P activities, PPL continues to diversify into mining business. The Company holds mining exploration and production rights in Balochistan through joint ventures with the Government of Balochistan and Degan Exploration Works. PPL also has a stake in Pakistan Minerals (Private) Limited, which holds an indirect, non-operating interest in the Reko Diq mining project in Balochistan.

GROUP STRUCTURE

The Company has three wholly owned subsidiaries: PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC). PPL and these subsidiaries are collectively referred to as 'the Group'. The Company also holds a 25% interest in Pakistan International Oil Limited (PIOL), an associated company incorporated in Abu Dhabi, UAE. In addition, PPL holds a 33.33% interest in Pakistan Minerals (Private) Limited (PMPL), which has an indirect 25% non-operating interest in the Reko Diq copper and gold mining project. Apart from PPPFTC, these entities are primarily engaged in the exploration, prospecting, development and production of oil, natural gas and mineral resources.



BUSINESS STRATEGY

PPL operates in an evolving energy landscape shaped by declining indigenous hydrocarbon reserves, geo-political uncertainties, heightened security challenges, and the global energy transition. In response, the Company's strategy is focused on protecting and maximizing value from its core hydrocarbon business, while progressively building the capabilities required to expand as an energy and minerals company in domestic and international markets.

PPL aims to maintain a balanced and resilient portfolio comprising producing assets, development projects, and exploration prospects, while pursuing opportunities across onshore and offshore acreages. Through strategic partnerships, advanced recovery techniques, digital tools, and data analytics, the Company remains focused on optimizing production, improving operational efficiency and strengthening its reserves base, while maintaining rigorous safety and environmental standards.

To drive sustainable growth, PPL continues to pursue expansion through development and exploration drilling campaigns together with farm-ins and strategic joint ventures. In parallel, the Company is advancing its mineral exploration initiatives by pursuing mineral rights and licenses, conducting feasibility studies, and leveraging geoscience expertise to establish a strong presence in non-hydrocarbon resources.

Looking ahead, PPL is also evaluating opportunities across the energy value chain in line with the evolving global energy landscape. These initiatives are being pursued with continued emphasis on cost optimization, financial discipline, and operational excellence. Human capital development, innovation and a robust QHSE culture remain integral to the effective execution of the Company's strategy.

By aligning its operations with its Vision and Mission, PPL seeks to strengthen business resilience, support national energy security, and deliver sustainable long-term value to its shareholders, employees, and the communities it serves.



KEY HIGHLIGHTS

PPL demonstrated resilience and strategic agility throughout FY 2025–26. Despite challenges arising from maturing fields, security constraints, and gas production curtailment primarily during first half of the year, the Company remained focused on operational efficiency, financial discipline, and sustainable performance.

The key achievements of the year are summarized below:

- 1. Exploration Success:** Eleven discoveries were announced, two in operated and nine in partner-operated areas, with an estimated production potential of ~67 MMscfde (PPL net share).
- 2. Operational Excellence:** The Company added approximately 40 MMscfde to sales volumes through various initiatives, including the tie-in of new discoveries, commissioning of development wells, workovers, and production optimization activities, offsetting the natural depletion.
- 3. Customer Collections:** The Company recorded its highest ever collections of Rs 284 billion, sustaining the collection ratio at above 90%.
- 4. Drilling Activity:** Seven exploration & appraisal wells and four development wells were drilled in operated and partner-operated areas.
- 5. Reserves Replacement Ratio:** PPL added more 2P reserves than its production during the year, translating into 102% RRR.
- 6. Award of Exploration Blocks:** PPL was awarded eight offshore blocks, two as an operator and six as a Joint Venture partner.
- 7. Seismic Data Acquisition:** A total of 279 line km of 2D seismic data and approximately 581 sq. km of 3D seismic data were acquired during the year.
- 8. Baryte, Lead & Zinc (BLZ) Project:** An internationally renowned Project Management Consultant was appointed paving the way for execution of the BLZ project.
- 9. Strategic Offshore Partnership:** PPL partnered with Turkish Petroleum Overseas Company (TPOC), transferring operatorship and partial working interest in Eastern Offshore Indus Block C to advance offshore

exploration and strengthen Pakistan–Türkiye energy cooperation.

- 10. SAFA Award:** PPL received Silver Award in the Public Sector category by the South Asian Federation of Accountants (SAFA) for its 2024 Annual Report.
- 11. MAP award:** PPL secured second position at the 40th Corporate Excellence Awards organized by the Management Association of Pakistan (MAP) amongst the Oil and Gas Exploration sector in the Industrial Category.
- 12. Corporate Social Responsibility (CSR):** PPL received Round O' Clock CSR Award at the 18th Annual CSR Summit by National Forum for Environment & Health in recognition of its CSR contributions.
- 13. Sustainability Milestone:** PPL published its inaugural Environmental, Social and Governance Report, aligned with internationally recognized ESG frameworks and leading practices.

OPERATING ENVIRONMENT

The global energy landscape continued to be shaped by heightened geopolitical tensions, economic uncertainty and a gradual shift toward renewables. The escalation of the US-Iran conflict and disruption of shipping through key maritime routes affected global oil and LNG supplies, resulting in sharp increase in crude oil prices from March onwards. For a net hydrocarbon importer such as Pakistan, such volatility has direct implications for the import bill, cost of supply and overall energy security. This also impacted the timely execution of field activities and project schedules across the industry.

Domestically, weak gas demand for power generation, driven by higher gas prices for captive power and an accelerating shift toward renewable energy, resulted in pronounced curtailment of indigenous gas production mainly during the first half of the year, adversely affecting the volumes and revenues of local producers, including the Company. The Government also remained engaged with relevant supplier countries to defer certain RLNG imports and manage the prevailing supply-demand imbalance. Subsequently, disruption to imported supplies following the conflict led to increased reliance on indigenous gas, resulting in a significant recovery in domestic production volumes.

The sector also continued to face serious security challenges, particularly in frontier regions, affecting exploration activities and increasing operating and security-related costs.

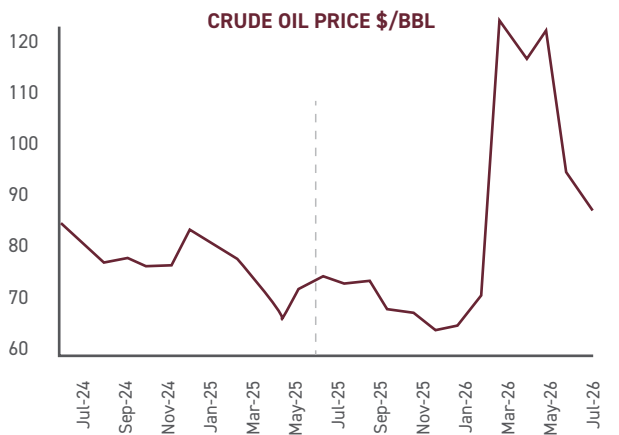
These dynamics reinforce the structural need to strengthen Pakistan's energy security by accelerating indigenous exploration and production, developing domestic reserves, diversifying the energy mix and reducing dependence on imported fuels exposed to global price and supply shocks.

EXTERNAL FACTORS

Key factors affecting the operating environment of upstream oil and gas sector in Pakistan include:

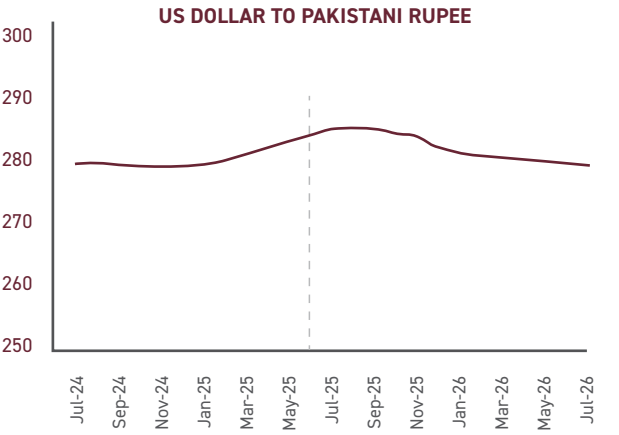
CRUDE OIL PRICES

During FY 2025–26, crude oil prices remained volatile, initially trending downward amid softer global demand, increased supply and the gradual unwinding of OPEC+ voluntary production cuts. Prices, however, rose sharply in the latter part of the year following the escalation of conflict in the Middle East and heightened concerns over disruptions to key energy supply routes, reversing much of the earlier decline. Looking ahead, crude oil prices are expected to remain sensitive to geopolitical developments, the continuity of supplies through major trade routes, global demand conditions and OPEC+ production decisions. Moreover, the replenishment of strategic and commercial reserves drawn down during the supply disruption may take time and could sustain demand, keeping crude oil prices elevated in the near term.



FLUCTUATION IN FOREIGN CURRENCY

During FY 2025–26, the Pakistani Rupee remained broadly stable and appreciated by around 1% against the US Dollar, despite pressure from elevated oil and energy imports amid the Middle East conflict. The currency's resilience was supported by prudent fiscal and monetary management, active liquidity management, healthy remittance inflows and improved external buffers. Pakistan's growing strategic relevance, including its constructive diplomatic and security role in the Middle East, also contributed to improved international confidence. These developments were reflected in sovereign rating upgrades by S&P Global Ratings during the year, followed by a further upgrade by S&P in July 2026 and Moody's Ratings in August 2026.



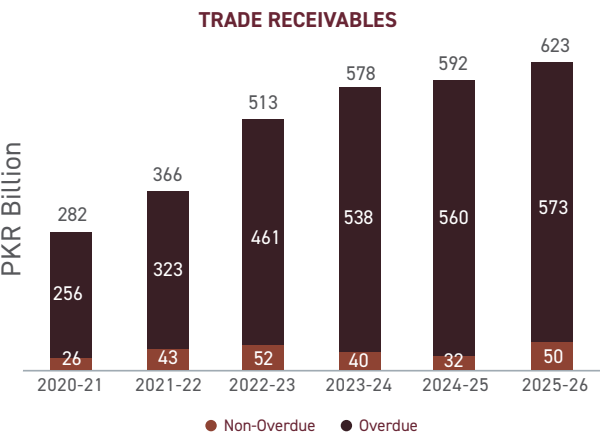
TRADE RECEIVABLES

During FY 2025–26, the Company maintained a collection ratio above 90%, reflecting sustained recovery efforts, close monitoring of receivables, and proactive engagement with customers. Total cash recoveries reached a record high of Rs. 284 billion, compared with Rs. 266 billion in FY 2025, representing the highest annual collections in the Company's history.

Trade receivables at the year-end increased to Rs. 623 billion, compared with Rs. 592 billion in the previous year. The increase was primarily attributable to modest increase in receivables from gas distribution companies, the rise in international oil prices toward the close of the financial year amid geopolitical developments, and additional billing following the commencement of production from Baragzai X-01 in the Nashpa Block, also towards the end of the year.

Sustained improvement in recoveries depends on timely adjustments to consumer gas tariffs, whenever required, to adequately reflect the cost of procurement of gas distribution companies, particularly amid rising international crude oil prices. With the resolution of gas-sector circular debt remaining a key government priority and the stable rupee outlook, the Company expects collection performance to follow the recent past trend.

The Company continues to engage with key stakeholders to support sustainable solutions to circular debt. Resolving historical circular debt remains critical for improving gas sector liquidity, enabling investment in exploration and production activities, and supporting the long-term growth of Pakistan's energy sector.



SECURITY SITUATION

The Company operates in several security-sensitive regions, including high-risk areas of Balochistan, the border districts of Khyber Pakhtunkhwa, and the creek areas of Sindh. During the year, a deterioration in the security environment across certain operating areas continued to constrain field activities and project execution.

To safeguard personnel, assets, and operations, the Company maintains rigorous security protocols across all stages of project planning and execution. Seismic surveys, drilling operations, and other field activities are undertaken only after obtaining the requisite clearances and in close coordination with government security agencies.

Security-related constraints and precautionary measures resulted in delays to certain exploration

and development activities during the year, including the deferral of the Kalat West 2D seismic survey, reduced offtakes from BME, and a slowdown in development activities by the operator of the Reko Diq project. These challenges also led to higher standby costs and project schedule slippages.

The deployment of government security forces, enhanced facility protection, and reinforced transportation safeguards, are systematically incorporated into project budgets and long-term planning. This reflects the Company's commitment to prioritizing safety while preserving operational continuity in challenging operating environments.

OUR PERFORMANCE

PRODUCTION OPERATIONS

The Company currently operates eight producing assets at Sui, Kandhkot, Adhi, Dhok Sultan, Chachar, Hala, Gambat South and Shah Bandar, in addition to working interests in twelve partner-operated producing fields. The Company also holds an operated interest in Bolan Mining Enterprises (BME), a joint operation with the Government of Balochistan.

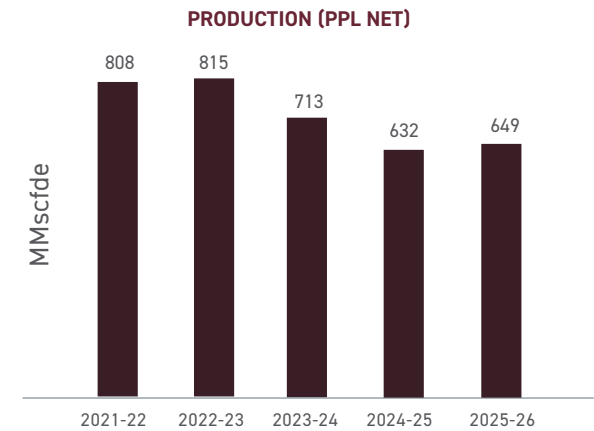
During the year, the Company continued to pursue production growth through field optimization, targeted well interventions, facility enhancements and the application of advanced technologies. Across the portfolio, these initiatives supported production growth and partially offset the natural decline from mature fields. In addition, commencement of production from new discoveries and tie-in of development wells, further contributed to slowing down natural depletion of reserves. However, the curtailment of indigenous gas volumes largely during the first half of the year, driven by the imported LNG injection into SNGPL's network, negatively weighed on overall production volumes. BME's sales were low during the year, primarily due to delays in baryte exports arising from regional geopolitical developments.



PRODUCTION STATISTICS

The overall production increased by approximately 3% compared to the previous year due to monetization of discoveries, tie-in of new wells and various production enhancement initiatives undertaken by the Company. This was supported by reduced RLNG's injection into SNGPL's network and higher offtakes by GENCO-II. The following actions mainly contributed approximately 40 MMscfde of incremental sales:

- Commissioning of new wells in Tal, Nashpa, Gambat South, Shah Bandar, Dhok Sultan and Kotri North.
- Acid stimulation, perforation and surface debottlenecking activities in Sui and Adhi.
- Workover of wells in Adhi and Hala.
- Capacity enhancement of GPF-II in Gambat South.



*In addition to above, net production from PPLE during FY 2025-26 is 4 MMscfde.

A comparison of the current year's production (net to PPL) to the previous year is given below:

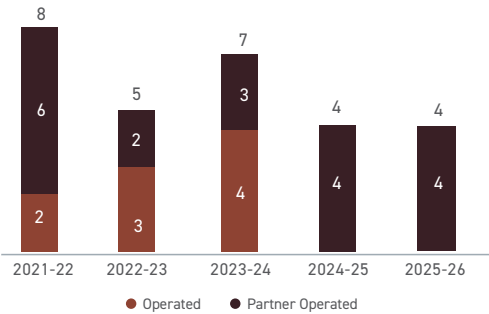
	2025-26	2024-25
Natural Gas (MMscf)	208,787	204,853
Crude Oil / NGL / Condensate (Thousand Barrels)	4,077	3,692
LPG (Metric Tonnes)	103,528	97,067

Production of hydrocarbons during the year including the Company's share from joint operations averaged at about ~572 MMscfd of gas, ~11,171 bbl per day of liquids and ~284 metric tonnes of LPG per day.

The Company's major customers include Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Central Power Generation Company Limited and Attock Refinery Limited.

DEVELOPMENT WELLS

The Company drilled four development wells during the year. These wells were drilled in partner operated areas of Kirthar, Miano, and Tal. These development activities are expected to optimize hydrocarbon production from the producing fields.

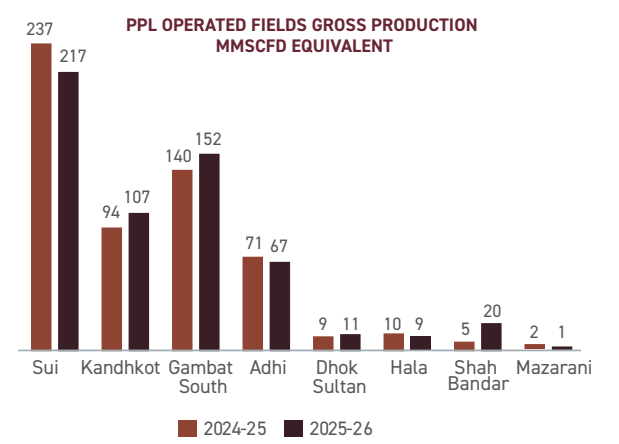


KEY HIGHLIGHTS - PRODUCING FIELDS

- Production from the Sui field declined primarily due to lower offtakes by SNGPL caused by LNG backpressure mainly during the first half of the year combined with natural depletion. The decline was partially offset through acid stimulation, perforations and surface debottlenecking.
- The Sui Development and Production Lease (D&PL) was extended for two years, effective 1 June 2025, as per applicable rules.
- Production at Kandhkot increased by 14%, due to higher offtakes by GENCO-II.

- At Gambat South field, production was enhanced through monetization of Faiz X-1 and GPF-II capacity enhancement. Zafir/GPF-III reached 80% completion.
- At Gambat South, approval for the gas allocation of Hatim discovery to SSGCL has been received, enabling monetization of the discovery.
- The production at Shah Bandar increased as the production from Pateji X-1 discovery has come online supported by volumes from Jhim East X-1 discovery. Furthermore, preparations for drilling of Pateji-2 and upgradation of gas processing facilities progressed during the year.
- The production from Mazarani field has stopped after reaching its economic cut-off.
- Development & Production Lease was granted for Adhi field, for twelve years effective 13 November 2024.
- Development & Production Lease was granted for Dhok Sultan X-1, for eleven years effective 25 November 2025.

Further details about asset-wise performance are given in Production Activities section of this Annual Report.



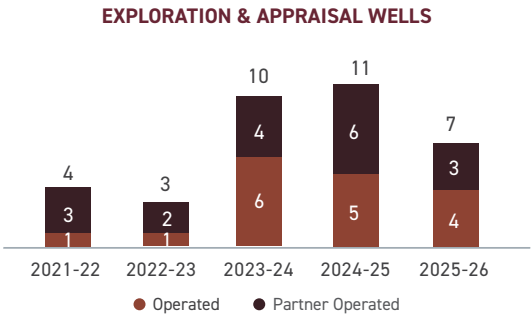
EXPLORATION

KEY HIGHLIGHTS

- Four exploration and appraisal wells were drilled in PPL-operated areas, while three wells were spudded in partner-operated blocks.
- Two discoveries were made in PPL-operated blocks: Dhok Sultan-3 in the Dhok Sultan Block and Lal X-1 in Kandhkot.

- Nine discoveries were made in partner-operated blocks, comprising five in different formations in Baragzai X-01 (Nashpa), two discoveries in Bilitang-1 (Tal), one in Barki-1 (Kotri North), and one in Sawan North Deep-1 (Sawan).
- The Company farmed out a 25% Participating Interest (PI), together with operatorship, in the Eastern Offshore Indus C Block to Turkish Petroleum Overseas Company (TPOC), and a 20% PI each to OGDCL and MariEnergies, while retaining a 35% PI.
- PPL participated in the Pakistan Offshore Bid Round 2025, securing two blocks as operator and six additional blocks as a non-operating partner.
- Transfer of exploration licenses in the Ziarat and Harnai Blocks from PPL Europe to PPL is pending regulatory approval.
- In Margand Block, PPL assigned 2.5% working interest to Balochistan Energy Company Limited (BECL) on a full participation basis in February 2026.
- In PPL-operated areas, approximately 201 line km of 2D seismic data was acquired in the Khuzdar Block.
- In partner-operated areas, approximately 78 line km of 2D seismic data was acquired in the Kuhan Block, along with 581 sq. km of 3D seismic data in the Baran Block.
- The Company's in-house seismic data processing facility was upgraded through the acquisition of new hardware and advanced processing modules.

Block-wise details of major exploration activities undertaken during the year across operated and partner-operated blocks are set out in the Exploration Activities section of this Annual Report.



PPL'S SUBSIDIARIES / ASSOCIATES

PPL EUROPE E&P LIMITED (SUBSIDIARY)

Block 3 – Yemen Operator: Total Energies EP Yemen	Block is under Force Majeure since April 2015 due to the adverse security situation in Yemen.
Harnai Operator: MariEnergies	- Arrangements for acquisition of Gravity & Magnetic (G&M) data in Harnai and Ziarat blocks were finalized. G&M data acquisition in Harnai is currently in progress. - Preparations, including security arrangements, are underway for the acquisition of 2D seismic data in Harnai and Ziarat blocks. - Corporate approval has been obtained for farming-out the PPL Europe's working interest in the block to PPL. Regulatory approval is pending.
Ziarat Operator: MariEnergies	- Development & Production Lease (D&PL) was granted over Bolan East-1 area. - Production from development well Bolan East-2 commenced in September 2025. - Acquisition of G&M data in Ziarat will commence after Harnai next year. - Evaluations are ongoing for development well Bolan East-3 and an additional exploration well. - Corporate approval has been obtained for farming-out the PPL Europe's interest in the exploration license of Ziarat to PPL. Regulatory approval is pending.

PPL ASIA E&P B.V. (SUBSIDIARY)

Block-8, Iraq	- All matters relating to Block 8 have been resolved and formally closed. - The Company continues to explore potential opportunities in Iraq.
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PAKISTAN INTERNATIONAL OIL LIMITED (ASSOCIATE)

Offshore Block 5, Abu Dhabi	- Following completion of Exploration Period-1, Offshore Block-5 progressed into Exploration Period-2. - During the year, a block-wide prospectivity evaluation refined the inventory of remaining exploration prospects and leads. - Complementary studies, including structural modelling, 3D petroleum system modelling and seismic imaging evaluations, were also completed. - The static and dynamic Field Development Plan (FDP) reservoir models for Bu Dana, Al Manhal and Al Bateen were updated to incorporate the results of PIOL-drilled appraisal wells, reviewed and endorsed by ADNOC Upstream and handed over to ADNOC Offshore. Further re-evaluation and reservoir-model refinement progressed during the year to support the Front-End Engineering Design (FEED) study and execution planning.
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- ADNOC Offshore, being the operator of the Production Concession has commenced FEED study. The FEED process is expected to refine and establish the project execution basis, including development cost and schedule, and is targeted for completion in next year.
- During the year, PPL has completed its funding obligation of \$100 million in PIOL. PPL has earlier provided parent company guarantees against PIOL's obligations in the exploration and production concession agreements.

PAKISTAN MINERALS (PRIVATE) LIMITED (ASSOCIATE)

Reko Diq Project

- The Company, OGDCL and GHPL, collectively the SOEs, each hold an 8.33% interest in the Reko Diq Project through PMPL, representing an aggregate indirect stake of 25%.
- During the year, the shareholders via Extraordinary General Meeting held on 10 September 2025, approved the increase in the Company's funding commitment for the project from USD 398 million to USD 715 million.
- During the year, Barrick Mining Corporation (Operator) announced that it was reviewing all aspects of the project including the security situation in the region. In April 2026, the Operator stated that following the preliminary findings of the review, Barrick considers it necessary to slow the development activity and extend the project review. This review is ongoing and will assess in a comprehensive manner the capital requirements, project financing, project scope and timeline. It is anticipated by Barrick that there could be changes to the estimated capital cost and timeline for the project.
- Engineering, procurement, early construction and enabling infrastructure activities continued across key work fronts. However, development activities slowed following the announcement of the review.

DIVERSIFICATION AND DEVELOPMENT OF ALTERNATE REVENUE STREAMS

The Company continued to advance its diversification strategy through the development of mineral projects and evaluation of high-potential opportunities. Key developments during the year are outlined below:

Minerals

- For the Baryte, Lead and Zinc (BLZ) Project, a Project Management Consultant has been onboarded, and preparatory activities for the Engineering, Procurement, Construction and Commissioning phase are underway.
- Planning is also underway for detailed feasibility studies for the Pachinkoh and Chigendik iron ore projects in Nokkundi, Chagai Belt.
- PPL received the offer letter for grant of Exploration License (EL) -331 in District Chagai, Balochistan, subject to fulfillment of certain conditions. Other applications remain under government review.
- The Company is also pursuing an exploration license to expand its mineral portfolio in Khyber Pakhtunkhwa.
- Exploration activities at EL-207, operated by Degan Exploration Works, continued during the year.

BUSINESS RATIONALE OF MAJOR CAPITAL EXPENDITURE

The Company's annual investment program, including major projects, was approved in alignment with its strategic priorities and Value Assurance Framework. The program was structured to support operational requirements and long-term value creation, with capital expenditure proposals reviewed through the established approval process to ensure appropriate allocation of resources.

Capital expenditure during the year covered exploration and development drilling, seismic acquisition campaigns, well workovers, long-lead items, gas-processing facilities, major equipment overhauls, pipeline replacements, compression facilities to mitigate natural decline in mature fields and upgrades to site infrastructure. These initiatives were evaluated with due consideration of their strategic relevance, operational requirements and expected economic benefits.

The Company maintained a sound liquidity position, supported by strong collections during the year. Available resources and funding requirements for the work program were reviewed as part of the budget finalization process, with capital allocation guided by the relative priority, economic viability and expected payback of individual proposals.

SIGNIFICANT PLANS AND EXPANSION

The Company continued to evaluate opportunities to broaden and diversify its portfolio, with key projects including the Zafir Gas Processing Facility, commercialization of the Hatim gas discovery and upgrade of the Sujawal Gas Processing Facility.

The 60 MMscfd Zafir Gas Processing Facility, which had previously faced delays due to litigation and site-access constraints, reached approximately 80% completion and entered an advanced stage of execution. Despite procurement and specialized equipment installation challenges, progress was sustained through effective project execution and stakeholder coordination.

Commercialization plans for the Hatim gas discovery also advanced through the adoption of a membrane-based CO₂ removal solution under a Build-Operate-Maintain model, aimed at unlocking the potential of the low-BTU, high-CO₂ resource.

For the Pateji discovery, the upgrade of the Sujawal Gas Processing Facility is expected to add approximately 30 MMscfd of processing capacity by leveraging existing infrastructure, supporting capital efficiency and long-term value creation for the Shah Bandar Joint Venture.

Other major projects include the Reko Diq Project through PMPL, Offshore Block 5 in Abu Dhabi through PIOL, Baryte, Lead and Zinc Project through BME and 100 PSI compression facility at Gambat South.



SUBSURFACE TECHNOLOGY AND SUPPORT SERVICES

The Company's Seismic Data Processing Centre (SDPC) underwent a major upgrade in computing, storage and imaging infrastructure, significantly strengthening its in-house seismic data processing capabilities. The enhancement increased processing capacity from around 500 sq. km to 3,000-4,000 sq. km datasets, enabling more efficient processing of onshore and offshore seismic data with improved accuracy, faster turnaround times and cost efficiencies.

Following the upgrade, the Gambat South 3D Test Processing Project was successfully completed, demonstrating a marked improvement in seismic data quality. Based on these results, the Gambat South Joint Venture awarded the 2,600 sq. km 3D Mega Merge Reprocessing Project to PPL's SDPC, which is currently underway.

These developments reflect management's vision and the technical team's efforts in establishing a sustainable, internationally aligned in-house seismic data processing capability.

In parallel, PPL's Core Laboratory continued to provide timely and cost-effective core and geochemical analyses of core and ditch-cutting samples, supporting reservoir evaluation and operational decision-making.

RESERVOIR MODELLING GROUP

Reservoir Modelling creates value through integrated subsurface studies, with a primary focus on 3D reservoir simulation and advanced reservoir characterization. During the year, the function completed in-house 3D reservoir simulation studies for the Adam Field in the Hala Block and the Pateji Field in the Shah Bandar Block, enhancing the understanding of reservoir performance and identifying opportunities for production optimization and reserves growth.

In support of PPL's ESG initiatives, the function also conducted technical feasibility studies to assess the Carbon Capture and Storage potential of the Pab formation at Sui and the Ranikot formation at Gambat South. These studies evaluated the suitability of the subsurface formations for long-term carbon dioxide (CO₂) storage, supporting the Company's greenhouse gas emissions reduction efforts.

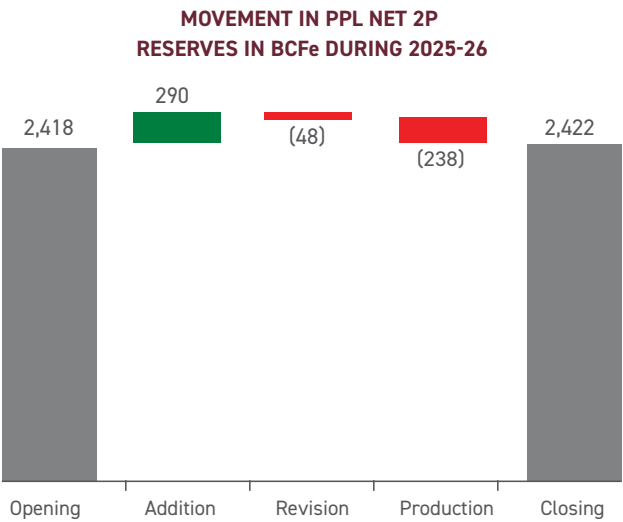
RESERVES MANAGEMENT

Based on reserve additions, revisions and production during the year, the Company achieved a 2P Reserves Replenishment Ratio (RRR) of approximately 102%, reflecting more than full replacement of production. Net additions and revisions increased 2P reserves by approximately 242 BCFe, supplementing the opening reserves base.

Key additions from new discoveries were primarily contributed by Baragzai X-01 in Nashpa, Dhok Sultan-3 in the Dhok Sultan Block and Bilitang-1 in Tal, together with the newly booked Kandhkot West HRL reservoir. Additions also included the reclassification of previously recognized contingent resources to reserves at Gambat South (Hatim-Massive Sand Deep) and Naushahro Firoz.

Performance-based downward revisions at Sui and Kandhkot were partly offset by upward revisions at the Maramzai and Mardankhel fields in the Tal Block.

The Company also holds net Contingent Resources of approximately 1.2 TCFe and continues to pursue their conversion into reserves, supporting its long-term growth strategy.



SUSTAINABILITY

The Board of Directors remains firmly committed to embedding Environmental, Social and Governance (ESG) principles across PPL's strategic and operational frameworks. The Board



Environmental, Social and Governance Committee provides focused oversight of sustainability-related matters, reinforcing the Company's commitment to long-term resilience, responsible growth and sustainable value creation.

On the environmental front, PPL continues to pursue efficient resource utilization, responsible operating practices and innovative solutions that support environmental stewardship and align with broader climate objectives. Climate-related risks and opportunities are also considered as part of the Company's strategic planning and risk management processes.

From a social perspective, the Company remains committed to fostering a diverse, inclusive and equitable workplace, guided by fair labour practices, respect for human rights and meaningful community engagement. These commitments contribute to a stronger organizational culture and promote lasting relationships with stakeholders.

Strong governance underpins PPL's sustainability approach, with transparency, accountability and ethical conduct guiding decision-making. ESG considerations are integrated into the Company's

Enterprise Risk Management framework, supporting the identification and management of emerging risks and opportunities.

During the year, the Company further strengthened its sustainability reporting framework and, for the first time, is presenting disclosures in accordance with IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2, Climate-related Disclosures. This represents an important step towards enhancing the relevance, consistency and transparency of sustainability-related information for stakeholders.

Going forward, PPL will continue to evolve its ESG strategy and reporting practices in line with applicable requirements, international best practices and stakeholder expectations. Detailed information on the Company's ESG policies, initiatives, performance and risk management practices is presented in the ESG Report 2026, which forms part of this Annual Report, as well as in the CSR and QHSE sections, while related governance matters are addressed in the Directors' Report.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

PPL remains committed to maintaining the highest standards of Quality, Health, Safety, and Environment (QHSE) across its operations. Through its dedicated QHSE function, the Company develops and implements robust strategies, procedures, and management systems that promote a safe and healthy workplace, environmental stewardship, and operational excellence. The function also provides expert guidance and assurance to support compliance with applicable legal requirements, industry standards, and the Company’s QHSE objectives, reinforcing a strong culture of safety and responsible business practices.

POLICY AND GOVERNANCE FRAMEWORK

PPL remains steadfast in its commitment to maintaining the highest standards of Quality, Health, Safety and Environment (QHSE) across all its operations. As a leading E&P company, the Company integrates QHSE principles into every aspect of its business, safeguarding its workforce, minimizing environmental impacts, and promoting the wellbeing of the communities in which it operates.

Integrated QHSE Policy and PPL Core Values can be accessed from website <https://www.ppl.com.pk/>

KEY PERFORMANCE INDICATORS (KPIs)

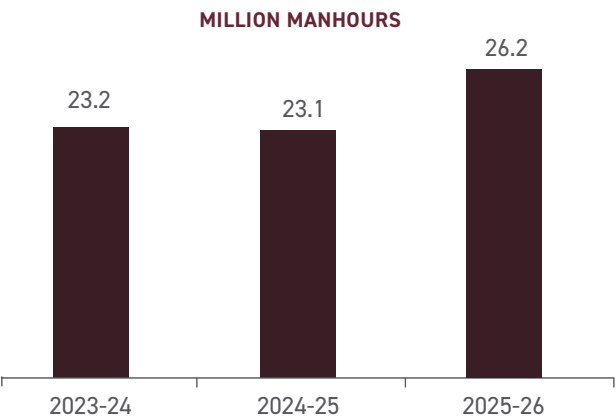
The Company maintained a strong reporting culture, with more than 2,000 hazards reported during the year. This high level of workforce

engagement supported the timely identification and mitigation of workplace risks and strengthened preventive safety management.

Company and contractor personnel collectively recorded 26.2 million man-hours, including the achievement of 5 million safe man-hours. The Total Recordable Injury Rate (TRIR) and Lost Time Injury Frequency (LTIF) stood at 0.30 and 0.27, respectively. In addition, no Tier 1 (high-consequence) or Tier 2 (moderate-consequence) Process Safety Events were recorded across PPL-operated fields.

The Company regrettably reports three contractor fatalities during the year, all of which occurred during a 2D seismic survey campaign in highly rugged terrain of Khuzdar Block. The Company underwent a detailed root-cause analysis to prevent recurrence of such incidents.

To further strengthen performance monitoring and reporting, the Company implemented an online Monthly Progress Reporting (MPR) system, enhancing reporting efficiency, data accessibility, and timely oversight of QHSE performance.



FINANCIAL OVERVIEW

The Directors propose the following appropriations out of the profit for the current year:

	2025-26 Rs. Million	2024-25 Rs. Million
Profit before Taxation	136,699.307	139,082.519
Taxation	(38,166.009)	(47,055.069)
Profit after Taxation	98,533.298	92,027.450
Unappropriated profit as at July 1, 2025 / 2024	607,667.484	537,603.199
Dividend Equalisation Reserve as at June 30, 2026 / 2025	2,535.354	2,535.354
	708,736.136	632,166.003
Appropriations during the year		
Final dividend for the year 2024-25 on ordinary shares @ 25% (2023-24: 25%)	(6,802.433)	(6,802.433)
	(5,441.967)	(5,441.967)
First interim dividend for the year 2025-26 on ordinary and preference shares @20% (2024-25: 20%)		
	(5,441.956)	(5,441.956)
Second interim dividend for the year 2025-26 on ordinary shares @ 20% and preference shares @ 10% (2024-25: ordinary shares @ 20% and preference shares @ 10%)		
	(5,441.946)	(2,720.973)
Third interim dividend for the year 2025-26 on ordinary shares @ 20% (2024-25: 10%)		
	(920.295)	(1,555.836)
Other Comprehensive Income / (loss)		
Balance as at June 30, 2026/2025	684,687.539	610,202.838
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 14, 2026, proposed the following:		
Final dividend on ordinary shares @ 60% (2024-25: 25%)	16,325.839	6,802.433
	16,325.839	6,802.433

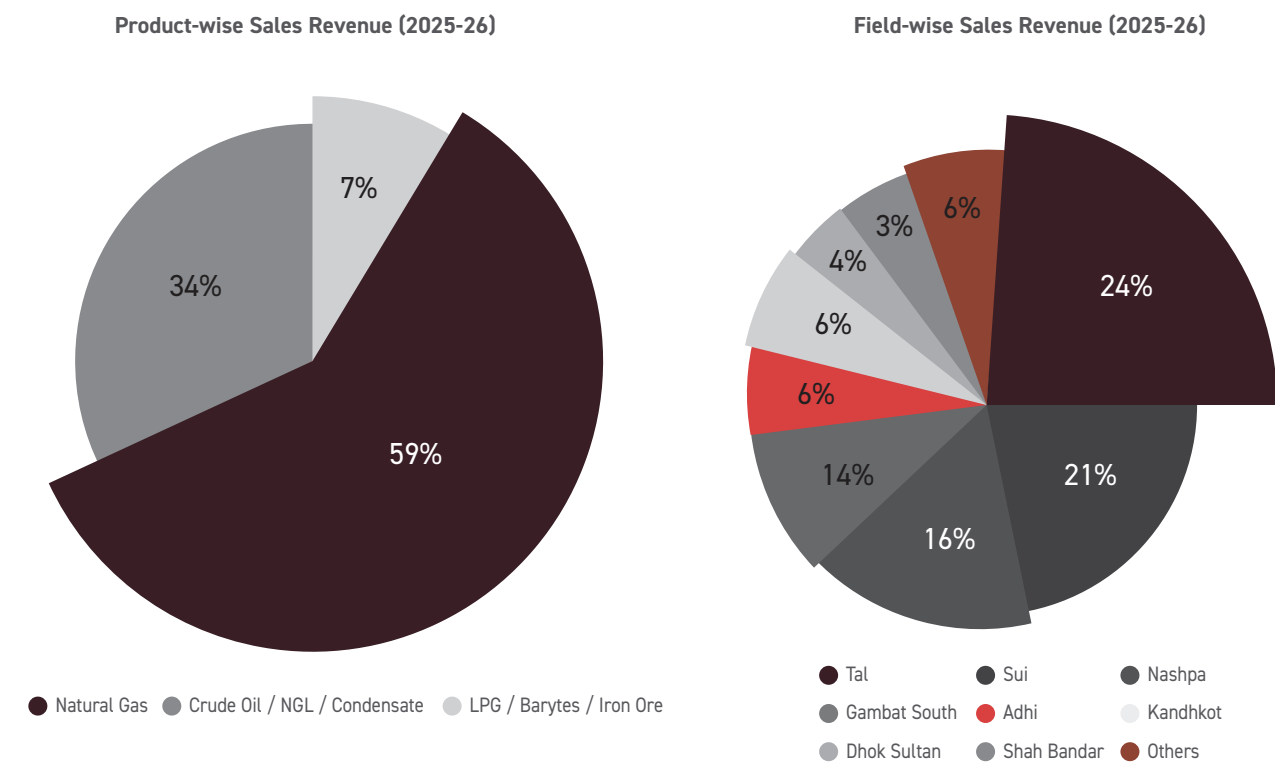
SALES REVENUE

Sales revenue increased by Rs 21,499 million during the current year as compared to the corresponding year. The increase is significantly attributable to positive price variance amounting to Rs 12,997 million, coupled with positive volume variance of Rs 8,502 million.

Positive price variance is due to increase in average international crude oil prices from US\$ 74 / bbl during the corresponding year to US\$ 80 / bbl during the current year.

Positive volume variance is mainly attributable to higher sales volumes as a result of the production from discovery wells from Shah Bandar, Gambat South, Dhok Sultan, Nashpa and Tal fields. Additionally, increased gas off-takes by GENCO-II from Kandhkot contributed favourably to sales volumes. This is partially offset by lower sales volumes from Sui, Adhi and Kirthar fields amid natural decline, further augmented by gas curtailment at Sui.

The product-wise and field-wise sales revenue is analysed below:



Sales Volumes	Unit	Year ended June 30, 2026	Year ended June 30, 2025
Natural Gas	MMscf	173,818	171,218
Crude Oil / NGL / Condensate	BBL	4,015,545	3,681,519
LPG	Metric Tonnes	102,603	97,196
Barytes *	Metric Tonnes	49,621	96,459

* Total gross sales volume of baryte powder and baryte ore, sold by BME aggregated to 102,013 metric tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, net volume is reported as 49,621 metric tonnes.

PROFITABILITY

Standalone Profit Before Tax (PBT) declined by ~2%, whereas Profit After Tax (PAT) increased by over 7% compared to the corresponding year. PBT decreased mainly on account of higher operating expenses due to inflationary impacts and lower other income due to decline in interest rates. During the corresponding period, other income was higher due to reversal of impairment loss on investment in PPLA and insurance claim received against Tal fire incident.

Decline in PBT was partially offset by recovery of past costs arising from the farm-out of 12.5% and

2.5% working interest in the Kuhan and Margand blocks, respectively, and 65% participating interest in the Indus-C block as well as the recognition of liquidated damages as other income pursuant to settlement agreement with EPCC contractors.

PAT has increased on account of reversal of provision for Super Tax amounting to Rs 8,104 million for prior years where its application results in exceeding the aggregate rate of taxes provided in the Fifth Schedule and respective PCAs in accordance with the judgement of the Federal Constitutional Court of Pakistan.

DIVIDEND POLICY

The Company is committed to delivering value to its shareholders through a balanced dividend strategy that aligns with its profitability, liquidity position, and long-term growth prospects.

CONTRIBUTION TO NATIONAL ECONOMY

Your Company is a significant contributor to the national economy. The Company's share of natural gas, oil and LPG sold from operated and partner-operated fields for the financial year 2025-26 in terms of energy was equivalent to ~97,000 barrels of oil per day, resulting in annual foreign exchange savings of around US\$ 2.8 billion by way of import substitution, assuming an average crude oil price of US\$ 80 / bbl.

The Company contributed nearly Rs 135 billion to the national exchequer on account of income tax, royalties, regrant payments, excise duty, sales tax, windfall levy, petroleum levy, GDS, WPPF, and dividends.

GROUP PERFORMANCE

Financial statements of the Group reflected an increase in consolidated profitability. The group sales revenue was recorded at Rs 266,306 million while profit-after-tax stands at Rs 97,681 million in 2025-26, compared to Rs 244,977 million and Rs 89,949 million, respectively, in 2024-25. During the year, PPLE contributed around Rs 2,291 million to the Group's revenue. Brief profiles of subsidiary companies are mentioned in the note-1 to the Company's consolidated financial statements.





HUMAN RESOURCES

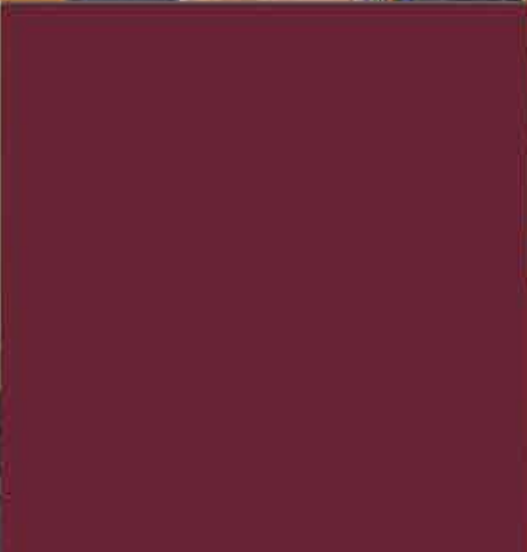
PPL's Human Resources (HR) function remains a key partner of the Company's long-term success, supporting strategic priorities through effective talent management, workforce planning, and organizational development. Our HR function remains committed to fostering a high-performance and inclusive workplace, through investing in attracting, developing, and retaining skilled professionals while promoting employee well-being, engagement, and a culture of continuous learning. These efforts underpin the Company's commitment to operational excellence, innovation, and sustainable value creation.

The Company remained focused on enhancing organizational effectiveness by aligning people-related initiatives with the strategic

objectives. Investments in leadership development, learning programs, and employee engagement initiatives further supported the growth of high-potential and resilient talent.

Employee well-being remains a key priority, with ongoing health and wellness initiatives aimed at promoting a safe and productive workplace. The Company continually reinforces its commitment to ethical conduct, equal opportunity, and a respectful work environment through its established policies, ensuring that all employees are treated fairly and with dignity.

The Human Resources section of this Annual Report provides additional details on the department's activities and initiatives.



CORPORATE SOCIAL RESPONSIBILITY

The Company manages one of the most extensive, diverse and long-standing Corporate Social Responsibility (CSR) programs in Pakistan's corporate sector. Since its inception, PPL's CSR initiatives have earned goodwill and demonstrated the Company's enduring commitment to improving the quality of life of deserving communities across Pakistan for over seven decades.

During 2025-26, PPL made a voluntary CSR contribution of ~Rs. 3.3 billion. Through this contribution, the Company intends to sustain its existing long-term CSR projects while initiating new development schemes for underserved communities, particularly women, youth and differently-abled persons, residing in remote operational areas as well as major urban centres.

PPL BOARD'S COMMITMENT

PPL's Board of Directors remains committed to the well-being of deserving communities through a dedicated and mandated minimum allocation of 1.5% of the Company's annual pre-tax profit to its CSR program. The Board and management regularly review ongoing and proposed projects to assess their relevance, on-ground needs, outreach to target communities, stakeholder participation and long-term impact.

This governance approach, supported by valuable guidance and feedback, has enabled PPL's CSR program to expand its reach and impact while strengthening partnerships with existing and new development partners to sustain its initiatives.

FOCUS AREAS & STAKEHOLDER ENGAGEMENT

PPL's CSR program reaches underserved communities, particularly those residing around the Company's operated areas in Sindh, Balochistan and Punjab, while also extending support to major urban centers through the Corporate Donations Programme.

- **Voluntary Initiatives:** Over the years, the Company has actively engaged with resident communities, area notables, local government officials and reputable development organizations to conduct needs assessments and design and develop relevant CSR projects.



These initiatives are implemented through reputable development partners, with the active support and participation of local communities to encourage ownership. These partnerships also facilitate regular monitoring, ensuring transparency, effective implementation and sustainability of project outcomes.

- **Mandatory Initiatives:** PPL strictly adheres to applicable regulatory guidelines governing mandatory CSR contributions through the relevant authorities, while supporting the timely and effective utilization of funds through regular feedback and follow-ups with stakeholders.

Further details on the Company's CSR activities are presented in the ESG Report.

INFORMATION TECHNOLOGY

Information Technology remained a key enabler of PPL's digital transformation, fostering innovation, strengthening governance and cybersecurity resilience, and enhancing enterprise-wide productivity. Strategic investments in artificial intelligence (AI), enterprise applications, process automation, cybersecurity and workforce capabilities improved operational efficiency, enabled informed decision-making and enhanced business agility. Collectively, these initiatives supported sustainable value creation and the Company's long-term growth objectives.

Further details on IT Governance are provided in the Information Technology Governance section of this Annual Report.

DIGITAL TRANSFORMATION & INNOVATION (AI)

- Microsoft 365 Copilot & AI productivity tools deployed enterprise-wide
- AI governance framework established for responsible, ethical AI adoption

CYBER SECURITY & RESILIENCE

- ISO 27001 surveillance audit successfully cleared
- Continuous monitoring, penetration testing & disaster recovery exercises

ENTERPRISE APPLICATION & ERP GOVERNANCE

- SAP S/4 HANA optimization & process automation across business functions
- Fortified SAP with advanced security, authentication & encryption

IT GOVERNANCE & DIGITAL SKILLS

- ISO 20000 certification achieved for IT Service management
- Digital Skills Uplift Program (DSUP) & AI Champions network launched

BUSINESS CONTINUITY MANAGEMENT SYSTEM (BCMS)

Business Continuity Management (BCM) remained an important component of PPL's operational resilience framework, supporting the Company's ability to respond to disruptive events and maintain the continuity of critical business operations.

During the year, the Company completed the development of Business Resumption Plans (BRPs) for all operating fields and offices, establishing structured response and recovery arrangements for critical activities. To assess the maturity of its Business Continuity Management System (BCMS), PPL engaged an independent consultant to conduct a comprehensive gap assessment against the requirements of ISO 22301:2019. Based on the assessment findings, an in-house remediation program was completed to address identified improvement areas and further strengthen the BCMS framework.

The Company also focused on enhancing internal capabilities and awareness. Twelve employees from eight operating fields and offices were trained and certified as BCMS Lead Auditors, strengthening the Company's capacity to conduct internal assessments and support continual improvement. In addition, awareness sessions were conducted across the Company to reinforce business continuity principles and preparedness responsibilities throughout the organization.

As part of ongoing preparedness efforts, company-wide call-tree notification exercises were conducted twice outside business hours to evaluate the

effectiveness of emergency communication processes and employee responsiveness during potential disruptive events. The outcomes provided useful insights for further enhancement of business continuity preparedness and response arrangements.

Building on these initiatives, the Company is progressing towards engagement with an accredited certification body for ISO 22301:2019 certification. The certification is expected to further strengthen PPL's business continuity framework and align it with internationally recognized practices.

BUSINESS EXCELLENCE

The Business Excellence Function continued to support organizational effectiveness by driving initiatives focused on structured decision-making, process maturity, performance improvement, governance excellence and continuous improvement across the Company, reinforcing performance discipline and sustainable value creation.

During the year, a number of targeted assessments were undertaken to identify operational gaps, streamline processes and enhance overall process effectiveness. These initiatives provided valuable insights into improvement opportunities and supported the implementation of measures aimed at strengthening controls, improving efficiency and enhancing service delivery across the organization.

The Value Assurance Process (VAP), which serves as a key governance mechanism for capital projects, was further strengthened and effectively implemented across the project portfolio. The process provided a structured framework for reviewing project assumptions, costs, risks and expected outcomes, contributing to improved investment discipline, more informed decision-making and optimization of capital expenditure throughout the project lifecycle.

In support of operational excellence initiatives, significant enhancements were introduced to drilling plan monitoring and performance tracking processes. These improvements strengthened visibility over project execution, facilitated more effective monitoring of key milestones and risks, and supported timely management interventions.

The function also continued to facilitate organizational alignment and knowledge sharing through Corporate Dialogue Sessions involving middle management from across the Company. These sessions provided a platform for strategic communication, discussion of business priorities and exchange of perspectives on key operational and corporate matters. The initiative contributed to greater awareness of organizational objectives, strengthened cross-functional collaboration and reinforced engagement between management and employees.

Collectively, these initiatives supported the Company's objective of institutionalizing a culture of excellence, accountability and continuous improvement.

CORPORATE GOVERNANCE

PPL remains committed to maintaining high standards of corporate governance, anchored in transparency, accountability and ethical conduct across its operations. Guided by regulatory requirements and governance best practices, the Board steers the Company's strategic direction, strengthens oversight, and safeguards stakeholder interests. Through its leadership, PPL's Vision and Mission are translated into long-term priorities that advance sustainability, organizational excellence, and enduring value for all stakeholders.



FUNCTIONING OF THE BOARD

The Board continues to play a pivotal role in steering and overseeing the Company's strategic direction. Its principal responsibilities include defining long-term objectives, monitoring overall business performance, ensuring compliance with regulatory frameworks, overseeing financial management, and proactively identifying and mitigating key risks. Accordingly, the Board ensures that the Company is effectively governed and consistently aligned with its vision, mission, and strategic priorities.

In line with regulatory requirements, the Company is required to establish six statutory Board Committees. The Company has established seven Board Committees, with the Board Strategy and Finance Committee (BSFC) serving as an additional committee to support the Board in strategic and financial decision-making. All Board Committees operate according to their respective Terms of Reference.

The Board has delegated certain responsibilities to its committees, which function as specialized sub-groups of the full Board. These committees devote focused time and resources to address specific matters, often seeking input from subject matter experts to enhance decision-making. They provide detailed reports and recommendations to the Board, enabling informed oversight.

The Board has also delegated specific powers to the CEO and management for managing the Company's day-to-day operations. Clear limits of authority for the CEO and management have been formally approved by the Board to ensure accountability, operational efficiency, and alignment with overall corporate objectives.

COMPOSITION OF THE BOARD

The names and status of the directors are set out in the 'Company Information' section of the Annual Report. The names of persons holding directorship during the financial year are disclosed in the "Attendance of Board and Committee Meetings" section of this Annual Report.

The independent directors confirmed their independence in accordance with sub-regulation (3) of Regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

DIVERSITY ON THE BOARD

The Company's Board comprises professionals with diverse backgrounds and extensive experience across a range of business and industry sectors. Collectively, directors bring expertise in leadership, corporate governance, law, finance, engineering, and exploration and production, enabling balanced oversight and informed strategic guidance. At year-end, the Board comprised five independent directors, four non-executive directors, and the Chief Executive Officer.

Subsequent to year-end, the election of directors is being held to elect members of the Board for a three-year term. The nominees bring extensive experience in business, finance, oil and gas exploration and production, engineering, law, international relations, information technology, public administration, and policymaking.

CASUAL VACANCIES ON THE BOARD

During the year, the composition of the Board changed on three occasions: Mr. Imran Ahmed succeeded Mr. Momin Agha in August 2025; Mr. Mirza Nasir-ud-Din Mashhood Ahmad succeeded Mr. Imran Ahmed in January 2026; and Mr. Usman Ahmed Chaudhry succeeded Mr. Zafar Abbas in February 2026. The casual vacancy arising from the unfortunate demise of Ms. Khurshid Bhaimia remained unfilled, pending nomination by the Company's majority shareholder.

PROFILES OF DIRECTORS

Detailed profiles of the directors, highlighting their educational background, professional experience, and involvement in other organizations, are provided in the "Profiles of the Board of Directors" section of the Annual Report.

ROLES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer (CEO) are clearly defined and appropriately separated to support effective governance, accountability, and operational management.

The Chairman leads the Board and oversees the effective discharge of its governance responsibilities. This includes setting Board meeting agendas, facilitating constructive deliberations, promoting consensus on key matters, and encouraging the active participation of all directors. The Chairman also ensures that the Board operates effectively, maintains its strategic focus, and supports the continued development of its members. Under the Chairman's leadership, the Board considers and approves significant strategies and policies proposed by the management and oversees the Company's performance, sustainability, and long-term growth.

The CEO is responsible for the day-to-day management of the Company under the direction and oversight of the Board. The CEO leads the implementation of Board-approved strategies and policies, safeguards the Company's resources, and ensures that funds are utilized economically, efficiently, and effectively. The CEO is also responsible for ensuring compliance with applicable statutory and regulatory requirements.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The key features of the Terms of Reference for the Board Committees are provided in the "Board Committees" section of this Annual Report. During the financial year, the Board of Directors held sixteen meetings, while the Board Committees convened forty-four times. Details of directors' attendance at these meetings are presented in the "Attendance of Board and Committee Meetings" section of this Annual Report.

ANNUAL PERFORMANCE EVALUATION

In accordance with the Public Sector Companies (Corporate Governance) Rules, 2013, the Board's performance is evaluated under the oversight of the Federal Government. Accordingly, the Pakistan Institute of Corporate Governance (PICG) was engaged to evaluate the performance of the

Board and its members for the financial year 2024–25.

During the year, the Board also evaluated the performance of the Chief Executive Officer against predefined operational, tactical and strategic objectives. The Federal Government may also undertake an evaluation of the CEO's performance in accordance with the applicable framework.

ORIENTATION PROGRAMME FOR THE DIRECTORS

Directors appointed during the year were provided with detailed briefings on the Company's business, operations, and operating environment, as well as their roles and responsibilities as Board members. Welcome packs for the directors included the Company's Memorandum and Articles of Association, along with its Quarterly and Annual Reports, to facilitate a thorough understanding of the Company's governance and performance framework.

DIRECTORS' TRAINING PROGRAMME

The directors remain fully cognizant of their duties and are committed to performing them in accordance with the highest standards of corporate governance. At year-end, the Company was largely compliant with the voluntary provisions relating to the Directors' Training Programme prescribed under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

TERM OF THE BOARD AND ELECTION OF DIRECTORS

The term of the existing Board expired in December 2023. The election of directors could not be held due to the non-receipt of nominations from the Government of Pakistan, the Company's majority shareholder. In accordance with Section 158 of the Companies Act, 2017, the existing directors continued to perform their responsibilities until the election of their successors.

Subsequent to the balance sheet date, the Government of Pakistan submitted its nominations for the reconstitution of the Board of Directors. Accordingly, an Extraordinary General Meeting of shareholders is scheduled to be held on 15 September 2026 for the election of directors.

REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Company does not provide any remuneration to non-executive directors other than the directors' fees paid for attending meetings of the Board and its Committees, and general meetings of shareholders.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

Mr. Imran Abbasy was appointed by the Board as Chief Executive Officer on a three-year contractual term effective 21 September 2022, which concluded on 20 September 2025. In March 2025,

the Board initiated the process for appointing a regular Chief Executive Officer; however, the process was held in abeyance pending the constitution of the new Board.

Following the conclusion of Mr. Imran Abbasy's term, Mr. Sikandar Ali Memon, then Chief Operating Officer, was appointed as Chief Executive Officer in addition to his existing responsibilities, until his retirement in January 2026 or the appointment of a regular Chief Executive Officer, whichever occurred earlier.

Upon Mr. Sikandar Ali Memon's retirement, Mr. Mohammad Khalid Abdul Rehman, former Chief Financial Officer of the Company, was appointed as Chief Executive Officer on an interim basis with effect from 10 January 2026, initially for three months or until the appointment of a regular Chief Executive Officer, whichever occurred earlier. In April 2026, the Board extended his tenure until the appointment of a regular Chief Executive Officer.

ADDITIONAL DIRECTORSHIPS HELD BY EXECUTIVE DIRECTOR

The Chief Executive Officer of the Company also serves as a director on the boards of the Company's wholly-owned subsidiaries, PPL Asia E&P B.V. and PPL Europe E&P Limited, as well as the associated companies, namely Reko Diq Investments Limited, Reko Diq Holdings Limited, Reko Diq Mining Company (Private) Limited, Pakistan Minerals (Private) Limited, and Pakistan International Oil Limited.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

No foreigner is appointed on the Board of the Company.

BOARD MEETINGS HELD OUTSIDE PAKISTAN

No meeting of the Board was held outside Pakistan.

CONFLICT OF INTEREST RELATING TO THE BOARD OF DIRECTORS

The Company's Code of Conduct for the Board of Directors requires each director to avoid any conflict of interest with the Company, its subsidiaries, associated companies, and undertakings. Directors are required to promptly disclose any actual or potential conflict of interest to the Company. As a good corporate-governance practice, directors declare any actual or potential conflict of interest in matters placed before the Board or its Committees at the start of each meeting.

Conflict of interest matters involving directors are handled in accordance with the relevant provisions of the Companies Act, 2017, the Public Sector Companies (Corporate Governance) Rules, 2013, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Company's Articles of Association.



TRANSACTIONS WITH RELATED PARTIES

Related party transactions are carried out on commercial terms and the details thereof are placed periodically before the Board Audit Committee for review and recommendation to the Board for approval. Any interest of a Board member in a related party transaction is disclosed to the Company. The details of related party transactions are disclosed in notes to the Company's financial statements for the year ended June 30, 2026.

INTERNAL AUDIT

The Company maintains an independent Internal Audit function that reports directly to the Board Audit Committee. Internal Audit staff have unrestricted access to all records, systems, personnel, and information necessary to perform their duties effectively. The scope and authority of the function are defined in the Internal Audit Charter approved by the Board. This charter provides a clear framework for the department's activities, enabling it to deliver independent assurance and value-added recommendations that support effective risk management, internal controls, and corporate governance practices across the Company.

SIGNIFICANT POLICIES

The significant policies of the Company include:

- Environmental, Social & Governance (ESG) Policy
- Business Continuity Management Policy
- Code of Conduct
- Corporate Communication Policy
- Corporate Donation Policy
- Enterprise Risk Management Policy
- Exploration and Farm-in/Farm-out Strategy for Sustained Growth
- Human Resource Management Policy
- Incident Reporting Policy
- Investment Policy
- Rotation of External Auditors
- Provision of Additional Services by External Auditors
- QHSE Policy
- Whistle Blowing Policy (Details are mentioned on the Company's website)

SUPPORT TO SHAREHOLDERS

The Company is committed to addressing shareholder grievances in a timely and efficient manner. Shareholders can submit complaints or inquiries through the online feedback and complaints form on the Company's website. Additionally, the Share Registrar acts as the main point of contact for shareholders, with complaints or inquiries accepted through letters, email, telephone, facsimile, or direct submission to the Company.

During the year, 187 shareholders approached the Company's Share Registrars to update their bank mandates and correct IBAN details for the release of outstanding dividends, which were subsequently paid. In addition, 69 shareholders requested corrections to their postal addresses, while 192 shareholders applied for verification of share transfer deeds. A further 914 shareholders contacted the Registrars on various matters, including loss of share certificates, submission of zakat declarations, determination of shareholding proportions for accurate withholding tax deductions, and submission of documents for transmission of shares to legal heirs of deceased shareholders. During the year, 727 share transfers, 110 duplicate share certificates, and 390 transmissions of shares to legal heirs were registered.



ENGAGEMENT WITH STAKEHOLDERS

The Company places high importance on the views and concerns of its shareholders. During Annual General Meetings (AGMs), dedicated question-and-answer sessions are conducted, enabling shareholders to raise inquiries that are addressed by management and Board representatives. The Chairman of the Board Audit Committee attends the AGM and is available to respond to questions relating to the Committee's activities.

In addition, annual corporate briefing sessions are held in compliance with the requirements of the Pakistan Stock Exchange, where financial and business analysts participate and obtain clarification on general and technical matters relating to the Company's business. During the year, one corporate briefing session was held in November 2025.

All matters discussed during the AGM, along with the corresponding decisions, are formally recorded in the minutes of the meeting. These minutes are submitted to the Pakistan Stock Exchange and are made available to shareholders free of charge.

As the Federal Government is the Company's major shareholder, the Board, including non-executive directors, remains fully informed of the major shareholder's perspectives, ensuring that these views are considered and effectively communicated to management.

MINORITY SHAREHOLDERS

The Company recognizes and values the interests of all its stakeholders, including shareholders, employees, creditors, customers, business partners, and local communities. Shareholders are encouraged to actively participate in both Annual and Extraordinary General Meetings (AGMs and EGMs) to share their suggestions and feedback. To facilitate this, the Company makes the following arrangements:

- **Dispatch of Notices:** Notices of the AGM/EGM are sent to all shareholders at least 21 days prior to the meeting, along with the Annual Report.
- **Publication:** Notices of the AGM/EGM are published in newspapers with wide circulation in Karachi, Lahore, and Islamabad in both English and Urdu.
- **Online Availability:** Notices are also posted on the Pakistan Stock Exchange's online portal and the Company's website.

- **Annual Report Distribution:** Printed copies of the Annual Report are sent to shareholders on specific request and are distributed at the venue of AGM.
- **Proxy Appointment:** The Company facilitates shareholders in appointing proxies.
- **Minority Shareholder Representation:** For elections of directors, the Company supports minority shareholders by publishing their statements and proxy forms in the newspapers.

BOARD'S STATEMENT ON GENDER DIVERSITY & GENDER PAY GAP

The Board is committed to ensuring equal employment opportunities and advancing a robust diversity and inclusion strategy in accordance with applicable laws and agreements. The Company does not discriminate on the basis of gender, race, religion, color, ethnicity, marital status, or social class.

In compliance with the directives of the SECP, issued through Circular No. 10 of 2024, the Board has approved a Statement on Gender Pay Gap. This statement is included in the Company's Annual Report and is also disclosed on the Company's website.

PAKISTAN SOVEREIGN WEALTH FUND ACT, 2023

During FY 2023-24, the Government of Pakistan promulgated the Pakistan Sovereign Wealth Fund Act, 2023 (the Act). In accordance with Section 9(2) of the Act, the Government's shareholding in the Company was transferred by operation of law to the Pakistan Sovereign Wealth Fund (PSWF). The Company is currently awaiting further instructions from the Government to undertake the requisite corporate actions necessary for formally recording this transfer.

Additionally, Section 50 of the Act provides that the Fund, along with State-Owned Enterprises in which the Fund maintains a majority interest, shall not be subject to the provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 (the SOE's Act), which came into effect during FY 2022-23. As a result, PPL stands exempt from compliance requirements stipulated under the SOE's Act.

STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

The Directors are pleased to state that:

- I. The Board has complied with the principles of corporate governance.
- II. The financial statements prepared by the Company's management present a true and fair view of its state of affairs, results of operations, cash flows and changes in equity.
- III. Proper books of accounts have been maintained by the Company.
- IV. Appropriate accounting policies have been used in the preparation of the financial statements and any changes in accounting policies have been disclosed. Accounting estimates are based on reasonable and prudent judgement.
- V. The financial statements comply with the accounting and reporting standards as applicable in Pakistan.
- VI. Systems of internal control are sound in design and have been effectively implemented, regularly reviewed and monitored.
- VII. The reasons for significant deviations from the preceding year's operating results have been explained in the relevant sections of the Directors' Report.
- VIII. Key operating and financial data for the last six years is given in the "Six Years' Summary" section of the Annual Report.
- IX. Information about outstanding taxes, duties, levies and charges, is given in the notes to the financial statements.
- X. Significant plans and decisions in respect of corporate restructuring, business expansion and discontinuation of operations, where

applicable, have been outlined in the Annual Report. Future prospects, risks and uncertainties have also been disclosed in the relevant sections of the Directors' Report.

- XI. Appointment of the Chairman and other directors, the terms of their appointment and remuneration policy, are in the best interests of the Company and in accordance with best practices.
- XII. The Key Performance Indicators relating to the Company's social objectives and outcomes have been disclosed in the relevant sections of the Directors' Report.
- XIII. The value of investments in employee retirement funds based on the latest audited accounts as at June 30, 2025 is:

INVESTMENT AMOUNTS AS PER LATEST AUDITED ACCOUNTS AS AT JUNE 30, 2025	
	Rs. Million
Senior Provident Fund	6,841
Junior Provident Fund	2,432
Executive Staff Gratuity Fund	1,109
Non-Executive Staff Gratuity Fund	1,361
Executive Staff Pension Fund	16,554
Non-Executive Staff Pension Fund	4,902
Executive Staff Pension Fund Defined Contribution (Shariah)	4,114
Executive Staff Pension Fund Defined Contribution (Conventional)	1,859

- XIV. The number of meetings of the Board and Board Committees held during the year and the attendance thereat by the respective members have been disclosed in the 'Attendance of Board and Committee Meetings' section of the Annual Report. The Board and Committees gave leave of absence to the members who were unable to attend any meeting.



- XV. Directors only receive directors' fees for attending meetings of the Board, Board Committees and general meetings. The Company also incurs travelling, lodging and other expenses in connection with attending Board and Committee meetings. The details of fees paid to each director are included in the Annual Report in the section entitled 'Attendance of Board and Committee Meetings'.
- XVI. The pattern of shareholding in the Company as at June 30, 2026 is included in the 'Pattern of Shareholding' section of the Annual Report 2026.

RISK MANAGEMENT FRAMEWORK

The first half of the fiscal year was characterized by relative macroeconomic stability, with headline inflation remaining largely contained. However, supply disruptions arising from the Middle East conflict affected the latter part of the year and led to national austerity measures. Sector-specific risks remained pronounced, particularly the uncertainties associated with hydrocarbon exploration in frontier geological terrains involving significant development activity and cost commitments. The deteriorating security environment in Balochistan also continued to constrain frontier exploration efforts. In addition, the gradual depletion and maturation of established domestic basins reinforced the need for diversification, while circular debt and

increased taxation demands continued to pose structural challenges to operational and financial performance.

Despite these challenges, the Company remains committed to supporting national energy security while delivering sustainable value to stakeholders. A disciplined approach to domestic and international exploration and development continues to underpin its long-term growth strategy. In response to an evolving risk landscape, the Company has accelerated risk mitigation and diversification initiatives, including increased focus on non-traditional revenue streams, particularly within the mining sector, to reduce reliance on maturing hydrocarbon assets.

To support the execution of its strategic objectives, the Company's Enterprise Risk Management (ERM) framework remains integrated with strategic planning and business processes. The framework facilitates the identification, assessment and mitigation of enterprise-level risks while supporting informed decision-making and long-term value creation. Sustainability considerations are embedded within the Company's risk management approach, reinforcing responsible governance, transparency and organizational resilience. During the year, the ERM framework was further enhanced to strengthen alignment with international sustainability disclosure standards and improve strategic risk assessment methodologies.



FIGURE - Components and Principles of an ERM Framework (from COSO's ERM Integrated Framework - 2017)

The Risk Governance section of this Annual Report contains details of risk governance structure and the Risk and Opportunities report.

BUSINESS OUTLOOK

PPL's five-year plan is focused on strengthening its core hydrocarbon business, pursuing selective diversification opportunities, and enhancing resilience in an evolving operating environment. The plan aims to support sustainable growth by optimizing existing assets, expanding the business portfolio, and maintaining the flexibility needed to respond to changing market and industry dynamics.

EXPLORATION AND PRODUCTION (E&P)

PPL's core operations will focus on minimizing natural decline and achieving a promising reserves replacement ratio over the next five years. This will be driven by a disciplined exploration program encompassing data acquisition, in-house processing, and targeted drilling across onshore, offshore and de-risked frontier regions, complemented by continued optimization of existing fields through intervention jobs, development wells and workovers. Alongside its domestic program, the Company plans to pursue international E&P opportunities to secure meaningful reserve volumes, reduce geographic concentration, and enhance the overall resilience of its asset base.

DIVERSIFICATION

As part of its diversification strategy, PPL continues to advance opportunities beyond its traditional E&P business through a balanced portfolio of mineral and energy-related initiatives. Through its dedicated Mining Business Unit, the Company is progressing selected minerals projects and evaluating participation in mining ventures to support long-term portfolio diversification. In parallel, PPL is assessing opportunities across the broader energy value chain through pre-feasibility and feasibility studies aimed at leveraging indigenous resources and contributing to the country's energy security, subject to technical, commercial, and financial viability. These initiatives reflect the Company's measured approach to broadening its business base and creating sustainable long-term value.

FINANCIAL OUTLOOK

The Company remains committed to pursuing sustainable growth through prudent capital allocation and disciplined investment decisions. Capital will continue to be deployed across its key business areas, with priority given to value-accretive opportunities. Alongside ongoing investment in its core oil and gas business, PPL intends to progressively increase its presence in the minerals sector, reflecting its strategic importance in broadening and diversifying the Company's business portfolio.

The Company's financial outlook continues to be influenced by the challenges facing Pakistan's gas sector, particularly the persistence of circular debt. While improved collections over the past three years have strengthened liquidity and enhanced cash recoveries, the recovery of legacy receivables remains a key challenge. Continued progress in energy sector reforms and improved payment discipline will be important to sustain cash generation and support future investment requirements.

Market fundamentals have shown signs of improvement, with higher global crude oil prices and stronger demand for indigenous gas supporting the industry's outlook. In addition, the absence of gas curtailments, compared with the past two years, is expected to provide a more favorable operating environment. The Company is also pursuing initiatives to enhance production and processing capacity, including additional volumes from the Zafir / GPF-III project and upgrades to gas processing facilities at Shah Bandar.

Looking ahead, the Company remains focused on maintaining financial stability, disciplined capital management and sustainable value creation for shareholders.



POST BALANCE SHEET EVENTS

DIRECTORS

Subsequent to the year-end, Mr. Syed Zakria Ali Shah, Additional Secretary (Administration), Ministry of Energy (Petroleum Division), has been appointed as director of the Company in place of Mr. Usman Ahmed Chaudhry.

Also, following the Government of Pakistan's nominations for reconstitution of the Board, an Extraordinary General Meeting has been scheduled for 15 September 2026 to elect directors.

DISCOVERIES

Subsequent to the year-end, two discoveries were announced, one at Rahi X-1 in Shah Bandar Block and the other at Dolphin X-1 in Sirani Block.

DEVELOPMENT & PRODUCTION LEASE

Subsequent to the year-end, Jhim Pateji Development & Production Lease was granted for a period of six years, effective 24 July 2026.


CHAIRMAN
BOARD OF DIRECTORS
KARACHI: SEPTEMBER 14, 2026

DIVIDEND

The Board of Directors in its meeting held on September 14, 2026, has recommended final cash dividend @ 60% amounting to Rs. 16,325.839 million [2025: @ 25% amounting to Rs. 6,802.433 million] on paid-up value of ordinary share capital. This appropriation will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 27, 2026.

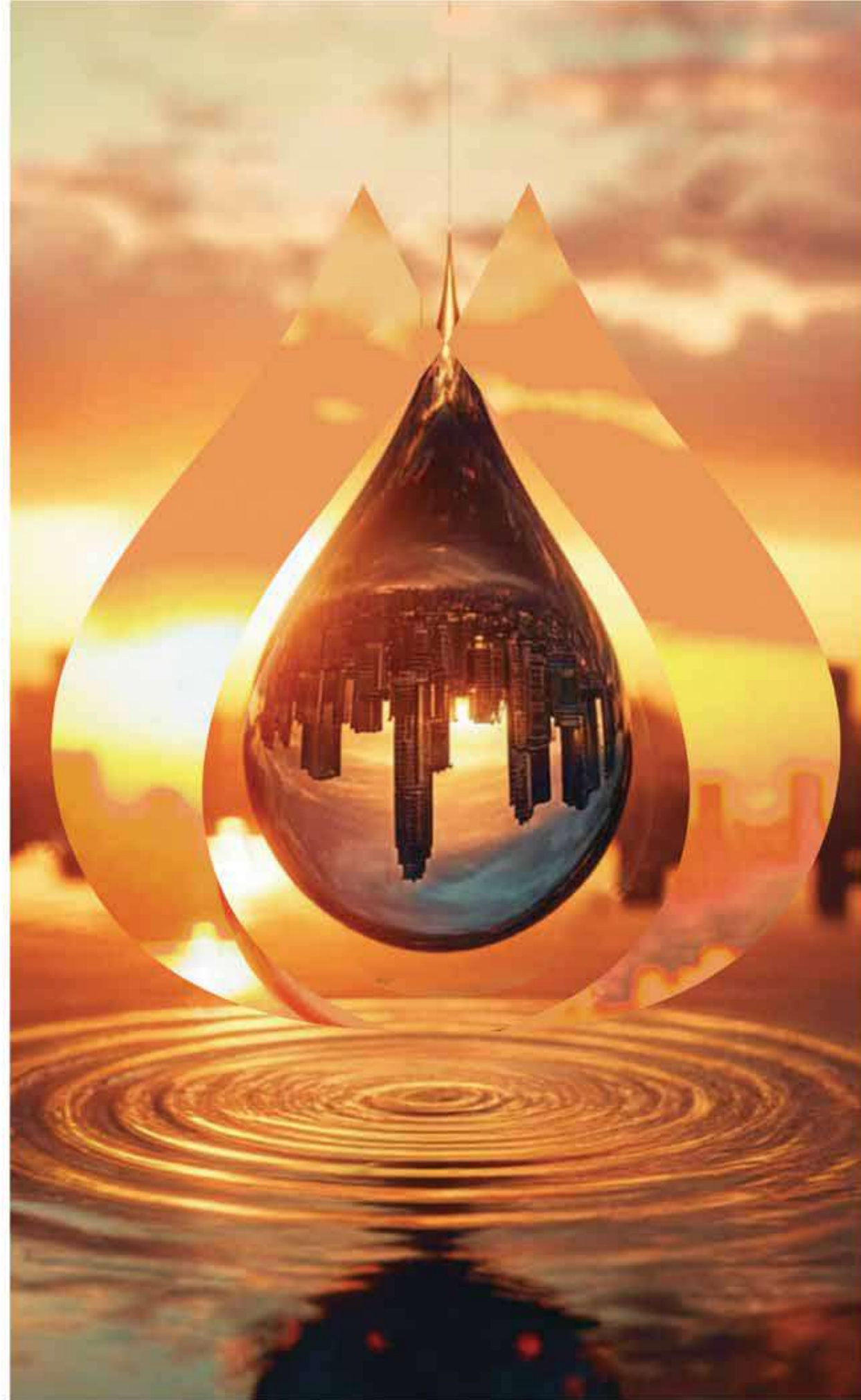
AUDITORS

The Company's auditors Taseer Hadi Khalid & Co. (formerly KPMG Taseer Hadi & Co.) who retire at the forthcoming Annual General Meeting are eligible for reappointment for the year 2026-27 and have been recommended by the Board of Directors for reappointment.


CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

THE ENERGY THAT COMES TO LIFE

Energy is brought to life by people, technology and expertise. This chapter showcases the exploration and production operations and human capabilities that transform resources into progress.



AWARDS & EVENTS

PPL received CSR Round O'clock Award by National Forum for Environment and Health for CSR contribution of Rs 4.7 billion during 2024-25



AWARDS



PPL received SAFA's Silver Award for its Annual Report 2024

MD & CEO Mohammad Khalid Abdul Rehman presents a souvenir to Federal Petroleum Minister Ali Pervaiz Malik during his visit to PPL's corporate booth at Annual Technical Conference 2026 in Islamabad



PPL received 9th Global DEI Benchmarks Awards 2026 for its longstanding commitment to Diversity, Equity & Inclusion and community development efforts



ARDS



PPL as lead organizer with MoE (PD) led Pakistan at Future Minerals Forum 2026: MD & CEO Mohammad Khalid Abdul Rehman presents a memento to Federal Petroleum Minister Ali Pervaiz Malik

PRODUCTION ACTIVITIES

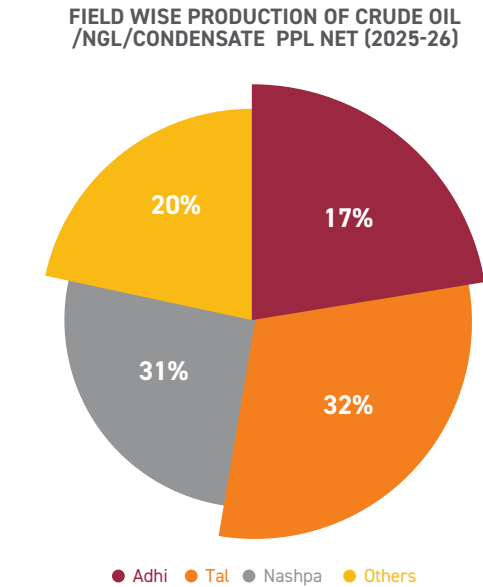
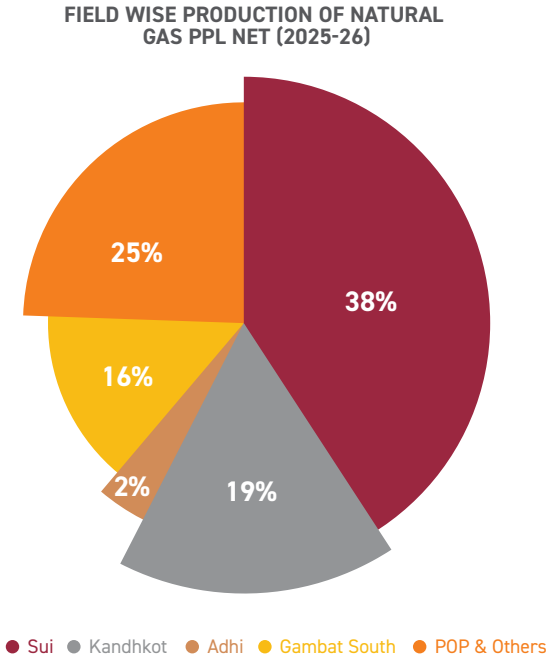
The Company operates eight producing assets – Sui, Kandhkot, Adhi, Dhok Sultan, Chachar, Hala, Gambat South, and Shah Bandar – in addition to holding working interest in twelve partner-operated producing fields.

PPL OPERATED PRODUCING ASSETS

The details of the activities in the Company’s operated producing assets are mentioned below:

SUI & KANDHKOT ASSET

- The average production from Sui field during the year stood at 217 MMscfd, reflecting an 8% decline, due to lower offtakes by SNGPL caused by LNG backpressure largely during first half of the year and natural decline.
- Acid stimulation and perforation jobs at wells Sui-91 and Sui-92, along with surface debottlenecking activities at six wells, resulted in an incremental gas production of approximately 5 MMscfd.
- Major overhauling of gas turbine units GT-101A and GT-101B was completed, while key inspections at the Sui Field Gas Compressor Station further enhanced operational reliability, availability, and integrity.
- The Sui Development and Production Lease (D&PL) was extended for two years, effective 1 June 2025, as per applicable rules.
- Average production from Kandhkot field for the year stood at 107 MMscfd, showing a 14% increase, due to increased offtakes by GENCO-II.
- A rig-less intervention at Lal X-1 successfully tested at ~7 MMscfd and commercialized the West HRL Reservoir, resulting in addition of ~30 BCF of 2P reserves.
- Major maintenance operations were successfully completed, including the service exchange of gas generators at TUCO-C, the top-end overhaul of Genset-A, and the major overhaul of Genset-C.



ADHI / DHOK SULTAN ASSET

- Development & Production Lease over Adhi field was granted for twelve (12) years effective 13 November 2024.
- Workovers at Adhi-31 and Adhi South-2 resulted in cumulative production gain of 960 bpd of oil and 4.3 MMscfd of gas.
- Development & Production Lease over Dhok Sultan X-1 was granted for eleven (11) years effective 25 November 2025.
- Dhok Sultan-3 was commissioned within two months of discovery in November 2025.
- Successful takeover of Operations & Maintenance of Oil Handling Facility at Dhok Sultan from third party was completed.

HALA / GAMBAT SOUTH / MAZARANI / SHAH BANDAR ASSET

- The Zafr/GPF-III Project is at an advanced stage, with 80% overall completion. Despite procurement, equipment delivery, and installation challenges due to escalation of security concerns in the Middle East, proactive project management and strong contractor coordination have maintained progress and kept the project on track.
- Faiz X-1 was successfully monetized through targeted well intervention and pipeline integration with the Gambat South Gas Processing Facility, achieving production of ~700 bpd of condensate and ~4 MMscfd of gas.
- Regulatory approval for the allocation of Hatim gas to SSGCL was obtained, facilitating commercialization of the discovery. Accordingly, 141 BCFe were moved from 2C resources to 2P reserves.
- At Gambat South, processing capacity of GPF-II was enhanced from 55 MMscfd to 60 MMscfd through a low-cost optimization initiative.
- At the Hala Plant, spare processing capacity continued to be utilized for processing ~6 MMscfd of surplus gas from Gambat South.
- Successfully revived Adam West X-1 through a technically challenging sidetrack, and recommissioned through Hala Gas Processing Facility, with production gain of ~4 MMscfd of gas.

- In the Shah Bandar block, the current production from Jhim East is ~10 MMscfd. Furthermore, upgradation of Sujawal Gas Processing Facility is in progress to fully monetize Pateji discoveries. Upon completion, the project is expected to increase production of Pateji from ~7 MMscfd to ~25 MMscfd.
- Arrangements are being made for third-party gas sales from Yasar X-1 (Kotri) and Naushahro Firoz X-1 discoveries, with production gain of ~ 2 MMscfd of gas.
- Gas sales from Mazarani field ceased on 1 January 2026 upon reaching its economic cut-off. Preparations for decommissioning activities are underway.

PPL MINING ASSET – BOLAN MINING ENTERPRISES (BME)

- Finance Facility Agreement with the Government of Balochistan was executed, for the BLZ project.
- Project Management Consultancy (PMC) contract was awarded to M/s DMT, initiating execution of the BLZ project.
- At Pachinkoh (Nokkundi), substantial progress was made in the drilling campaign, with approximately 2,500 meters completed during the year, bringing the campaign close to completion.
- Export sales were significantly reduced due to prevailing security situation in Balochistan. In response, BME diversified its commercial strategy by strengthening local sales.



PARTNER OPERATED PRODUCING ASSETS

Details of activities carried out during 2025-26 in the partner operated areas along with performance overview is presented below:

TAL OPERATOR: MOL	• Exploration well Razgir X-1 and development well Makori Deep-3 were commissioned during the year, while drilling of Makori East-7 remained in progress at year-end. • Makori East Secondary Compression and Tolanj Processing Facility Capacity Augmentation projects were commissioned during the year, to support production optimization.
NASHPA OPERATOR: OGDCL	• Baragzai X-01 was commissioned in April 2026 and achieved average production of ~ 16 MMscfd of gas, 5,947 bpd of oil and 51 MT/day of LPG during FY 2025-26. • Long-term production strategy for Baragzai field development is being evaluated.
KIRTHAR OPERATOR: POGC	• Development well Rizq-6 was spud & drilled during the year. Evaluation is in progress following low initial flow rates. • Development well Rehman-9 was spud and successfully completed during the year, and tie-in activities are in progress.
QADIRPUR OPERATOR: OGDCL	• Pilot horizontal development well, QP-64, was successfully drilled to evaluate the SUL Formation. Preparations for multistage hydraulic fracturing are underway.
MIANO OPERATOR: UEP-BETA	• Horizontal development well Miano TGS Hz-1 was successfully drilled and completed. Rig-less testing and tie-in activities are underway.
LATIF OPERATOR: UEP-BETA	• A liquid-unloading campaign at Latif-17 was undertaken to enhance well performance and sustain production.
BLOCK-22 OPERATOR: PEL	• Sadiq X-1 was restored to production following successful completion of pipeline integrity restoration works.
SAWAN OPERATOR: UEP-BETA	• A hydraulic refracturing operation at Sawan-4 was carried out to improve productivity and support production optimization.

EXPLORATION ACTIVITIES

The Company, together with its subsidiaries and associate, maintains a diversified portfolio of 57 exploration blocks, comprising 27 operated and 30 partner-operated assets. The portfolio is predominantly onshore, with 47 blocks, while also encompassing interests in ten offshore blocks. It includes two international assets: Offshore Block-5 in Abu Dhabi and an onshore block in Yemen.

PPL's exploration strategy seeks to balance high-risk, high-reward frontier opportunities with lower-risk prospects in mature basins. While maturity of the existing basins is leading to relatively smaller discoveries, the Company is selectively pursuing frontier areas with the potential for larger resource additions. At the same time, it continues exploration in mature basins to leverage existing infrastructure and maintain a balanced exploration risk profile.

A key development during the year was the award of eight new offshore exploration blocks, comprising two operated and six partner-operated assets, further strengthening the Company's offshore portfolio. Apart from its exploration portfolio, the Company is also undertaking exploration activities in some of its producing areas, including Sui, Kandhkot, Gambat South, Shah Bandar, Tal, Nashpa and Kirthar.

The major exploration activities undertaken during the year across PPL-operated and partner-operated blocks are summarized below.



PPL OPERATED DOMESTIC ASSET EXPLORATION BLOCKS

Exploration activities in these blocks are summarized below:

GAMBAT SOUTH	• Taban East X-1 was drilled and tested. Following non-commercial results, the well was plugged and abandoned. Post-well evaluation is ongoing. • In house test processing of selected 3D seismic data was completed, and full-field merged reprocessing of ~2,500 sq. km was initiated. • In-house integrated Geological & Geophysical (G&G) evaluations continued to mature multi-play exploration prospects for future drilling.
HALA	• Integrated Sequence Stratigraphy Study was commenced in November 2025, with completion targeted in FY 2026-27. • In-house G&G evaluation at multiple play levels is in progress to mature prospects for future drilling.

KOTRI	- Applied for relinquishment upon license expiry, while retaining the Yasar X-1 discovery area. - Following completion of the bidding process for third-party gas sales, Yasar X-1 is being prepared for production through a virtual pipeline facility via Extended Well Testing (EWT).
SORAH	Ishraq X-1 exploration well was spudded in June 2026 and drilled to planned target depth. Currently, preparations are underway for testing of the potential reservoirs.
GAMBAT-II	- Mobilization of the seismic crew is underway for acquisition of 535 sq. km of 3D and 70 line km of 2D seismic data. - In-house G&G evaluation of the block is in progress.
SIRANI	- Exploration well Dolphin X-1 spudded in April 2026 resulted in a gas discovery from Chiltan Limestone. This discovery has proved the presence of a petroleum system and opened a new exploration potential in onshore marshy area and its possible extensions into shallow offshore. - In-house reprocessing of 360 line km of 2D seismic data is in progress.
NAUSHAHRO FIROZ	- Applied for relinquishment upon license expiry, while retaining 266 sq. km covering the Naushahro Firoz X-1 discovery area and Nusrat X-1 structure. - Following completion of the bidding process for third-party gas sales, Naushahro Firoz X-1 is being prepared for production through a virtual pipeline facility via EWT.
SHAH BANDAR	- Exploration well Rahi X-1 spudded in June 2026 resulted in a gas-condensate discovery subsequent to year-end, marking PPL's fourth consecutive discovery in the Shah Bandar Block. - Bidding for acquisition of 350 sq. km of 3D seismic data is in progress. - Civil work activities for exploration well Boohar X-1 are in progress - In-house G&G evaluation of the block is in progress.
BASKA	- Interpretation / mapping of 117 sq. km of 3D seismic data was completed. - Preparations are underway for re-bidding of the planned 2D seismic survey. - In-house integrated G&G evaluation of the block is in progress. - Civil works for appraisal well Savi Ragha-1 remain suspended due to security concerns.
DHOK SULTAN	- Preparations for drilling of appraisal well Dhok Sultan-4 are in progress. - Test processing of selected 3D seismic data over the Musal area was completed, and arrangements are underway to award the contract for reprocessing 350 sq. km of merged 3D seismic data. - In-house integrated G&G evaluation of the block is in progress.
HISAL	- Fracture characterization of newly acquired 3D seismic data was completed. - Interpretation and mapping of the processed 3D seismic data were also completed, while integrated G&G evaluation is underway to mature prospects for exploration drilling.

PUNJAB	- Interpretation and mapping of 293 line km of 2D seismic data were completed. - Bidding for a third-party 3D Petroleum System Modelling Study is in progress. - In-house integrated G&G evaluation of the block is in progress.
KANDHKOT D&PL	Exploration well LAL X-1 resulted in a tight gas discovery in the Lower Alabaster Formation. Subsequently, rigless testing also confirmed hydrocarbon flow from the shallower Habib Rahi Limestone (HRL). Preparations are underway for civil works and drilling of exploration wells LAL X-2 and LAL X-3.
SUI D&PL	Preparations are underway for acquisition of 150 line km of 2D seismic data.

PPL OPERATED FRONTIER ASSET EXPLORATION BLOCKS

Exploration activities in these blocks are summarized below:

BARKHAN	- Bidding for Geological Fieldwork is in progress. - In-house integrated G&G evaluation of the block is in progress.
BELA WEST	3D seismic design study was completed during the year. - Bidding for Geological Fieldwork is in progress. - In-house integrated G&G evaluation of the block is in progress.
HAB	Applied to DGPC for relinquishment upon license expiry, while retaining a 150 sq. km area covering the Hab X-1 discovery.
KALAT	- Re-bidding for the Magnetotelluric survey is in progress. - Bidding for Petroleum System Modelling Study is in progress. - In-house integrated G&G evaluation of the block is in progress.
KALAT WEST	- Preparations are underway for re-bidding for acquisition of 2D seismic data. - Tendering process for the Magnetotelluric survey is in progress. - In-house integrated G&G evaluation of the block is in progress.
KHARAN & KHARAN EAST	- Third-party prospectivity evaluation study was completed. - Planning for collection and analysis of oil seep samples is in progress. - In-house integrated G&G evaluation of the block is in progress.

KHUZDAR	- Completed acquisition of ~269 line km of 2D seismic data over the Shutruk lead. - Processing of the newly acquired seismic data was completed, with interpretation and mapping in progress. - Bidding for an Integrated Petroleum System Study and Structural Modelling Study is in progress. - In-house integrated G&G evaluation of the block is in progress.
MARGAND	- An appraisal feasibility study for Morgandh X-1 was completed, and preparations for drilling the appraisal well Morgandh-2 are underway. - Tendering process for the Magnetotelluric survey is in progress. - Bidding for a Petroleum System Modelling Study is in progress. - In-house integrated G&G evaluation of the block is in progress.
MUSAKHEL	Preparations are underway for land acquisition and security arrangements, following which civil works for the Kashf X-1 exploration well are expected to commence.
NAUSHERWANI	- Third-party prospectivity evaluation study was completed. - Planning for collection and analysis of oil seep samples is in progress. - In-house integrated G&G evaluation of the block is in progress.
SUI NORTH	- Preparations are underway for acquisition of 300 line km of 2D seismic data. - In-house integrated G&G evaluation of the block is in progress.
SHAIGALU	- Preparations are underway for acquisition of 1,650 line km of gravity and magnetic data. - Geological Fieldwork (GFW) was completed and post-GFW studies are in progress.
KALAT SOUTH	- The block was awarded in February 2026. - Bidding for Geological Fieldwork is in progress. - In-house integrated G&G evaluation of the block is in progress.
GHARO CREEK (OFFSHORE)	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.
KOCHI CREEK (OFFSHORE)	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.

PARTNER OPERATED EXPLORATION BLOCKS

Exploration activities in these blocks are summarized below:

NASHPA OPERATOR: OGDCL	- Exploration well Baragzai X-01 resulted in five oil and gas discoveries across multiple formations. The well was completed in the Lockhart Formation and commissioned in April 2026. - Test processing of 75 sq. km of 3D seismic data was completed. - Preparations are underway to drill two appraisal wells following Baragzai discovery.
TAL OPERATOR: MOL	- Razgir-1 was commissioned in October 2025 following completion of tie-in activities. - Bilitang-1 was drilled and initially resulted in a marginal gas discovery from the Hangu, Lumshiwal and Lockhart formations. Following sidetracking to target better-quality reservoir intervals, post-completion testing from the Lumshiwal Formation yielded significant gas flows. Tie-in activities are currently underway. - Based on techno-commercial evaluation, the contract for acquisition of approximately 400 sq. km of 3D seismic data was awarded. - Wellsite construction for exploration well Sarozai-1 is in progress with spud-in planned in FY 2026-27.
GHAURI OPERATOR: MARI ENERGIES	- Dharian-1 ST-3 workover was completed, optimizing provision of jet pump. - Exploration well Ghauri East-1 was spudded in April 2026 and drilling is in progress.
KIRTHAR OPERATOR: POGC	Rig-less testing of exploration well Rafat-1 was completed to evaluate the associated reserves. Procurement of the pipeline for tie-in is in progress, to commence production.
LATIF OPERATOR: UEP-BETA	Integrated G&G evaluation of the block is in progress to drill another exploration well.
SAWAN OPERATOR: UEP-BETA	Sawan North Deep-1 resulted in a gas discovery announced in November 2025. Subsequent surface well testing conducted in June 2026 yielded relatively low flow rates, and the operator is currently evaluating options for third-party gas offtake.
KUHAN OPERATOR: UEP-BETA	- Acquired 78 line km of 2D seismic data during the year. - Processing and reprocessing of approximately 830 line km of 2D seismic data was also completed. - Post-well studies of Sabzkani-1 and integrated G&G evaluation studies were completed.
KHUZDAR NORTH OPERATOR: OGDCL	Preparations for drilling the first exploration well are underway.
DADHAR & MACH OPERATOR: MARI ENERGIES	- Award of the contract for gravity and magnetic data acquisition has been delayed due to security concerns. Efforts are underway to engage a contractor to conduct the survey. - G&G evaluation studies are in progress.

SOUTH PISHIN OPERATOR: MARI ENERGIES	- Geological Fieldwork was completed and post-GFW studies are in progress. - Acquisition of gravity and magnetic data is in progress. - G&G evaluation studies are in progress.
TANISHPA & LUGAI OPERATOR: OGDCL	- Preparations are underway for acquisition of gravity and magnetic data. - Reprocessing of vintage 2D seismic data is in progress. - G&G evaluation studies are in progress.
BARAN OPERATOR: POGC	- Acquisition of 581 sq. km of 3D seismic data was completed, and its processing is in progress. - Interpretation and mapping of recently acquired 2D seismic data are in progress. - Other G&G evaluation studies are in progress.
SARUNA WEST OPERATOR: POL	- Geological Fieldwork was completed and post-GFW studies are in progress. - Other G&G evaluation studies are in progress.
ZIARAT NORTH OPERATOR: MARI ENERGIES	- Block was awarded in December 2025. - Review and evaluation of vintage G&G data were completed. - Planning for gravity and magnetic data acquisition and Geological Fieldwork is in progress.
MIRAN OPERATOR: OGDCL	- Operatorship of the block was transferred from KPOGCL to OGDCL in November 2025. - Reprocessing of vintage 2D and 3D seismic data is in progress. - Preparations, including security arrangements, are underway for acquisition of 2D seismic data. - G&G evaluation studies are in progress.
KOTRI NORTH OPERATOR: UEP-BETA	- Exploration well Barki-1 was drilled and completed as a gas producer. - G&G evaluation studies are in progress to mature the additional prospects.
PEZU OPERATOR: OGDCL	- Security NOC for acquisition of 3D seismic data is awaited. - G&G evaluation studies are in progress.
SHAKAR-GANJ WEST OPERATOR: OGDCL	- Interpretation and mapping of reprocessed 2D seismic data were completed. - G&G evaluation studies are in progress.
SULEIMAN OPERATOR: OGDCL	- Reprocessing of 731 line km of acquired 2D seismic data by a third party is in progress. - Geological Fieldwork and the structural modelling study were completed. - G&G evaluation studies are in progress.

EASTERN OFFSHORE INDUS-C OPERATOR: TPOC	- Operatorship of the block was transferred to TPOC in December 2025. - Preparatory activities are underway for acquisition of ~670 sq. km of 3D seismic data.
BIN QASIM SOUTH OPERATOR: OGDCL	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.
KETI BANDAR OPERATOR: OGDCL	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.
BEHR OPERATOR: MARI ENERGIES	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.
ZARRAR OPERATOR: MARI ENERGIES	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.
OFFSHORE DEEP D OPERATOR: MARI ENERGIES	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.
SAPAT BANDAR OPERATOR: PGEL	- The block was awarded in May 2026. - In-house G&G evaluation of the block is in progress.

NEW BLOCKS, FARM-IN AND FARM-OUT ACTIVITIES

In line with its business strategy, the Company continued to actively manage its portfolio through the acquisition and divestment of working interest in various blocks, aimed at expanding and optimizing its portfolio while maintaining an appropriate risk profile. Key activities undertaken during the year are summarized below:

- The New Ventures team continues to proactively identify, evaluate, and pursue international growth opportunities across the Middle East, Africa, and Far East regions.
- The Company achieved a key milestone by farming out Eastern Offshore Indus C block to a consortium comprising Turkish Petroleum Overseas Company (TPOC), OGDCL and MariEnergies. Under the transaction, TPOC acquired a 25% participating interest and operatorship, while OGDCL and MariEnergies acquired 20% each. The Company retained a 35% participating interest, maintaining a significant stake in the block's future development.

- The Deeds of Assignment for the Kalat South and Ziarat North blocks, which were provisionally awarded in the previous year, have been executed. In addition, the Company's farm-in to the Miran Block was completed during the year following the execution of the Deed of Assignment.
- In Margand Block, PPL assigned 2.5% working interest to Balochistan Energy Company Limited (BECL) on a full participation basis in February 2026.
- In South Pishin, the Company along with its JV partners, MEL and OGDCL, assigned 2.5% working interest to each of BECL and GHPL. Accordingly, the Company's working interest reduced by 1.75%.
- The Company is working to evaluate and appraise its unconventional tight gas discoveries.
- **Pakistan Offshore Bid Round 2026:** The Government of Pakistan invited applications for the grant of petroleum exploration rights over 40 offshore blocks through a competitive bidding process. The Company participated in the bid round as part of joint ventures for eight shallow-water blocks and was successfully awarded interests in all eight blocks. The awards were granted in May 2026, with details as follows:

BLOCK	WORKING INTEREST
GHARO CREEK	Block awarded to PPL as an Operator with 40% Working Interest (WI), while OGDCL & MariEnergies hold 30% WI each as joint venture partners.
KOCHI CREEK	Block awarded to PPL as an Operator with 40% WI, while OGDCL & MariEnergies hold 30% WI each as joint venture partners.
BIN QASIM SOUTH	Block awarded to OGDCL as an Operator with 32% WI, while PPL, MariEnergies & PGEL hold 24%, 24% and 20% WI respectively as joint venture partners.
KETI BANDAR	Block awarded to OGDCL as an Operator with 32% WI, while PPL, MariEnergies & PGEL hold 24%, 24% and 20% WI respectively as joint venture partners.
BEHR	Block awarded to MariEnergies as an Operator with 40% WI, while PPL & OGDCL hold 30% WI each as joint venture partners.
ZARRAR	Block awarded to MariEnergies as an Operator with 32% WI, while PPL, OGDCL & PGEL hold 24%, 24% and 20% WI respectively as joint venture partners.
OFFSHORE DEEP D	Block awarded to MariEnergies as an Operator with 40% WI, while PPL & OGDCL hold 30% WI each as joint venture partners.
SAPAT BANDAR	Block awarded to PGEL as an Operator with 31% WI, while PPL, MariEnergies & OGDCL hold 23% WI each as joint venture partners.



HUMAN RESOURCE

The Company continued to strengthen its human capital by aligning the initiatives with PPL's strategic objectives. During the year, leadership development was advanced through the implementation of a Leadership Framework in SAP SuccessFactors and filling most vacancies through internal promotions and transfers.

To enable improved employee support and faster access to information, the Company deployed an in-house developed, AI-powered HR Chatbot. Besides, we also expanded leadership development programs with leading local and international institutions, reinforced employee well-being through preventive health initiatives, and continued to strengthen governance through technology-driven HR processes.

Moreover, in recognition of its commitment to inclusivity and equity, PPL was honored with the 2026 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Award for two categories: Recruitment; and Community, Government Relations & Philanthropy.

TALENT ACQUISITION

The Company addressed critical workforce requirements through an open, merit-based recruitment process while promoting diversity and equal opportunity. Recruitment for key positions was completed efficiently, with improvements in the recruitment cycle enhancing overall hiring effectiveness, candidate experience, and responsiveness to evolving business needs.

PERFORMANCE MANAGEMENT

The Company's performance management system is based on the philosophy of Pay for Performance, ensuring that rewards are directly linked to individual and collective contributions. The Company adopts the Balanced Scorecard (BSC) methodology, which aligns business activities with the Company's vision and strategic goals. The Corporate BSC defines key performance indicators (KPIs) that support sustainable growth and performance monitoring across all levels of the organization. Performance against these measures is regularly reviewed

through management meetings, while the Corporate BSC is presented to the Board. This structured approach ensures transparency, consistency, and focus on continued sustainable growth.

TRAINING AND DEVELOPMENT

The Company promotes teamwork, employee engagement, and a positive organizational culture through initiatives such as away days. During the year, leadership development programs, including the LUMS program for emerging leaders and leadership retreats, provided experiential learning opportunities for high-potential employees, strengthened leadership capabilities, and expanded peer networks to support professional growth and organizational success.

ETHICS, EQUITY AND INCLUSION

The Company conducts its business with honesty, integrity, and in accordance with the highest ethical and legal standards. All employees formally acknowledge the Code of Business Ethics, reinforcing a culture of transparency and accountability. The Company provides competitive remuneration aligned with employees' roles, responsibilities, capabilities, and scope of work, while ensuring equal opportunities in recruitment, training, and career advancement. It promotes diversity and inclusion without discrimination and fulfills applicable legal requirements for employing people with disabilities, fostering a fair and inclusive workplace.

EMPLOYEE WELL-BEING

The Company continued to prioritize employee health through a range of preventive healthcare initiatives. Baseline health screening facilitated early identification of health risks enabling timely medical intervention. Health awareness programs and ongoing surveillance initiatives further reinforced the Company's commitment to fostering a safe and healthy working environment.

GOVERNANCE AND SUSTAINABILITY

HR continued to support the Company's governance agenda through the timely closure of audit observations and effective implementation of risk mitigation initiatives and ESG action plans. The department also invested in digital technologies to modernize HR systems and processes and enhance operational effectiveness.

INDUSTRIAL RELATIONS

The Company maintained a constructive relationship with Union representatives, creating a harmonious work environment at the Head Office and all field locations.

WHISTLE BLOWING AND ANTI-HARASSMENT POLICIES

The Company is committed to ethical conduct and maintaining a safe, respectful, and inclusive workplace. Its Whistle Blowing and Anti-Harassment Policies provide confidential and secure channels for reporting misconduct or harassment without fear of retaliation or disclosure of identity. Complaints are addressed promptly and fairly through confidential investigation procedures, reinforcing the Company's zero-tolerance approach and safeguarding the dignity and well-being of all stakeholders.

GENDER PAY GAP

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

Following is the gender pay gap calculated for the year ended 30 June 2026:

i. MEAN GENDER PAY GAP:

MANAGEMENT CADRE*	27%
NON-MANAGEMENT CADRE	-3%

ii. MEDIAN GENDER PAY GAP:

MANAGEMENT CADRE*	23%
NON-MANAGEMENT CADRE	2%

iii. ANY OTHER DATA / DETAILS AS DEEMED RELEVANT:

The Company is committed to providing equal employment opportunities and follows a diversity and inclusion strategy in accordance with the requirements of applicable law and agreements without discrimination based on gender, race, religion, color, ethnicity, marital status, or social class.

Management cadre salaries are based on the Board's approved salary ranges for each job group. We ensure that all employees are rewarded competitively for their contributions by determining salaries based on their job responsibilities, duties, abilities, and scope. The salary of employees may vary based on performance and length of service, however, there is no discrimination on the basis of gender.

Salary structures for employees in non-management cadres are determined by collective bargaining agreements.



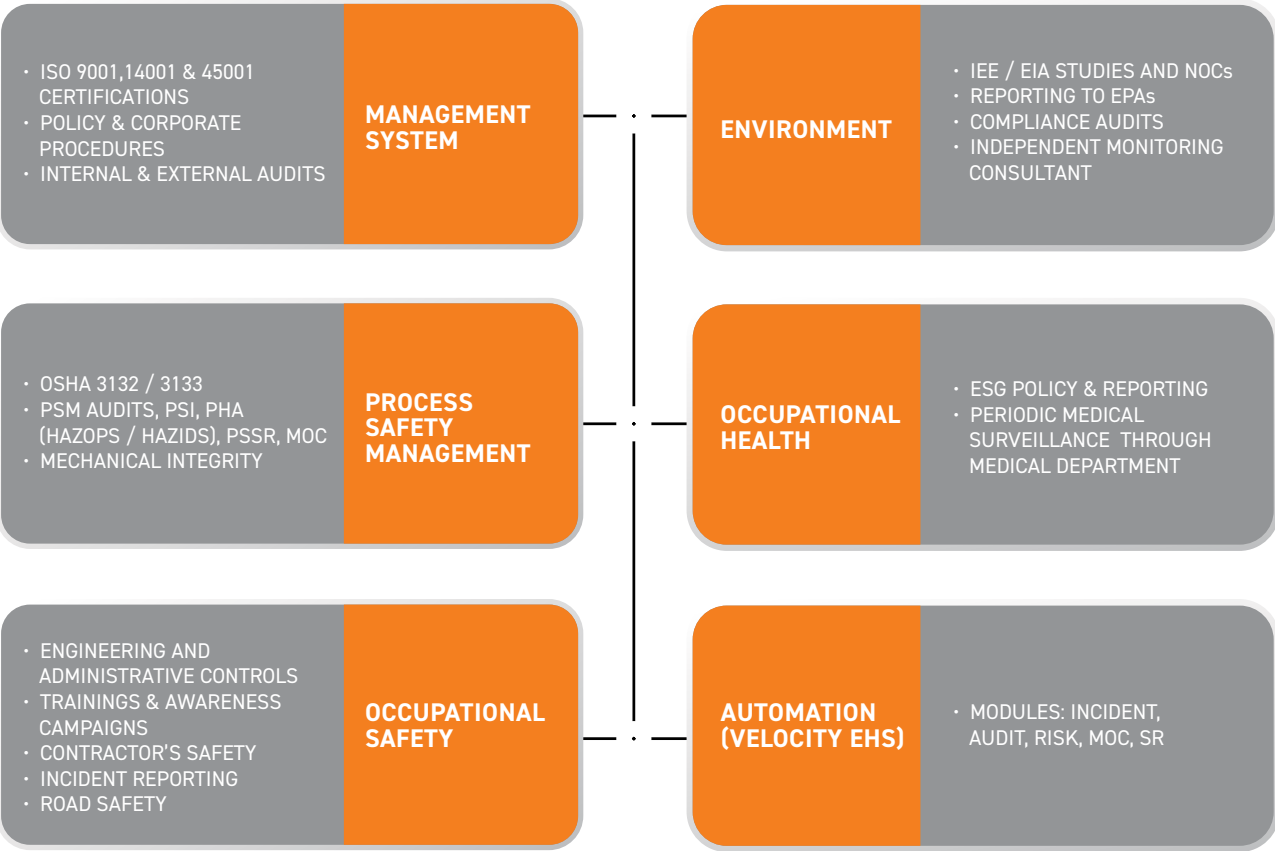
MOHAMMAD KHALID ABDUL REHMAN
MANAGING DIRECTOR & CEO

* Since PPL operates in the oil and gas exploration industry, majority of its activities take place in remote and high-security areas. Consequently, male employees occupy the majority of field-based roles. This occupational distribution contributes to the gender pay gap but does not indicate unequal pay for equal work.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

During the year, the QHSE Department continued to strengthen regulatory compliance, environmental stewardship, process safety, asset integrity and operational excellence across the Company’s operations and projects. Significant progress was made aligned with strategic objectives, through securing timely environmental approvals, robust safety management systems, enhanced asset integrity practices, and digitalization

initiatives aligned with international standards. The function plays a pivotal role in safeguarding people, assets, and the environment by providing technical guidance and assurance to management across all levels. Through continuous awareness, compliance oversight, and the integration of evolving best practices, it reinforces a culture of safety, operational discipline, and responsible business conduct.



ENVIRONMENTAL COMPLIANCE AND REGULATORY APPROVALS

During the year, the Company secured 14 Environmental Approvals and No Objection Certificates (NOCs), including extensions of previously granted approvals, enabling the timely execution of exploration, drilling, workover, seismic, and development activities while ensuring compliance with applicable environmental regulations. Environmental

compliance was further strengthened through SEPA's approval of the Hazardous Substance Management Plan for Gambat South and the submission of Environmental Monitoring Reports (EMRs) to SEPA, BEPA, and PEPA. Environmental studies and regulatory approval processes for planned operational activities also remained in progress, reflecting the Company’s continued commitment to environmental stewardship and sustainable development.

PROCESS SAFETY MANAGEMENT

Process Safety Management (PSM) remained a key focus area during the year. A comprehensive in-house audit of the Kandhkot Dehydration Plant and Compression Station, benchmarked against internationally recognized standards, identified improvement opportunities and reinforced the Company's commitment to safe, reliable, and compliant operations.

ASSET INTEGRITY AND RELIABILITY MANAGEMENT

In alignment with ISO 55001:2024, the Asset Integrity Management Program progressed through an Asset Integrity Gap Analysis Study, with third-party consultants being engaged to support the development of a phased implementation roadmap. The Corrosion Monitoring System and Cathodic Protection (CP) module were integrated into the Asset Integrity Management System dashboard, enhancing real-time monitoring and decision-making. Corrosion assessments across Kandhkot, Adhi, and Dhok Sultan fields facilitated timely corrective actions and risk mitigation. Furthermore, a revised Corrosion Inhibition Program, including chemical optimization for Dhok Sultan Field, was implemented, while a corrosion inhibition and monitoring program for the Kandhkot Section-VI Loop Line was developed and incorporated into the project design package.

The Asset Integrity Team further strengthened its in-house engineering capabilities through the completion of CP system designs for the GPF-III (Zafir) Facility, optimization studies at Sui wells, and successful commissioning of the CP system at Shahpur Chakar Well. Significant progress was also made in well integrity initiatives, including

technical evaluations, corrosion logging candidate identification, and data revalidation activities across Sui, Kandhkot, and Gambat South fields. These efforts supported enhanced asset reliability, integrity assurance, and proactive risk management.

OCCUPATIONAL HEALTH, SAFETY AND EMERGENCY PREPAREDNESS

The Company continued to strengthen workforce competency and emergency preparedness through targeted training, awareness programs, emergency response drills, and risk assessment initiatives. Key measures included marine safety and first aid training, fire risk assessments, emergency evacuation exercises, and enhanced governance through the launch of an Emergency Response Portal and revision of the Management of Change (MoC) procedure. The Company also marked World Day for Safety and Health at Work, World Environment Day, and Earth Day across its operating locations, reinforcing safety culture and environmental awareness among employees and contractors.

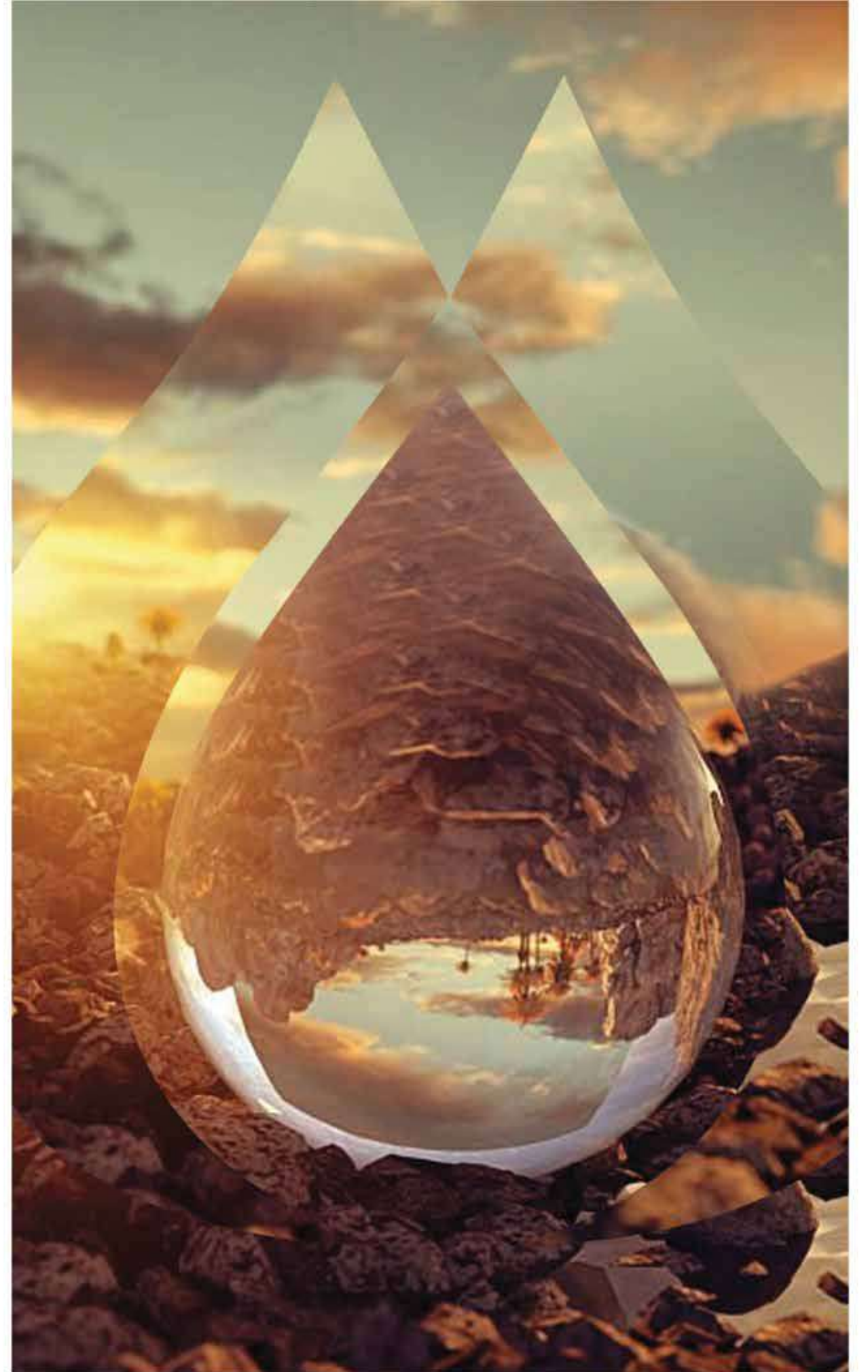
DIGITALIZATION AND PERFORMANCE MONITORING

As part of its digital transformation journey, the QHSE Department digitalized the Monthly HSE Progress Reporting System, improving reporting efficiency, accessibility of performance information, and monitoring of QHSE performance. The Department also continued tracking critical HSE, Management System, and PSM audit actions and utilized performance trends and audit findings to drive continual improvement and identify competency development needs.



THE HORIZON THAT EXPANDS

The future is shaped by those who look beyond today. This chapter explores PPL's readiness through innovation, technology, stakeholder engagement and future planning.



INFORMATION TECHNOLOGY

Information Technology continued to support the Company's operational, governance and business objectives through the deployment of digital technologies, enhancement of enterprise systems, strengthening of cybersecurity controls, and development of workforce digital capabilities. During the year, efforts remained focused on improving process efficiency, information management, service delivery, risk management and organizational readiness for emerging technologies, including artificial intelligence.

DIGITAL TRANSFORMATION AND ARTIFICIAL INTELLIGENCE

The year saw further progress in PPL's digital transformation initiatives through the expansion of enterprise-wide AI enablement programs and the adoption of modern digital technologies.

The deployment of Microsoft 365 Copilot and other AI-enabled solutions supported productivity, knowledge discovery, content generation, information retrieval and decision-making across business functions.

Recognizing the importance of responsible AI adoption, the Company established governance mechanisms, awareness programs and oversight frameworks to promote the ethical, secure, responsible and accountable use of AI while ensuring alignment with organizational values, cybersecurity principles and regulatory requirements.

ENTERPRISE APPLICATIONS AND ERP GOVERNANCE

SAP S/4HANA remained the Company's core enterprise platform, supporting integrated operations across Finance, Human Resources, Procurement, Supply Chain and other key business functions. Ongoing enhancements to enterprise applications and business processes supported improvements in operational efficiency, data quality, workflow effectiveness and reporting capabilities.

ERP governance continued to evolve through structured change management, security enhancements, governance reviews and a Board-mandated SAP Internal Controls assessment. These initiatives supported audit readiness, process transparency, segregation of duties controls and enterprise data governance.

To further strengthen enterprise application security, the SAP environment was enhanced through secure communication protocols, advanced authentication mechanisms, encryption technologies and strengthened access controls, contributing to improved protection against unauthorized access and alignment with security standards.

DIGITAL WORKFORCE TRANSFORMATION

During the year, the Company continued implementation of the Digital Skills Uplift Program (DSUP), aimed at enhancing workforce readiness for an evolving digital environment. The program included digital literacy initiatives, AI awareness sessions, cybersecurity training and structured learning pathways focused on emerging technologies.

The AI Champions initiative established a network of technology advocates across the organization to support technology adoption, knowledge sharing, innovation and responsible AI utilization.

IT SERVICE EXCELLENCE AND GOVERNANCE

PPL attained ISO 20000 certification during FY 2025-26, reflecting alignment with internationally recognized IT Service Management standards.

The Company's IT governance framework continued to evolve through updates to policies, procedures, risk management practices and oversight mechanisms, supporting service reliability, operational consistency and governance effectiveness across the enterprise.

CYBERSECURITY, BUSINESS RESILIENCE AND RISK MANAGEMENT

Cybersecurity remained an important focus area as the Company continued enhancing the protection of critical information assets and technology infrastructure in response to an evolving threat landscape. Key initiatives included vulnerability management, penetration testing, continuous security monitoring, security awareness programs and ongoing control enhancements.

The Company completed the periodic surveillance audit for ISO 27001, supporting the continued effectiveness of its Information Security Management System and alignment with internationally recognized security standards.



ISO Certified
Certified ISO 27001
Certified ISO 20000-1

Business resilience initiatives included cyber incident response planning, disaster recovery exercises, business continuity activities and resilience testing aimed at enhancing preparedness for potential disruptions. Third-party governance, supplier oversight and security compliance monitoring remained integral components of the Company's cybersecurity framework.

Board-approved information security policies, enterprise controls, risk management practices and compliance monitoring mechanisms continued to support the confidentiality, integrity and availability of information assets. These measures contributed to operational assurance and compliance with applicable governance requirements.

BUSINESS VALUE REALIZATION

Technology investments continued to support operational efficiency, productivity, business process improvement, internal controls and service quality. Enterprise application enhancements, workflow automation, AI-enabled productivity initiatives, cybersecurity improvements and workforce capability development contributed to organizational effectiveness and informed decision-making.



FUTURE PLAN

The Company will continue to enhance its digital capabilities and evaluate emerging technologies to support operational effectiveness and long-term business objectives. Key focus areas include:

- Scaling AI adoption across business functions to support productivity and decision-making.
- Advancing ERP modernization and integration initiatives, including strategic transformation programs such as RISE with SAP.
- Expanding cybersecurity capabilities to address evolving threats.
- Enhancing data, analytics and cloud capabilities to support enterprise-wide insights.
- Strengthening digital skills and organizational readiness to support future transformation.

Looking ahead, PPL will continue to leverage AI and other emerging technologies as business enablers while maintaining an appropriate focus on governance, security and responsible adoption.

RISK GOVERNANCE

The Company maintains a robust risk governance framework led by the Board Enterprise Risk Committee, which oversees enterprise-wide risk management activities. The Executive Risk Management Committee and the ERM function support the Committee by driving the development, implementation and continuous improvement of risk management policies, processes and practices. Collectively, these governance mechanisms enhance the Company's ability to identify, assess and manage risks proactively, safeguard assets, ensure regulatory compliance and support the achievement of strategic objectives and sustainable value creation.

BOARD AND BOARD ENTERPRISE RISK COMMITTEE (BERC)

The ultimate responsibility for risk governance rests with the Board of Directors, which exercises oversight through the Board Enterprise Risk Committee (BERC) in line with internationally recognized risk management practices. As the apex risk governance body, the BERC assists the Board in overseeing the effectiveness of the Company's risk management framework, including risk management plans, systems, processes and controls, and in ensuring that key risks are appropriately identified, assessed and managed.

EXECUTIVE RISK MANAGEMENT COMMITTEE (ERMC)

At the management level, the Executive Risk Management Committee (ERMC), comprising Directorate, Business Unit and Functional Heads, serves as the principal forum for enterprise risk oversight. Operating in an advisory capacity to the Managing Director, the Committee reviews key enterprise risks, evaluates the effectiveness of risk management frameworks and methodologies, and promotes risk awareness, accountability and alignment with the Company's strategic objectives.

ENTERPRISE RISK MANAGEMENT (ERM) FUNCTION

The Enterprise Risk Management function coordinates group-wide risk management activities, offering strategic recommendations to the Executive Risk Management Committee while tracking risk exposure and carrying out detailed risk reviews of business units. The function works continually to refine risk methodologies and sustain operational excellence. As a part of corporate risk cycle, which aligns with the fiscal year, a corporate risk register is compiled and updated through extensive stakeholder input, capturing all major enterprise-level risks for evaluation at both inherent and residual levels.

ERM POLICY AND FRAMEWORK

PPL maintains a comprehensive Enterprise Risk Management (ERM) Framework, underpinned by an ERM Policy that sets out the risk management process, stakeholder responsibilities, and a Risk Appetite Statement. The ERM Policy establishes the guiding principles, scope, and governance structure for risk management, ensuring consistency and accountability throughout the organization. Designed to keep pace with changing business needs and external conditions, the framework nurtures a risk-intelligent culture, embeds mitigation as a shared responsibility, and encourages risk-informed decision-making.

ASSESSMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Company maintains a structured approach to the identification, assessment and management of the principal risks and uncertainties that may affect the Company's business model, strategic objectives and long-term sustainability. These include risks that could impact the Company's future performance, solvency and liquidity, encompassing strategic, operational, regulatory and legal, political and country, credit and counterparty, and IT and OT cybersecurity risks.

Each identified risk is assessed based on its likelihood and potential impact over the short, medium and long term, with appropriate mitigation and management measures developed and implemented accordingly.

ANNUAL RISK MANAGEMENT REVIEW AND CORPORATE RISK REGISTER

Structured risk focus sessions are conducted with key stakeholders across the organization to identify major and emerging risks and evaluate the effectiveness of corresponding mitigation measures. Identified risks are assessed based on their likelihood and potential impact, with the results reviewed as part of the Annual Risk Management Review process. These assessments support the timely identification of changing risk exposures, enabling risks that have diminished in significance to be appropriately re-evaluated and downgraded within the Corporate Risk Register.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RELATED RISKS

ESG risks are integrated into the Company's Enterprise Risk Management framework and managed in accordance with COSO ERM principles. ESG-related risks are incorporated into the Corporate Risk Register and embedded within broader risk management processes to support their systematic identification, assessment, monitoring and mitigation.

RISK RESPONSE PLAN MONITORING

The implementation of risk response actions is monitored through monthly ERM dashboards. In addition, an Annual Risk Report is presented at

year-end to evaluate progress against risk response plans and assess compliance with risk management requirements, reinforcing accountability and transparency across the risk management process.

CORPORATE RISK APPETITE TESTING

Risk appetite assessments were conducted semi-annually across the Company, its subsidiaries and joint ventures. Any breaches were reported to the Executive Risk Management Committee and the Board Enterprise Risk Committee, with corrective actions implemented to mitigate recurrence.

ERM FRAMEWORK REVISION

During the year, the Company updated its Enterprise Risk Management (ERM) Framework. Among other changes, the revision deepened the Framework's treatment of ESG and climate-related risks, introducing IFRS S1 and S2 disclosure requirements, formalizing COSO-aligned materiality assessment across both financial and impact dimensions and linking climate risk to enterprise-wide monitoring and the Corporate Balanced Scorecard.

RISK CULTURE AND AWARENESS

During the year, the Company continued its risk culture-building initiatives through the circulation of risk awareness bulletins highlighting lessons learned from major industry incidents and the conduct of an enterprise-wide Risk Culture Survey. The survey established a baseline for measuring risk culture maturity and will support the design of future risk awareness and capability-building initiatives across the organization.



RISKS AND OPPORTUNITIES REPORT

KEY RISKS FACING THE COMPANY

This section provides an overview of the Company's key risks, including their likelihood and potential impact, the mitigation measures implemented during the year, the strategies used to manage their impact within the Company's risk appetite, and the capital that could be affected should these risks materialize.

These risks encompass a wide range of

environmental, social and governance (ESG) factors that may affect the Company's long-term resilience, value creation and sustainable success. Where relevant, each risk is categorized as Environmental (E), Social (S) or Governance (G) to reflect its sustainability dimension.

Detailed information on climate-related risks is provided in the Sustainability-Related Financial Disclosures included in the annual report.

CAPITALS - LEGEND



FINANCIAL



HUMAN



NATURAL



MANUFACTURED



INTELLECTUAL



SOCIAL & RELATIONSHIP

CATEGORY	RISK DESCRIPTION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
STRATEGIC RISKS	INTERNAL Inadequate or unsuccessful exploration activities	Failure in maintaining the target Reserves Replacement Ratio	- Acquire more exploration acreage through participation in domestic bid rounds, while sharing costs, risks and expertise with reputable partners through farm-in/farm-out activities. - During the year, the company acquired 8 blocks in the Offshore Bid Round - 2025. Also, it successfully farmed-out stake in offshore Indus C block, bringing international experience and sharing exploration risks. - Timely execution of exploration work program. - The Company spud 4 exploration wells during the year. RRR for the year stands at 102%. The Company had eleven discoveries during the year, two in operated and nine in partner-operated areas.	 
	Delay in monetization of discoveries	Reduced economic value	- Fast-track commercialization of discoveries through operational optimization. Leverage nearby facilities of reputable E&Ps to commence production. - During the year, the Company was able to commence production from Dhok Sultan 3 ahead of its plan. - In partner-operated areas, production commenced from Baragzai & Razgir wells.	

CATEGORY	RISK DESCRIPTION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
STRATEGIC RISKS (CONTINUED)	EXTERNAL - Limited domestic exploration potential and lack of blocks with good prospect. - Fast emerging new technologies and trends that may gradually replace the use of fossil fuels, or any other event that may lead to diminishing revenues from core business. (E)	- Failure in maintaining the target Reserves Replacement ratio - Reduced revenues due to low fossil fuel demand in the long run. These risks have moderate to high likelihood.	- International opportunities, including bid rounds and farm-ins, are being evaluated to achieve a balanced portfolio. - The Company is pursuing opportunities in the minerals sector to diversify its revenue streams. - During the year, an offer was received from the Government of Balochistan for EL-331 in Chagai district. A Project Management Consultant was engaged to expedite the BLZ project, while exploration activities continued in EL-207 and Nokkundi. An application for a rare earth elements (REEs) exploration license was also submitted in Khyber Pakhtunkhwa. Development activities at Reko Diq progressed, albeit at a slower pace due to security constraints. - Diversification efforts also continue in emerging green energy opportunities.	
FINANCIAL & COMMERCIAL RISKS	EXTERNAL - Delays in the settlement of the Company's receivables due to circular debt challenges. - Significant disputed tax demands, including those relating to unrealized late payment surcharge and super tax, together with recurring ad hoc tax demands. (G) - Amendment to Petroleum Policy 2012 resulting in the retrospective application of Windfall Levy on Oil (WLO) to the Tal Block. - Exchange rate & crude oil volatility	- The growing circular debt constrains the Company's ability to create sustainable economic value for shareholders. - Potential recoveries against these demands could adversely affect the Company's liquidity and cash flows, constraining the availability of funds for operational and strategic activities - Cash outflows adversely affecting the Company's work program and investment appetite. - Exchange rate affects both revenues and costs - Crude oil price volatility affects revenues and profitability	- Intensive cash collection efforts continued through high-level engagement with all stakeholders. Cash collection ratio for the year stands at 91%. - The Company actively contests disputed demands through available legal and administrative forums. Following the adverse ADRC decision on late payment surcharge, the Company plans to file an appeal at the higher court. For the disputed super tax demand, it has obtained a stay against recovery and applied for constitution of an ADRC. - The imposition of WLO has been challenged before the court. - The Company is hedged against devaluation of PKR as it increases its revenues also. However, the effect of exchange rate on realized cashflows is delayed in case of gas. - The effect of crude oil price on revenues is not linear in case of gas, as the gas pricing is based on a sliding scale.	 

CATEGORY	RISK DESCRIPTION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
FINANCIAL & COMMERCIAL RISKS (CONTINUED)	Low wellhead gas prices	Potential long-term constraints on the Company's ability to fund hydrocarbon exploration and diversification initiatives through internally generated resources. These risks have a high likelihood except the potential WLO.	Engagement is ongoing with the regulator to negotiate higher gas sales prices for PPL's Operated fields	
OPERATIONAL RISKS	INTERNAL Declining production from mature fields due to natural depletion	Failure to meet production targets and preserve project value	Development drilling continued across producing fields to optimize production, with four wells drilled in partner-operated areas. Production optimization and development activities contributed to incremental production of 24 MMscfde.	   
	EXTERNAL Low customer offtakes from producing fields.	Delayed revenue realization and increased operating cost per BOE.	Low customer offtake remained a significant challenge during the year, with curtailment on the SNGPL network continuing until February 2026. For Kandhkot Field, the Company is pursuing the reallocation of gas to an alternative buyer.	
	Expiry of producing-field leases before the end of their economic life.	Inability to maximize hydrocarbon recovery and fully realize the block's potential.	Proactively engage with the regulator to secure grants and extensions of development and production rights. During the year, an extension was received for the Sui Field, while D&PLs were granted for the Adhi Field and Dhok Sultan X-1 areas.	
	Migration of reserves across producing-field lease boundaries	Accelerated depletion of PPL's fields and the resulting loss of economic value.	Conduct reserves migration studies, as required, and engage relevant stakeholders to resolve identified issues. Production strategies are optimized to maximize economic value.	
	Operator non-performance in certain partner operated ELs	Sub-optimal return on investment in partner operated areas. These risks have moderate to high likelihood.	Proactive engagement with JV partners to optimize operational and financial performance.	

CATEGORY	RISK DESCRIPTION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
REGULATORY & COMPLIANCE RISKS	INTERNAL Non-compliance with applicable laws, regulations, procedures or policies, potentially resulting in regulatory inquiries, penalties, legal action or reputational damage. (G)	- Regulatory penalties, including suspension of licenses or approvals in severe cases. - Reputational damage and loss of stakeholder confidence.	All departments are required to ensure compliance with applicable laws and procedures. Review mechanisms are in place to identify instances of non-compliance, if any.	 
	EXTERNAL Delays in obtaining requisite government approvals for allocation of oil and gas from new discoveries.	Opportunity cost and financial loss to the Company These risks have low to moderate likelihood.	- Regulatory authorities are actively engaged and regularly followed up to secure the NOCs required for execution of the targeted work program. - During the year, allocation for sale of Hatim gas to SSGCL has been obtained with necessary infrastructure to be deployed. Also, approvals are now in place and preparations are underway to kick start production from two tight gas discoveries.	
ENVIRONMENT, SAFETY & SECURITY RISKS	INTERNAL Major accidents due to human error or system failure. (S)	Injuries, fatalities, disruption of operations and associated losses	QHSE remains a core value at PPL, with controls and mitigation measures in place to minimize the likelihood of HSE incidents.	    
	Spills or release of toxic waste into environment (E, S)	Environmental damage leading to regulatory penalties and reputational damage.	No major environmental incidents occurred during the year.	
	EXTERNAL Security incidents at locations (S)	Operational disruptions affecting exploration and production activities.	- Maintained close coordination with law enforcement and intelligence agencies while strengthening security infrastructure at operational sites. - During the 2D seismic survey acquisition in Khuzdar EL, three contractor personnel lost their lives in two separate incidents. Investigations were conducted, and the resulting actions were addressed through measures implemented during the survey and planned for integration into future projects.	
	Bio-security threats, such as pandemics (E,S)	- Potential fatalities - Disruption to operations due to social distancing requirements, travel restrictions, and supply chain disruptions. These risks have low to moderate likelihood.	Compliance with applicable biosecurity protocols is being maintained.	

CATEGORY	RISK DESCRIPTION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
CLIMATE RISKS	Physical risks arising from extreme weather and climate-related events, including floods, cyclones, storms, droughts, and heatwaves (E, S). Further details of Climate-related risks are included in Sustainability-Related Financial Disclosures.	- Disruption in exploration and production operations - Potential fatalities This risk has low to moderate likelihood.	Emergency Response Plans and Business Continuity arrangements are in place for activation, as required, to support timely response to climate-related disruptions.	
TECHNOLOGY RISKS	EXTERNAL Cybersecurity breach of digital IT & Operational Technology (OT) systems. (G)	- Loss or misuse of data or sensitive information - Business / Production disruption This risk has moderate likelihood.	- A cybersecurity incident occurred in August 2025 involving a ransomware intrusion targeting the Company's IT infrastructure. Following the attack, containment measures were taken. - Annual IT vulnerability assessments and penetration testing are conducted to strengthen cybersecurity resilience. In addition, OT cybersecurity assessments and safeguard enhancements are implemented across multiple facilities to protect critical operational assets.	
HUMAN RESOURCE RISKS	Low employee engagement and uncompetitive compensation and benefits. (S, G)	Increased employee attrition, reduced workforce productivity and loss of critical skills, adversely affecting the Company's performance This risk has moderate to high likelihood.	Regular Employee Engagement Surveys (EES) are conducted, with targeted actions and periodic benchmarking of compensation and benefits to enhance employee engagement and retention.	
REPUTATION RISKS	Negative publicity or adverse media coverage causing reputational damage. (S)	Erosion of stakeholder confidence and trust. This risk has low to moderate likelihood.	Proactive stakeholder engagement and preventive measures are undertaken to safeguard the Company's reputation.	
SUPPLY CHAIN RISKS	- Geopolitical events, including war, political instability, trade restrictions, and sanctions, that may disrupt global supply chains. - Societal or communal disturbances. (S)	- Delayed availability of critical materials and services. - Interruption or delay in exploration and production operations.	- Diversify suppliers, prioritizing sustainable and local sourcing to reduce dependency and supply chain risks. - Conduct regular supplier and geopolitical risk assessments to anticipate potential disruptions and enable proactive decisions.	

CATEGORY	RISK DESCRIPTION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
SUPPLY CHAIN RISKS (CONTINUED)	Macroeconomic constraints, including foreign exchange shortages and delays in opening LCs.	- Adverse impact on the country's energy security. - Financial loss and reputational damage. These risks have low likelihood.	- Proactively monitor societal disturbances across all operational fields. - Maintain strategic inventories of critical spares to ensure operational continuity during supply chain disruptions.	

KEY OPPORTUNITIES

PPL is pursuing a balanced growth agenda focused on strengthening its core upstream business while expanding into complementary diversification opportunities. In the core business, the Company is advancing domestic offshore exploration, unconventional and tight-gas prospects, bidding and block acquisition

opportunities, and selective international expansion. In parallel, diversification efforts are centered on mineral exploration and development, participation in the Reko Diq project, midstream investments, and broader energy value-chain initiatives aimed at enhancing resilience, creating sustainable value, and supporting long-term energy security.

CORE BUSINESS OPPORTUNITIES

Domestic Offshore Exploration	PPL is advancing offshore exploration, particularly in shallow-water prospects. Technical and strategic evaluations are underway to unlock potential, supported by collaboration with TPOC to share technical strengths, manage exploration risk, and access prospective upstream opportunities.
Unconventional and Tight Gas	The Company sees meaningful upside in unconventional and tight-gas plays, supported by incentives under the Tight Gas Policy 2024, encouraging results such as the Lal X-1 discovery, and enhanced in-house seismic imaging capabilities.
Bidding Rounds & Block Acquisitions	PPL continues to participate in domestic and international bidding rounds, targeting high-potential blocks and pursuing farm-in opportunities to accelerate growth and diversify its exploration portfolio. Eight domestic offshore blocks were acquired during the year in the latest offshore bidding round.
International Expansion	In line with its risk-diversification strategy, PPL is evaluating international exploration opportunities in geologically favorable regions with stable regulatory regimes. Its associate company, PIOL, continues to develop Offshore Block-5 in Abu Dhabi in partnership with ADNOC.

DIVERSIFICATION OPPORTUNITIES

Mineral Exploration & Development	PPL is progressing the Barite-Lead-Zinc development project, with the PMC contract awarded. Exploration studies are also underway in EL-207, while offer letter has been secured for EL-331 in District Chagai for precious and base metals exploration.
Reko Diq Copper & Gold Project	PPL's participation in the large-scale Reko Diq project, operated by Barrick Mining Corporation, remains central to its mineral strategy, with the Company focused on supporting project development and maximizing value through collaboration with joint-venture partners.
Midstream Investments	PPL is pursuing midstream partnerships, including joint ventures in refinery projects, to strengthen the value chain, enhance energy security, and create new revenue streams.
Energy-Value-Chain & Transition Initiatives	The Company is assessing opportunities beyond traditional E&P and mining to broaden its participation across the energy value chain. These initiatives aim to leverage indigenous resources and organizational capabilities to enhance resilience and create sustainable value, subject to technical, commercial, and financial evaluations.



SWOT ANALYSIS

S	Strengths • Leading E&P company with a sizeable reserves base and broad producing portfolio • Extensive exploration footprint supported by a rich geological and technical database • Strategic partnerships with reputable local and international partners • Emerging diversification in the mining business • Natural foreign currency hedge through dollar-linked revenues
W	Weaknesses • Maturing asset base with natural production decline • Significant cash tied up in receivables due to circular debt • Relatively low gas prices in Sui and Kandhkot assets • Security and accessibility challenges in frontier and remote operating areas • Project delays due to external factors such as regulatory approvals, partner alignment and supply chain constraints
O	Opportunities • Potential exploration success in onshore marshy / shallow offshore areas and newly acquired offshore blocks • Enhanced commercial flexibility through third-party gas sales • Expansion into minerals to build a diversified revenue stream • Selective participation in energy value-chain opportunities • Use of digitalization, data analytics and automation to improve exploration success and field performance
T	Threats • Delayed end-consumer gas price adjustments amid rising crude oil prices, increasing circular debt • Renewed gas curtailment arising from the Government's long-term LNG import commitments • Deteriorating security situation in frontier regions, leading to project delays and cost escalation • Cybersecurity threats and malicious attacks on critical IT and operational systems • Talent attrition and loss of specialized technical expertise

MOVEMENT OF ESTIMATED HYDROCARBON RESERVES

	Natural Gas (MMSCF)	Oil/NGL (Thousand bbls)	LPG (Tonnes)
ORIGINAL 2P RECOVERABLE RESERVES			
At July 1, 2025 ¹	18,055,800	116,160	2,105,193
Change during the year (2025-26)			
- Addition ²	240,759	8,533	18,167
- Revision ^{3 4 5}	-69,515	3,089	82,178
At June 30, 2026	18,227,044	127,782	2,205,538
PRODUCTION			
Accumulated on July 1, 2025 ¹	15,857,944	83,597	1,387,779
Production during the year	209,477	4,195	103,528
Accumulated upto June 30, 2026	16,067,421	87,792	1,491,307
Net 2P Reserves June 30, 2026	2,159,623	39,990	714,231
AREA WISE 2P RESERVES SHARE AT JUNE 30, 2026 ⁶			
Balochistan	626,061	552	-
Sindh	1,184,763	7,593	63,165
KPK	263,152	14,820	414,321
Punjab	85,647	6,025	236,745
PIOL	-	11,000	-
	2,159,623	39,990	714,231
Net Reserves June 30, 2025 ¹	2,197,856	32,563	717,414
Daily Average Production	573.911	11.5	283.6

Notes:

- Opening Reserves and Accumulated Production numbers as at 30 June 2025, have been updated to account for actual production for the month of June 2025.
- Additional hydrocarbon reserves primarily reflect new reserve recognition, including the reclassification of previously reported contingent resources to reserves at Gambat South (Hatim - Massive Sand Deep) and Naushahro Firoz, together with reserve additions from Baragzai X-01 (Nashpa), Kandhkot West HRL (Kandhkot), Dhok Sultan-03 (Dhok Sultan) and Bilitang-1 (Tal).
- Revision in recoverable gas reserves estimates mainly reflects downward revisions in Sui and Kandhkot, partly offset by upward revisions in various fields at Tal including Mardankhel, Maramzai, Makori Deep and Mamikhel South.
- Revision in recoverable Oil / NGL reserves estimates mainly reflects revisions in Dhok ¹ Sultan and Tal (Mardankhel, Maramzai, Makori Deep and Mamikhel South fields).
- Revision in recoverable LPG reserves estimates mainly reflects revisions in Mardankhel, Maramzai, Makori Deep and Mamikhel South fields at Tal.
- Net reserves at June 30, 2026, in gas-equivalent units, are approximately 51% in Sindh, 26% in Balochistan, 15% in Khyber Pakhtunkhwa, 5% in Punjab and 3% in Abu Dhabi.

DEFINITION OF 2P RESERVES

The Company has adopted the reserves definitions and classification principles set out by the Society of Petroleum Engineers (SPE) in the Petroleum Resources Management System (PRMS) 2018.

2P reserves represent the sum of Proved and Probable reserves and constitute the best estimate of quantities of hydrocarbons commercially recoverable from known accumulations under defined technical and commercial conditions. For the probabilistic method, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

A) 2P DEVELOPED RESERVES

In accordance with SPE PRMS 2018, the Company defines 2P developed reserves as those quantities expected to be recovered from existing wells and facilities where the necessary equipment has been installed or where only relatively minor expenditure is required to initiate or restore production.

Developed reserves may be further classified as Developed Producing Reserves and Developed Non-Producing Reserves. Developed Non-Producing Reserves include shut-in and behind-pipe reserves where production can be initiated or restored with relatively minor expenditure.

B) 2P UNDEVELOPED RESERVES

In accordance with SPE PRMS 2018, the Company defines 2P undeveloped reserves as those quantities expected to be recovered through future significant investment. Such investment may include drilling of new wells, deepening or major recompletion of existing wells, or installation of significant production or transportation facilities.

PROVED RESERVES

Proved reserves are those quantities of hydrocarbons that, through analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs under defined economic conditions, operating methods and government regulations.

Proved reserves are also referred to as 1P reserves. For the probabilistic method, there should be at least a 90% probability that the actual quantities recovered will equal or exceed the estimate.

PROBABLE RESERVES

Probable reserves are those additional reserves which are less likely to be recovered than Proved reserves but more certain to be recovered than Possible reserves. When added to Proved reserves, Probable reserves constitute 2P reserves.

MINERAL RESERVES

COMMODITY	WORKING INTEREST	LOCATION	RESERVES (PPL NET)		
			PROVEN + PROBABLE		
			Tonnes (Mt)	Grade	Contained (Mt)
Copper	8.33%	Reko Diq	251	0.48%	1.25
Barite	50%	Khuzdar	33.79	21.91%	7.40
Lead	50%	Khuzdar		1.06%	0.36
Zinc	50%	Khuzdar		3.31%	1.12
Gold	8.33%	Reko Diq	238	0.28 g/t	2.17*

Note: Majority of the above reserves fall in the category of Probable Reserves.
* In Million Ounces (Moz)

RESERVE

An 'Ore Reserve' is the economically mineable part of a Measured and/or indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could resonably be justified.

PROBABLE RESERVE

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It is of sufficient quality to serve as the basis for a decision on the development of the deposit. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

PROVEN RESERVE

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve represents the highest confidence category of reserve estimate and implies a high degree of confidence in geological and grade continuity, and the consideration of the Modifying Factors.

MODIFYING FACTORS

Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

THE RESPONSIBILITY THAT SUSTAINS US

True energy leadership goes beyond resources. It is defined by responsibility. This chapter highlights PPL's commitment to sustainable practices, environmental stewardship and creating long-term value for communities and stakeholders.





PERFORMANCE OF THE COMPANY AS AGAINST FORWARD LOOKING DISCLOSURES MADE LAST YEAR

During the year, the Company advanced its exploration portfolio through acquisition of 2D seismic data in Khuzdar and Kuhan and 3D seismic data in Baran block, supporting evaluation of prospective areas for future drilling. The Company also drilled four exploration wells in operated areas and three in partner-operated areas, while eleven new discoveries were announced, comprising two in operated blocks and nine in partner-operated blocks. To support production sustainability and offset natural decline, four development wells were drilled in partner-operated areas. Production from new wells was brought online, alongside cost-efficient enhancement initiatives such as rig-less interventions, surface system optimization and workovers. Collectively, these measures contributed incremental sales of approximately 40 MMscfde.

The Company further strengthened its portfolio by participating in Pakistan's Offshore Bid Round and securing eight offshore blocks, including two operated blocks and six partner-operated blocks. On the minerals front, enabling works at the Reko Diq project continued while the operator assessed the prevailing security situation. Exploratory and geological studies also progressed in EL-207, operated by Degan Exploration Works, while the PMC contract for the BLZ project was awarded. Internationally, Offshore Block-5 progressed into Exploration Period-2, with block-wide prospectivity evaluation and complementary technical studies refining the remaining prospects and leads. FDP reservoir models were updated, endorsed and handed over to ADNOC Offshore to support FEED and execution planning. The FEED will determine additional financing requirement in the project.

FUTURE OUTLOOK

FORWARD LOOKING STATEMENT

PPL remains committed to strengthening Pakistan's energy security while pursuing sustainable growth and long-term stakeholder value. The Company's outlook is anchored in resilient upstream operations, disciplined portfolio management, selective international growth and commercially viable diversification into minerals and the broader energy value chain. During the coming year, production is expected to remain broadly stable, with a modest improvement over the previous year. This outlook will be supported through an active exploration and development program, including geological and geophysical studies, a significant seismic campaign, exploration and appraisal drilling in operated areas, and development wells aimed at reserve conversion and production sustainability. The pace and timing of execution will, however, remain subject to various factors, including the domestic security environment, regulatory approvals and global supply chain conditions. Production from mature assets will continue to be optimized through well interventions, workovers, surface facility enhancements and investments in

processing and compression infrastructure. Key production enhancement initiatives include the Zafir/GPF-III project at Gambat South and the ramp-up of production from the Pateji Development Project at Shah Bandar.

Internationally, PPL will continue advancing Offshore Block 5 in Abu Dhabi, where the FEED study and associated technical work are expected to support future development planning while further assessing the block's exploration potential. In parallel, the Company will pursue its minerals strategy through ongoing participation in the Reko Diq project, where development activities continue at a slower pace amid a challenging security environment and review of the project by the Operator. An award of the EPCC contract is targeted in Barite, Lead and Zinc project coupled with the evaluation of additional mineral opportunities, subject to technical, commercial and security considerations. These initiatives are intended to broaden the Company's earnings base while supporting national energy and resource development priorities.

FUTURE PLANS FOR AI ADOPTION AND DIGITAL INNOVATION

Building on the progress achieved during the year, PPL will continue to expand the use of artificial intelligence, advanced analytics and digital technologies to enhance operational efficiency, workforce productivity and decision-making across the organization. Key focus areas include:

- **Enterprise-wide AI adoption:** Expanding the use of Microsoft Copilot and other AI-enabled tools to improve productivity, automate routine tasks and enhance access to information.
- **AI-enabled technical solutions:** Increasing the application of AI, machine learning and advanced analytics to support exploration activities, subsurface interpretation, prospect evaluation and technical knowledge management.
- **Digital capability development:** Strengthening workforce readiness through training programs, AI awareness initiatives and targeted interventions to promote digital skills across the organization.

- **Responsible AI and data governance:** Enhancing governance frameworks, cybersecurity measures and data management practices to support the secure, ethical and responsible use of AI technologies.
- **Innovation and collaboration:** Working with technology providers, industry partners and research institutions to explore emerging technologies and identify opportunities for operational improvement and value creation.

These initiatives are expected to support PPL's transition towards a more data-driven organization, improve operational performance, strengthen decision-making and create sustainable business value through the responsible adoption of digital technologies.

RESEARCH & DEVELOPMENT INITIATIVES

PPL recognizes the importance of research and development in supporting long-term growth, enhancing subsurface understanding and advancing its energy transition objectives. During the year, the Company progressed several initiatives, including:

- Assessment of the techno-commercial feasibility of Carbon Capture and Storage (CCS) applications in PPL-operated fields to support future emissions reduction initiatives.
- Integrated geochronological, geochemical and basin modelling studies to evaluate the regional continuity of volcanic formations and their influence on the Indus Basin petroleum system.

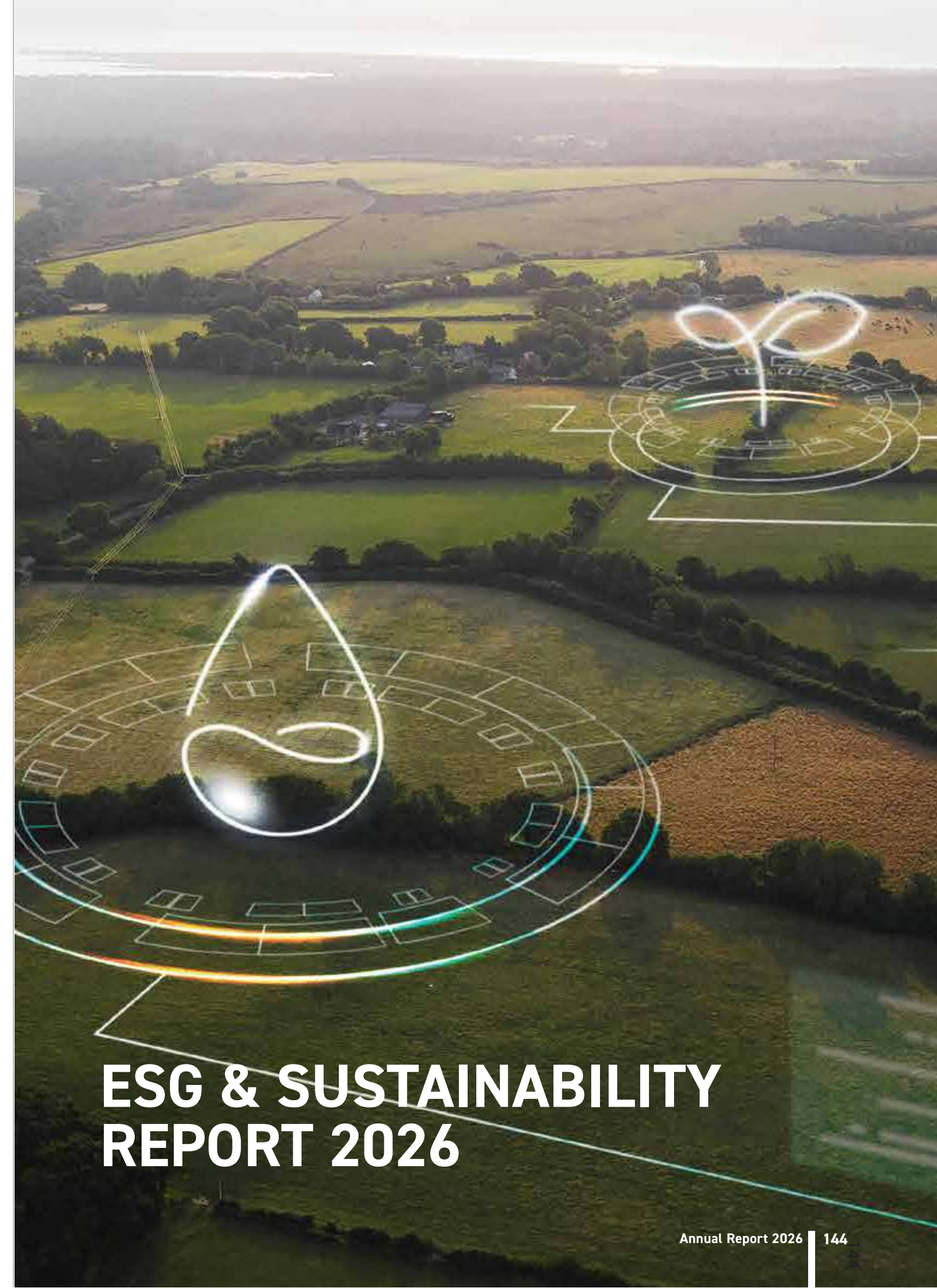
SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS

The Company draws upon a range of internal and external sources in developing the assumptions that underpin its projections, forecasts, business

plans and work program. These sources include field life profiles, local and international analyst reports, publications issued by reputable international agencies, and the Economic Survey of Pakistan. For field and project economic evaluations, the Company utilizes industry-recognized software models that generate output based on defined technical, commercial and financial parameters.

RESPONDING TO CHALLENGES AND UNCERTAINTIES

The Company maintains robust operational processes and a comprehensive risk management framework to address evolving uncertainties. Detailed contingency plans are implemented across its operations to minimize the impact of potential disruptions. These measures are supported by ISO-certified management systems at several fields and adherence to stringent Quality, Health, Safety and Environment (QHSE) standards across the Company's activities.



ESG & SUSTAINABILITY REPORT 2026

COVER STORY

STRENGTHENING RESILIENCE THROUGH RESPONSIBLE ENERGY



Energy security remains fundamental to Pakistan's economic growth, industrial development and social progress. As one of the country's leading exploration and production companies, Pakistan Petroleum Limited (PPL) continues to strengthen national energy resilience by developing indigenous oil and gas resources and supporting the reliable energy supply.

The energy sector is undergoing significant change, driven by evolving demand patterns, economic conditions, technological advances and a growing focus on environmental sustainability. In this dynamic landscape, PPL continues to strengthen operational resilience, enhance resource efficiency and responsibly manage the environmental and social impacts associated with its exploration, development and production activities.

PPL's approach to long-term value creation balances operational performance with responsible business practices. The Company continues to invest in exploration, resource development, technology adoption and operational improvements to support energy security while creating value for shareholders, government, employees, suppliers, business partners and communities. At the same time, PPL continues to strengthen its environmental stewardship, social responsibility and governance practices to ensure business growth aligns with broader stakeholder expectations.

Recognising the evolving expectations of the energy sector, PPL continues to enhance its understanding of climate-related risks and opportunities and integrate sustainability considerations into business planning and operational decision-making. The Company is strengthening its approach to emissions management, energy efficiency, water stewardship, biodiversity management, waste management and digitalisation of sustainability information to support resilient and responsible operations.

Beyond its operational footprint, PPL recognises that sustainable value creation is closely linked to the well-being and development of the communities associated with its activities. Through its community investment programmes, the Company continues to support education, healthcare, clean drinking water, skills development, environmental conservation and social inclusion initiatives, contributing to improved quality of life and greater community resilience.

Strong governance, ethical conduct and meaningful stakeholder engagement underpin PPL's approach. As the Company advances its sustainability journey, it remains focused on delivering reliable energy, managing its impacts responsibly and contributing to Pakistan's long-term economic and social development.

REPORT OVERVIEW

PPL presents its second Environmental, Social and Governance (ESG) Report for the financial year ended 30 June 2026. The report explains how the Company manages the environmental, social and governance topics that are material to its business and stakeholders, and presents its governance arrangements, management approach and performance during the reporting period. Building on the inaugural ESG Report published for FY24-25, this report reflects the continued development of PPL's sustainability governance, disclosures and performance.

This report has been prepared for investors, regulators, employees, business partners, communities and other stakeholders seeking to understand PPL's approach to managing its material environmental, social and governance impacts.

REPORTING SCOPE AND BOUNDARY

This report covers PPL's environmental, social and governance performance for the period from 1 July 2025 to 30 June 2026 and is published on 6 October 2026.

Unless otherwise stated, this report covers PPL's exploration, drilling, development, production and supporting operations. During FY2026, PPL expanded the reporting boundary for selected environmental and occupational health and safety disclosures to include Bolan Mining Enterprises (BME), a joint venture with the Government of Balochistan over which PPL exercises operational control for the relevant operations. Environmental and occupational health and safety disclosures include BME where PPL exercises operational control, consistent with the operational control approach set out in relevant International Petroleum Industry Environmental Conservation Association (IPIECA) guidance for the oil and gas industry. The boundary, methodology and any exclusions applicable to individual indicators are stated with the relevant performance disclosures.

REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, including GRI 11: Oil and Gas Sector 2021. PPL's principal and substantial business activities are oil and gas exploration and production, and GRI 11: Oil and Gas Sector remains the applicable Sector Standard for the Company's sustainability reporting.

BME maintains its own governance arrangements and policies, while its mining activities represent a limited component of PPL's overall operational footprint relative to the Company's E&P activities. Accordingly, PPL has not treated mining as a separate substantial sector activity requiring application of GRI 14 in its entirety. However, as part of the FY2026 material-topic review, the environmental and occupational health and safety topics relevant to BME's mining operations were cross-checked against the likely material topics identified in GRI 14.

The report has also been informed by relevant guidance issued by the Sustainability Accounting Standards Board (SASB), IPIECA, API and IOGP, where applicable, while considering the Securities and Exchange Commission of Pakistan (SECP) ESG Disclosure Guidelines and relevant Pakistan Stock Exchange (PSX) disclosure expectations.

UNGC AND SDGs

As a participant of the United Nations Global Compact (UNGC) since 2006, PPL continues to communicate its progress against the Ten Principles through its annual Communication on Progress (CoP). The report also highlights the Company's contribution towards relevant Sustainable Development Goals (SDGs).

RESTATEMENTS

Comparative information has not been restated from the previous reporting period unless specifically indicated.

APPROVAL

The Management reviewed the report, followed by oversight from the Board ESG Committee and final approval by the Board of Directors.

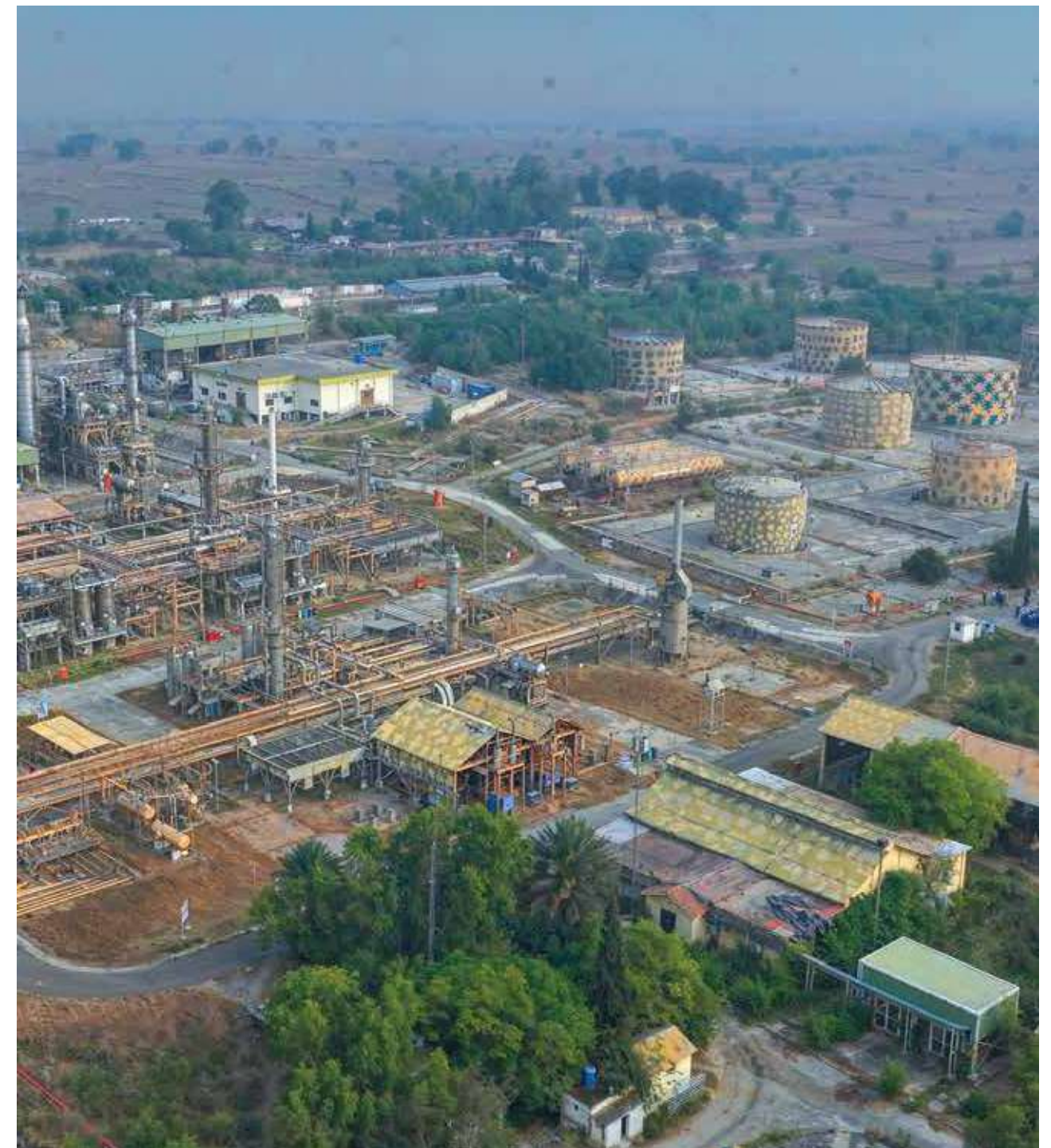
EXTERNAL ASSURANCE

This report has been independently assured by Ferso ESG, with countersignature by Nadeem Safdar & Co., Chartered Accountants, to assess

alignment with GRI Standards ISAE 3000 (Revised) and AA1000AS. Further details are provided on pages 206-208 of this report.

STAKEHOLDER FEEDBACK

PPL values stakeholder feedback as an important input for strengthening its sustainability practices and future reporting. Comments and suggestions regarding this report may be shared at: esg@ppl.com.pk.



ABOUT PPL

- FY2026 AT A GLANCE
- MEMBERSHIPS AND EXTERNAL INITIATIVES

FY2026 AT A GLANCE

OUR PERFORMANCE*

	GHG EMISSIONS 1,832,168 MT (FY2025: 1,765,407 MT)		PROCESS SAFETY EVENT RATE (PSER) -TIER I: 0 (FY2025: 0)
	ENERGY CONSUMPTION 15,271,580 GJ (FY2025: 14,442,234 GJ)		TOTAL RECORDABLE INJURY RATE 0.30 (FY2025: 0)
	WATER WITHDRAWAL 2,536 ML (FY2025: 2,601 ML)		TOTAL TRAINING HOURS 24,411 MAN-HOURS (FY2025: 21,892 MAN-HOURS)
	WASTE GENERATED 3,828 MT (FY2025: 5,297 MT)		COMMUNITY INVESTMENT SPEND** Rs. 8.3 BILLION (FY2025: PKR. 4.7 BILLION)
	ZERO ROUTINE FLARING MAINTAINED AT ALL PPL-OPERATED OIL PRODUCING FIELDS		TOTAL ECONOMIC VALUE GENERATED (NET) Rs. 291 BILLION (FY2025: PKR 274 BILLION)
	5,400+ NUMBER OF PLANTS/TREES PLANTED		SUSTAINABILITY AND CLIMATE RISK MANAGEMENT STRENGTHENED THROUGH ENHANCEMENTS TO THE ENTERPRISE RISK MANAGEMENT FRAMEWORK
	OVER 100 ML FRESH WATER SAVED (FY2025: OVER 20 ML) THROUGH RO REJECT WATER AND GREY WATER REUSE, SEA WATER RECYCLING AND PROCESS OPTIMIZATION		WASTE DIVERSION RATE*** 55% (FY2025: 37%)

* E & P operations only

** Includes mandatory contribution of Rs. 5.0 billion (FY2025: Rs. 1.9 billion)

*** Excluding drill cuttings

MEMBERSHIPS AND EXTERNAL INITIATIVES

PPL actively participates in industry associations, professional institutions and collaborative initiatives that support the development of Pakistan's energy sector. These engagements enable the Company to contribute to industry dialogue, strengthen technical capabilities, share operational experience and remain informed of emerging regulatory, governance and sustainability developments.

1. Petroleum Institute of Pakistan (PIP)
2. Pakistan Petroleum Exploration & Production Companies Association (PPEPCA)
3. Pakistan Institute of Corporate Governance (PICG)
4. Pakistan Society for Training and Development (PSTD)
5. Overseas Investors Chamber of Commerce & Industry (OICCI)
6. Pakistan Association of Petroleum Geoscientists (PAPG)
7. IWCF Operations Limited
8. Management Association of Pakistan (MAP)
9. Employers' Federation of Pakistan (EFP)
10. Society of Petroleum Engineers – Pakistan Section (SPE-P)
11. United Nations Global Compact (UNGC)
12. Pakistan Society of Human Resources Management (PSHRM)



SUSTAINABILITY AT PPL

- GOVERNANCE
- POLICY COMMITMENTS
- STAKEHOLDERS' ENGAGEMENT
- MATERIALITY ANALYSIS

GOVERNANCE

PPL's governance framework provides the foundation for effective oversight, informed decision-making and management accountability across the Company's operations. The framework is guided by the Companies Act, 2017; the Public Sector Companies (Corporate Governance) Rules, 2013; the Listed Companies (Code of Corporate Governance) Regulations, 2019; the Company's constitutional documents; Board-approved policies; and other applicable legal and regulatory requirements. During FY2026, PPL continued to strengthen its governance practices by progressively integrating sustainability-related considerations into established governance and risk management processes, supporting the management of material environmental, social and governance matters.

Further information on PPL's Vision, Mission, Core Values and Code of Conduct is available in the 2026 Annual Report.

GOVERNANCE STRUCTURE

PPL's governance structure establishes clear accountability for strategic oversight, executive management and operational decision-making. The Board of Directors retains overall responsibility for the Company's governance, strategic direction, performance and risk oversight, while executive authority to implement the approved strategy and manage day-to-day operations is delegated to the Managing Director and Chief Executive Officer (MD&CEO).

The Board brings together experience from government, the public sector and private industry, with expertise spanning engineering, finance, management, public policy and corporate governance. This breadth of expertise enables balanced perspectives and informed decision-making on strategic, operational and sustainability-related matters. Composition of the board is given on pages 27-34 of the Annual Report 2026.

Shareholders elect directors at the General Meeting in accordance with the Companies Act, 2017 and other applicable regulatory requirements. While the Company values diversity of experience and professional background, it does not prescribe quotas based on nationality, ethnicity or age.

The Chairman is an Independent Director, ensuring a clear separation between governance oversight and executive management. The Board fulfils its responsibilities directly and is supported by seven specialised committees: the Board ESG Committee, Board Audit Committee, Board Human Resource Committee, Board Strategy & Finance Committee, Board Enterprise Risk Committee, Board Procurement Committee and Board Nomination Committee.

Each committee operates under defined Terms of Reference, reviews matters within its mandate and submits recommendations to the Board to support informed decision-making. Details of the Board members, Board Committees and their Terms of Reference are provided on pages 36-40 of the Annual Report 2026.

ESG GOVERNANCE

PPL's ESG governance arrangements define how the Company oversees, manages and coordinates sustainability-related matters. The ESG Policy provides the formal basis for progressively integrating environmental, social and governance considerations into established governance, risk management and operational processes. Relevant corporate policies, procedures and management systems support the integration of these considerations.

The Board ESG Committee oversees PPL's sustainability agenda. Its responsibilities include reviewing material ESG-related impacts, risks and opportunities, monitoring sustainability performance and disclosures, and advising the Board on matters requiring strategic direction or action. The Committee also reviews the ESG Report.

The MD & CEO implements Board-approved ESG policies and priorities, supported by the ESG Steering Committee, ESG Coordinators, ESG Working Group and relevant functional heads. The ESG Steering Committee reviews implementation progress and provides management direction, while the cross-functional ESG Working Group supports data coordination, reporting and the implementation of agreed initiatives across business functions. The ESG Coordinators facilitate these activities and coordinate reporting to the ESG Steering Committee and Board ESG Committee.

As PPL progressively develops its sustainability practices, building the knowledge of those responsible for oversight and implementation remains an important priority. Most Board members have completed the ESG Stewardship for Boards workshop conducted

by the Pakistan Institute of Corporate Governance. Directors are also supported through external programmes and briefings on emerging sustainability matters, enabling them to exercise informed oversight of ESG-related impacts, risks and opportunities.

During the year, PPL also conducted awareness sessions and workshops for cross-functional teams on emerging ESG issues, climate-related risks and evolving sustainability disclosure requirements. These efforts were complemented by ESG Integration Week, which brought employees together to deepen their understanding of sustainability priorities, clarify functional responsibilities and share practical insights on how ESG considerations can be progressively incorporated into relevant business processes.

SUSTAINABILITY IMPACTS AND PERFORMANCE MONITORING

PPL monitors sustainability-related matters through its established management review and risk reporting processes. Management forums consider operational performance, emerging issues, and significant risks, escalating matters that require additional action or oversight. The MD & CEO oversees the management of sustainability-related impacts and risks, supported by functional heads responsible for actions within their respective areas. Progress against strategic objectives and enterprise risk treatment plans is consolidated for regular reporting to the Board-level committees and Board of Directors, supporting timely review of performance and emerging concerns.

During FY2026, PPL revised its Enterprise Risk Management Framework to strengthen the consideration of sustainability-related and climate-related risks. The revised framework supports assessment of risks that may affect the Company's prospects, while broader operational processes address PPL's impacts on the environment, people and stakeholders.

The Human Resources Committee oversees PPL's remuneration framework and reviews its alignment with business objectives, individual performance and the Company's longer-term priorities. In determining remuneration, the Committee considers relevant market benchmarks and, where appropriate, advice from independent remuneration consultants to assess competitiveness, internal equity and alignment with prevailing industry practices. The framework supports the attraction and retention of qualified personnel while maintaining an appropriate link between responsibility and performance.

CONFLICTS OF INTEREST AND GRIEVANCE HANDLING

PPL's Code of Conduct prohibits conflicts of interest and outlines principles for identifying and disclosing them, as well as for managing actual, potential, and perceived conflicts involving Directors and employees. The relevant individuals are expected to refrain from participating in decisions where their independence or objectivity may be compromised. Such matters are reviewed through the appropriate governance channels and, where necessary, escalated to the relevant Board Committee or the Board of Directors.

The Company's grievance and whistleblowing arrangements provide channels for raising concerns relating to business conduct, compliance, financial reporting, health and safety, cybersecurity, fraud and other significant matters. Concerns are reviewed in accordance with established procedures and escalated based on their nature and significance. The Board Audit Committee provides independent oversight of matters reported under the Whistleblowing Policy, including concerns submitted directly to its Chairman, while the relevant Board Committee considers other matters within its mandate. The Board and its Committees review significant concerns brought to their attention and oversee the actions taken in response. During FY2026, no critical concerns were communicated to the Board or its Committees.

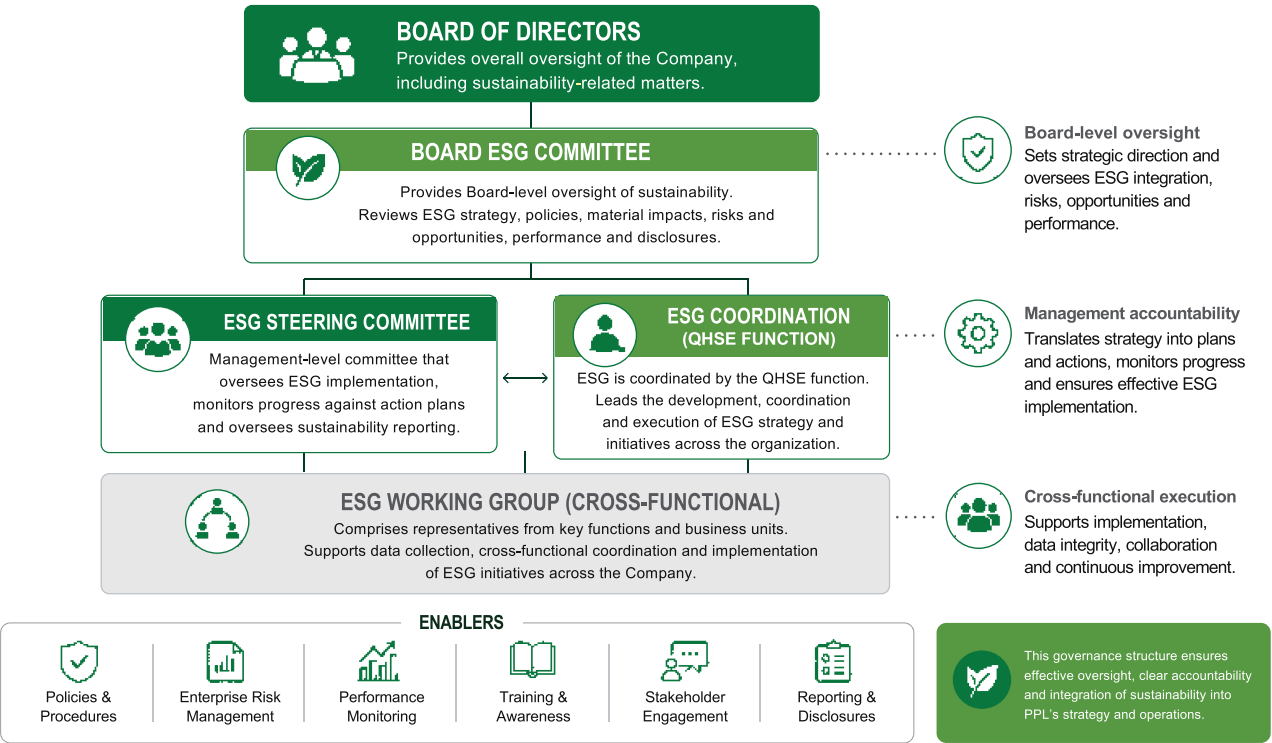
PERFORMANCE EVALUATION AND REMUNERATION

Annual evaluation of the Board of Directors, its committees and senior management are conducted in accordance with applicable regulatory requirements and established governance practices. The evaluation process considers the effectiveness of governance arrangements, the discharge of assigned responsibilities and areas requiring further improvement.

During FY2026, the Company incorporated ESG-related objectives into the Corporate Balanced Scorecard. The Company monitors progress against these objectives through its sustainability governance arrangements, providing a basis for assessing implementation of approved ESG priorities. Sustainability-related responsibilities are also considered in the evaluation of the Board ESG Committee and responsible management functions.

PPL's SUSTAINABILITY GOVERNANCE STRUCTURE

PPL's sustainability governance is integrated within the Company's overall governance framework, ensuring Board oversight, management accountability and cross-functional collaboration.



POLICY COMMITMENTS

PPL's policy framework defines the principles and expectations that guide responsible business conduct across the Company. The ESG Policy provides an overarching basis for considering environmental, social and governance within relevant governance, risk management and operational processes. PPL's Human Resource Management Policy is implemented in accordance with applicable laws aligned with the Universal Declaration of Human Rights and ILO Conventions ratified by Pakistan. The Company also applies the Anti-Harassment Policy and promotes Diversity, Equity and Inclusion across the workplace. These policy commitments are approved through the appropriate governance channels and implemented under the direction of senior management. They apply to PPL's employees and operations and, where relevant, are extended to contractors, suppliers and other business relationships through contractual requirements, procurement processes and operating procedures.

EMBEDDING POLICY COMMITMENTS

PPL translates its policy commitments into practice through procedures, management systems, operational controls, assigned responsibilities, employee awareness and internal review processes. The MD & CEO sets executive direction, while departmental heads implement relevant policies, allocate resources and monitor performance within their respective functions. Employees are informed through induction, role-specific training, awareness sessions and internal communication. PPL also communicates relevant expectations to contractors, suppliers and other business partners through procurement requirements, contractual provisions and operating procedures. Management monitors implementation through management reviews, internal audits and established assurance processes.

MANAGING AND REMEDIATING NEGATIVE IMPACTS

PPL uses environmental and social assessments, operational controls, incident management and

grievance processes to identify and address actual and potential negative impacts associated with its activities. Relevant functions assess identified impacts, determine corrective or preventive actions and monitor their implementation through to closure. Depending on the nature of an impact, remedial action may include changes to operating practices, restoration, compensation, additional controls or revisions to procedures. Lessons from incidents, assessments and stakeholder concerns are considered in management reviews and used, where relevant, to prevent recurrence.

SEEKING ADVICE AND RAISING CONCERNS

Employees may seek guidance on ethical, policy and compliance issues through line management, Human Resources, Compliance and other relevant functions. PPL also maintains grievance and whistleblowing channels for raising concerns and suspected breaches of Company policies. Stakeholders at operational locations can raise concerns through local engagement and grievance arrangements. PPL assesses and investigates concerns under established procedures, providing confidentiality and protection against retaliation through the relevant mechanism. Matters are escalated according to their nature and significance, and corrective or remedial action is taken where required.

SDGs AND PPL

PPL aligns its operations and sustainability priorities with the United Nations Sustainable Development Goals (SDGs) by identifying the goals most relevant to its business activities, environmental and social impacts, and stakeholder priorities. The Company's contribution to the SDGs is reflected across areas including energy security, climate action, water stewardship, workforce development, and responsible business practices. Further details of the relevant SDGs and their linkage with PPL's initiatives and disclosures are provided in the PSX SDGs Index and the SDGs Index included in this report.

STAKEHOLDERS' ENGAGEMENT

PPL engages with stakeholders whose interests may be affected by its activities or who may influence its operations and business relationships. Stakeholder groups are identified based on the nature of PPL's operations, regulatory responsibilities, business relationships, workforce and the communities surrounding its operational locations.

PPL undertakes engagement through established corporate and site-level channels to understand stakeholder interests, identify actual and potential impacts, obtain feedback and inform operational planning, risk management, community investment and the determination of material topics for the report. The form and frequency of engagement vary by stakeholder group, the nature of the relationship, and the matters under discussion.

Feedback and significant concerns arising from stakeholder engagement are referred to the appropriate business function or governance forum for review, follow-up and response.

STAKEHOLDERS' GROUPS	ENGAGEMENT CHANNELS	KEY INTERESTS AND CONCERNS	PPL'S RESPONSE
 SHAREHOLDERS	Annual and Extraordinary General Meetings; corporate briefing sessions; annual and quarterly reports	Financial returns; operational performance; new discoveries; share price performance; transparency of financial and non-financial information	Payment of dividends, regular reporting of business performance and timely financial and corporate disclosures
 GOVERNMENT AND REGULATORS	Policy consultations; regulatory reporting; project-related meetings; awareness and coordination sessions	Regulatory compliance; payment of duties and taxes; community development; domestic energy production and new discoveries	Submission of required regulatory information, timely statutory payments, engagement on sector matters and implementation of applicable community development obligations
 JOINT VENTURE PARTNERS	Technical and operational meetings; project review meetings; written and electronic communication	HSE performance; operational efficiency; project delivery; regulatory compliance	Joint operational planning, performance reviews, HSE monitoring and coordination on project and regulatory requirements
 FINANCIAL INSTITUTIONS	Regular meetings; analyst briefings; ESG disclosures;	Financial performance; project financing; risk management; ESG performance and disclosures; investment of surplus funds	Financial discipline, transparent reporting, engagement on credit and financing requirements, and progressive improvement in sustainability-related disclosures
 EMPLOYEES	Town halls and team meetings; employee engagement surveys; training and development programmes; intranet; performance reviews	Health, safety and wellbeing; fair compensation; career development; training; workplace culture; diversity and inclusion	HSE programmes, employee development opportunities, performance and remuneration processes, employee engagement initiatives and workplace inclusion measures
 SUPPLIERS AND CONTRACTORS	Requests for quotation; bid grievance mechanisms; supplier evaluations; engagement meetings	Fair procurement; payment timelines; local sourcing opportunities; contractual clarity; long-term business relationships	Transparent procurement processes, supplier evaluation, grievance channels, contract administration and support for local sourcing where feasible
 CUSTOMERS	Meetings; written communication; contractual arrangements	Reliable supply; product quality and specifications; continuity of energy supply	Coordination of supply obligations, monitoring of product specifications and operational planning to support continuity of delivery
 LOCAL COMMUNITIES	Public consultations; community meetings; outreach programmes; grievance mechanisms; needs assessments	Infrastructure and community development; education and healthcare; employment opportunities; environmental and social impacts	Community investment programmes in education, health, water, infrastructure, skills development and livelihoods, together with grievance handling and site-level engagement
 INDUSTRY ASSOCIATIONS	Policy advocacy forums; regulatory and budget consultations; industry working groups	Regulatory environment; sector competitiveness; energy policy; industry development	Participation in policy dialogue, technical forums and industry initiatives relevant to Pakistan's upstream oil and gas sector
 CIVIL SOCIETY ORGANISATIONS, NGOS AND NPOs	Project partnerships; consultations; dialogue and engagement meetings	Community development; human rights; ESG performance; social and environmental impacts	Collaboration on selected development initiatives, stakeholder consultations and disclosure of relevant ESG information
 MEDIA AND THE WIDER PUBLIC	Annual and ESG reports; press releases; interviews; corporate website and digital media	Discoveries and developments; operational performance; corporate activities; ESG transparency	Public communication through corporate disclosures, media releases, reports and digital channels

MATERIALITY ANALYSIS

PPL's material topics reflect the most significant impacts associated with its operations, business relationships and stakeholders. The materiality assessment completed in the previous reporting period provided the basis for identifying and prioritising these topics by considering PPL's activities, stakeholder perspectives, regulatory developments, industry practices and applicable reporting requirements.

As part of its reporting process, PPL reviews its material topics to consider changes in business activities, reporting scope and operating context. During FY2026, the review considered including Bolan Mining Enterprises (BME), which is included for relevant environmental and occupational health and safety disclosures under PPL's operational-control approach. As PPL's principal business remains oil and gas exploration and production, GRI 11 remains the applicable Sector Standard, while relevant environmental and health and safety topics from GRI 14 were cross-checked against PPL's existing material

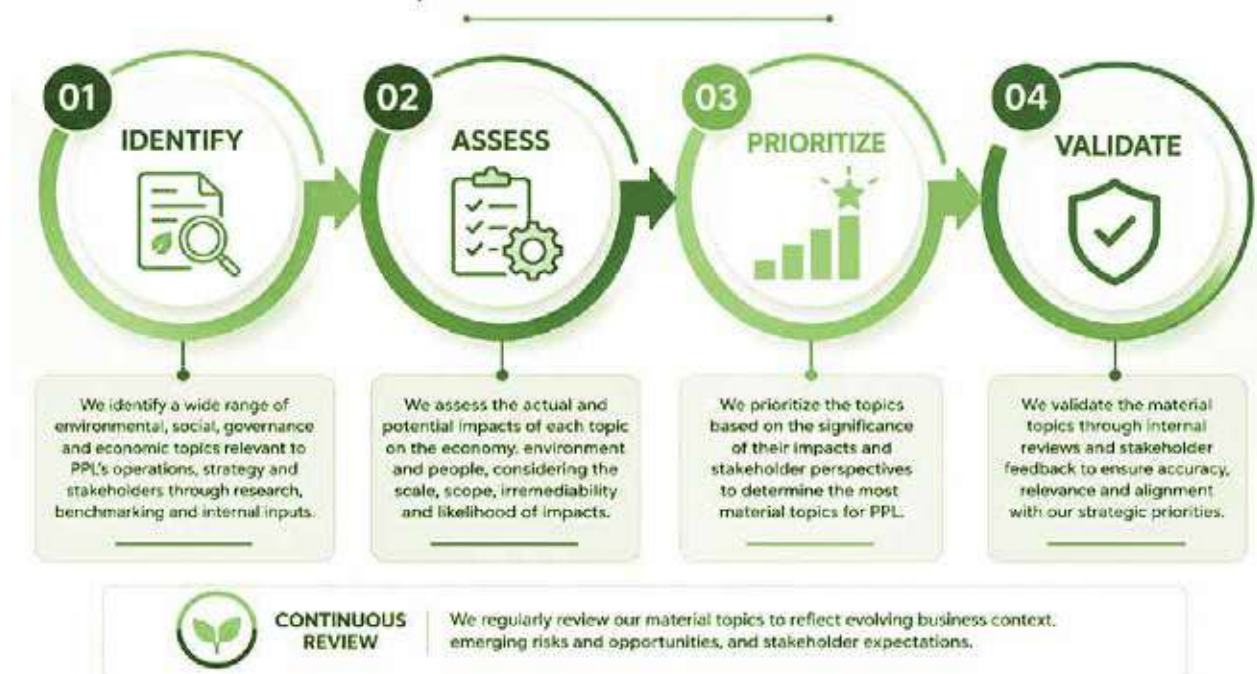
topics. The review concluded that no additional material topics were required, as the relevant BME impacts were already captured within the existing material-topic framework.

In assessing material topics, PPL considers the significance of actual and potential impacts associated with its operations and business relationships. PPL considers negative impacts by scale, scope, irremediable character and, where relevant, likelihood, while considering positive impacts by scale, scope and likelihood. The review draws on relevant business functions, stakeholder engagement and subject-matter expertise. The review confirms material topics, which form the basis of the disclosures presented in this report.

PPL has separately assessed sustainability-related risks and opportunities that could reasonably be expected to affect the Company's prospects. These are presented in the Sustainability-related Financial Disclosures following the Directors' Report.

MATERIALITY ANALYSIS PROCESS

A structured approach to identify and focus on the sustainability topics that matter most to PPL and our stakeholders.



MATERIAL TOPICS	SUB-TOPIC	RELEVANT SDGs
Emissions	GHG Emissions, Air Emissions	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Climate Adaptation, Resilience and Transition	-	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Biodiversity	Biodiversity, Closure and rehabilitation	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Waste	-	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Water and Effluents	-	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Health and Safety	Occupational health and safety, Asset integrity and critical incident management	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Employment Practices	Employment practices, Non-discrimination and equal opportunity	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Economic Impacts	-	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Local Communities	Local Communities, Land and Resource Rights	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Human Rights	Forced labour and modern slavery, Freedom of association and collective bargaining, Conflict and security	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Ethical Practices	Anti-Corruption, Payments to Government, Public Policy	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Supply Chain Impact	-	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
Digitalization and Cyber Security	-	13, 14, 15, 17, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

RESPECTING NATURE

- OUR APPROACH
- CLIMATE CHANGE
- BIODIVERSITY
- WATER MANAGEMENT
- WASTE MANAGEMENT



OUR APPROACH

Environmental considerations are integrated into PPL’s approach to planning, developing and operating its exploration and production activities. The Company recognises that responsible management of environmental impacts is essential to maintaining operational continuity, meeting regulatory requirements and managing the interaction between its operations and surrounding ecosystems.

PPL manages environmental impacts through its ESG Policy, QHSE Policy, QHSE Management System, environmental procedures, operational controls, impact assessments, monitoring programmes and compliance processes. These systems support the identification, prevention and mitigation of potential environmental impacts throughout the asset lifecycle, from exploration and development to production activities. PPL’s fields and technical departments are certified to ISO 14001 Environmental Management System standards, providing a structured framework for managing environmental performance and continual improvement.

The Company’s environmental management approach focuses on climate change, emissions management, biodiversity management, water stewardship, waste management and environmental compliance. The Company manages these areas through operational controls, resource-efficiency initiatives, technological improvements and engagement with relevant stakeholders. Responsibility for environmental performance is shared across the organisation, with senior management providing oversight, line functions implementing relevant controls, and dedicated QHSE personnel at operational locations providing technical guidance and support to field teams.

To strengthen environmental data management and decision-making, PPL has implemented a Sustainability Reporting (SR) Module within the Velocity EHS Software platform. The system enables online reporting and monitoring of key environmental metrics, supporting timely analysis, performance tracking and management

oversight. The module is currently implemented across all producing fields, exploration & drilling sites and corporate offices, with expansion planned for project sites and mining operations in 2026-27.

PPL evaluates the effectiveness of its environmental management approach through environmental monitoring, internal reviews, regulatory assessments and audits. Certified lead auditors conduct internal ISO audits, while accredited certification bodies assess continued conformity with applicable management system requirements. In addition, the QHSE function conducts focused environmental audits and compliance reviews across fields and operational locations. PPL addresses identified gaps through corrective action plans and monitors them to closure through established tracking mechanisms.

Monitoring, audits, certification processes and management reviews support continual improvement and inform actions to strengthen environmental performance across PPL’s operations.

Based on its assessment of GHG emissions, energy consumption, water use and waste performance, PPL developed field-specific five-year ESG improvement plans to strengthen environmental performance and resource efficiency across its operations.

Environmental performance disclosures include BME where the relevant indicators fall within PPL’s operational control, as explained in the Reporting Scope and Boundary.



CLIMATE CHANGE

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
- Climate adaptation, resilience and transition - GHG emissions - Air emissions	Foster a resilient and sustainable future through initiatives focused on emission reduction, enhanced energy efficiency and the deployment of cleaner technologies aligned with national development priorities.	

CLIMATE ADAPTATION, RESILIENCE AND TRANSITION

PPL considers climate change an increasingly relevant business issue because it may affect operational continuity, asset performance, regulatory requirements, access to finance and future energy demand. At the same time, PPL acknowledges the importance of continuing to support Pakistan’s energy requirements while progressively improving the resilience and emissions performance of its operations.

PPL considers climate-related matters through its governance, enterprise risk management and operational planning processes. During FY2026, the Company revised its ERM Framework to strengthen the identification, assessment, monitoring and reporting of physical and transition risks alongside other enterprise risks. The framework also addresses emerging sustainability disclosure requirements and supports consideration of climate-related matters over the short, medium and long term.

PPL engages with regulators, technical experts, industry initiatives, employees and communities to improve its understanding of changing climatic conditions and emerging transition developments. Matters such as flooding, water scarcity, rising temperatures, carbon-related regulation, methane management and changes in energy markets inform risk assessment, operational planning and the evaluation of appropriate responses.

CLIMATE SCENARIO ANALYSIS

During FY2026, PPL completed its first climate scenario analysis to evaluate how different climate futures could affect its portfolio, operations and financial performance through 2030 and beyond. The assessment considered the

transition and physical risk dimensions, including carbon cost exposure, domestic gas demand, methane and flaring requirements, access to finance and the potential for asset underutilisation. Its findings provide an additional input into strategic planning, capital allocation, risk mitigation and management’s assessment of business resilience.

Detailed information on PPL’s identified climate-related risks and opportunities, scenario assumptions and potential financial implications is presented separately in the Sustainability-related Financial Disclosures following the Directors’ Report.

DECARBONISATION INITIATIVES

PPL’s climate transition and decarbonisation initiatives focus on improving energy efficiency, reducing operational emissions, strengthening methane management, minimising flaring and assessing technologies that may support future decarbonisation. During FY2026, preliminary work progressed on carbon capture and storage, waste heat recovery, renewable energy applications and identifying technically and economically viable emissions-reduction projects.

The Company also continued its participation in the Oil and Gas Decarbonization Charter, supporting technical collaboration and knowledge sharing on methane management, flaring optimisation and operational decarbonisation.

CARBON CAPTURE AND STORAGE (CCS)

PPL continued to assess Carbon Capture and Storage (CCS) as a potential pathway for managing future emissions from its upstream operations. During FY2026, the Company

completed an integrated CCS technical assessment across selected operated assets to evaluate the potential for future CCS deployment. The assessment established a technical foundation for future evaluation, including storage capacity assessment, injectivity considerations and preliminary facility requirements. The identified formations represent a potential storage opportunity of approximately 988,000 tCO₂e annually based on flaring and venting emissions from the assessed fields. PPL will continue to evaluate technical, regulatory and commercial considerations before progressing towards potential pilot or larger-scale deployment.

WASTE HEAT RECOVERY AND ENERGY OPTIMISATION

PPL completed a feasibility assessment for Waste Heat Recovery Units at the Sui Gas Compression Station to evaluate opportunities for improving energy efficiency and reducing operational emissions. The assessment identified potential waste-heat recovery, with estimated fuel gas savings of approximately 8MMscfd and associated emissions reduction potential of around 150,000 tCO₂e per year. The initiative will be further evaluated based on technical feasibility, economic viability and applicable approval requirements.

RENEWABLE ENERGY APPLICATIONS

PPL continued to explore renewable energy applications across its operations to reduce reliance on conventional energy sources and improve energy efficiency. During FY2026, the Company operated a 700-kW solar power plant at Khewali Pumping Station and progressed feasibility assessments for additional solar applications at selected locations. These initiatives support evaluating renewable energy options that may contribute to emissions reduction and operational resilience.

GEOTHERMAL ENERGY FEASIBILITY

During FY2026, PPL advanced a feasibility assessment to evaluate the potential deployment of geothermal energy at selected mature assets, including the Sui and Kandhkot fields. The study examined opportunities for repurposing existing wells and associated infrastructure to support geothermal power generation and reduce fuel gas consumption for field operations.

Preliminary technical assessments indicate that geothermal development may offer opportunities to enhance resource efficiency and support emissions reduction objectives. Initial evaluations suggest potential power generation capacity from suitable wells; however, the technical and commercial viability of such opportunities remains subject to detailed subsurface studies, reservoir performance assessments, engineering design and economic evaluation.

This initiative reflects PPL's commitment to exploring innovative lower-carbon energy solutions and identifying sustainable pathways for the future utilization of mature hydrocarbon assets.

METHANE MEASUREMENT AND MANAGEMENT

Methane management remains a key focus area in PPL's climate response because methane emissions are significant in the upstream oil and gas sector. During FY2026, PPL participated in a satellite-based methane monitoring programme supported by the Oil & Gas Climate Initiative (OGCI) and the Oil and Gas Decarbonization Charter (OGDC) Secretariat.

The programme covered five operational facilities and enhanced PPL's capability to identify and assess potential methane emissions. While no persistent methane plumes exceeding 100 kg/hour were detected during the monitoring period, the team identified intermittent methane plumes. Investigations are being undertaken to potentially strengthen methane management and operational integrity.

EVALUATING LOW-CARBON OPPORTUNITIES

PPL continues to evaluate technically and economically viable opportunities to reduce greenhouse gas emissions and participate in emerging low-carbon initiatives. During FY2026, the Company entered a Memorandum of Understanding with ICA-Finance, a Portfolio company of Climate Investment, founded by the Oil and Gas Climate Initiative (OGCI), to identify and assess potential emissions-reduction projects and explore opportunities in emerging carbon markets.

The collaboration supports the evaluation of potential low-carbon pathways, with any future initiatives subject to technical assessment, economic evaluation and established investment approval processes.

GHG AND AIR EMISSIONS

PPL manages greenhouse gas (GHG) and air emissions through emissions monitoring, operational controls, preventive maintenance, asset integrity programmes and targeted efficiency initiatives. The Company maintains a greenhouse gas inventory covering material Scope 1 and Scope 2 emissions from operationally controlled assets within the reporting boundary. Emissions are quantified using operational data and recognised emission factors, supported through the Sustainability Reporting Module within Velocity EHS. Air emissions, including SO_x, NO_x, H₂S and particulate matter, are monitored

through approved external laboratories in accordance with applicable National and Provincial Environmental Quality Standards. PPL reports monitoring results to the relevant Environmental Protection Agencies for the locations operated, and addresses identified gaps through corrective action and maintenance processes. During FY2026, monitored NO_x and SO_x emissions remained within prescribed limits.

PPL manages methane and other fugitive emissions through preventive maintenance, routine leak detection, equipment reliability measures, flare and vent management and operational improvements. Fire and Gas Detection Systems and field-level inspection and maintenance programmes support these measures. Further information on the satellite-based methane monitoring initiative is provided under "Methane Measurement and Management" under decarbonization initiatives.

GHG EMISSIONS (MT)	FY2026	FY2025
GHG emissions CO ₂ (Scope-I)	1,830,889	1,763,900
GHG emissions CO ₂ (Scope-II)	1,279	1,507
Total GHG emissions	1,832,168	1,765,407
PPL's own-operated hydrocarbon production in KBOE at the first point of sale	28,286	27,874
GHG emissions intensity (MT CO ₂ equivalent / KBOE)	65	63

Scope 1 emissions arise primarily from fuel combustion in turbines, generators, compressors, engines, heaters and boilers, as well as emissions from flaring and venting activities. Scope 2 emissions relate to purchased electricity consumed across offices and operational locations. The reporting boundary covers assets under PPL's operational control, including producing fields, processing facilities, drilling and seismic operations, construction activities, warehouses, head office and regional offices.

PPL applies the API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry (Edition 2021) for GHG quantification. Emissions calculations are based on operational data and the relevant calculation methodologies and emission factors provided in the API Compendium. For Scope 2 emissions,

emission factors for purchased electricity are sourced from the International Energy Agency (IEA), while Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report using a 100-year time horizon. GHG emissions intensity is calculated using Scope 1 and Scope 2 emissions, including CO₂, CH₄, N₂O, hydrofluorocarbons (HFCs) and hydrochlorofluorocarbons (HCFCs), against PPL's operated hydrocarbon production. Fugitive emissions from equipment and operational facilities are currently under assessment and have not yet been incorporated into the reported GHG inventory.

PPL has not yet quantified Scope 3 emissions. The Company is progressively assessing relevant categories to determine future reporting priorities and enhance the completeness of its emissions inventory.

EMISSION REDUCTION INITIATIVES

PPL seeks to improve emissions performance through equipment optimisation, preventive maintenance, process controls and flare and vent

management. During FY2026, these measures supported more efficient fuel use, reduced avoidable hydrocarbon releases and improved the reliability of emissions-generating equipment across selected facilities.

PPL’s MINING OPERATIONS

GHG EMISSIONS (MT)	FY2026			
	HEAD OFFICE	KHUZDAR BARITE OPERATIONS	PACHINKOH IRON ORE SITE	TOTAL
GHG emissions CO ₂ (Scope-I)	12	1,421	109	1,542
GHG emissions CO ₂ (Scope-II)	16	55	0	71
Total GHG emissions	28	1,476	109	1,613
MT of saleable material / product	Not Applicable	139,997	30,159	Not Applicable
GHG emissions intensity (MT CO ₂ equivalent / MT of saleable product)	Not Applicable	0.011	0.004	Not Applicable

ENERGY CONSUMPTION

Energy consumption is an important component of PPL’s exploration and production activities, supporting production facilities, processing

operations, drilling activities and associated infrastructure. PPL’s energy consumption primarily comprises natural gas, liquid fuels and purchased electricity used across its operations.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)	FY2026	FY2025
Energy consumption (Non-renewable)	15,266,666	14,437,449
Energy consumption (Renewable)	4,914	4,785
Total energy consumption	15,271,580	14,442,234
Energy intensity GJ / KBOE	540	518

Energy consumption is calculated based on the Higher Heating Value (HHV) of site-specific gases and standardised HHV values for liquid fuel, while electricity consumption is converted using a standard conversion factor of 0.0036 GJ/kWh. The reported energy consumption covers operationally controlled assets within the reporting boundary. Energy intensity is calculated based on total energy consumption associated with PPL’s operated activities relative to its own-operated hydrocarbon production at the first point of sale. The Company continues to strengthen energy data management and assess opportunities to improve measurement coverage and comparability across its operations.

ENERGY EFFICIENCY INITIATIVES

During FY2026, PPL continued implementing operational efficiency measures to reduce energy consumption and improve resource utilisation across its operated assets. These measures included process optimisation, equipment performance improvements and improved drilling practices. Drilling optimisation initiatives across exploration and development wells reduced cumulative drilling time by approximately 130 days, saving around 1.04 million litres of diesel. The initiative contributed to lower energy use, reduced associated emissions and improved operational efficiency. The Company also continued to evaluate renewable energy applications and waste heat recovery opportunities, as discussed under Climate Transition and Decarbonisation Initiatives.

PPL’s MINING OPERATIONS

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)	FY2026			
	HEAD OFFICE	KHUZDAR BARITE OPERATIONS	PACHINKOH IRON ORE SITE	TOTAL
Energy consumption (Non-renewable)	347	21,014	1,570	22,931
Energy consumption (Renewable)	0	233	69	302
Total energy consumption	347	21,247	1,639	23,233
Energy intensity (GJ / MT of saleable product)	Not Applicable	0.152	0.054	Not Applicable

BIODIVERSITY

MATERIAL TOPICS	OUR FOCUS	MOST RELEVANT SDGs
- Biodiversity - Closure and rehabilitation	Strengthen biodiversity conservation efforts by managing operational impacts responsibly and applying sustainable environmental practices at every phase of project development and execution.	

Biodiversity management is an important part of PPL’s environmental stewardship and responsible resource development practices. The Company recognises that exploration and production activities may interact with sensitive ecosystems and incorporates biodiversity considerations into project planning, operational decision-making and site management.

PPL manages potential biodiversity-related impacts through its ESG Policy and ISO 9001, ISO 14001 and ISO 45001-certified QHSE Management System. These frameworks support identifying environmental sensitivities, assessing potential impacts and implementing appropriate management measures throughout the operational lifecycle. PPL considers the principles of the Kunming-Montreal Global Biodiversity Framework to be relevant guidance for progressively strengthening its biodiversity management practices.

IDENTIFICATION OF BIODIVERSITY IMPACTS

PPL identifies potential biodiversity impacts through environmental screening processes during project planning and approval. These assessments consider ecological sensitivities, protected areas, Ramsar Sites, wildlife sanctuaries and species of conservation importance, including species listed on the IUCN Red List.

During FY2026, PPL identified eleven exploration blocks and mining leases that overlap with or are located near protected areas or areas of high biodiversity value. These include reserved forests, protected forests, wildlife sanctuaries and Ramsar Sites. The identification process supports consideration of biodiversity-related risks during operational planning and enables implementation of appropriate measures before activities commence.

MANAGEMENT OF BIODIVERSITY IMPACTS

PPL applies the mitigation hierarchy by prioritising the avoidance of biodiversity impacts wherever practicable, followed by minimisation and restoration measures where avoidance is not practicable.

Operational controls include restricting activities to designated areas, minimising land disturbance, avoiding unnecessary vegetation clearance, using existing access routes where practicable and protecting identified ecological receptors. These measures are implemented through site-specific environmental management requirements applicable to exploration, drilling, construction and production activities. No significant biodiversity impacts requiring restoration, rehabilitation or biodiversity offsets were identified during the reporting period. Where temporary disturbance occurs during

exploration and development activities, PPL undertakes restoration and rehabilitation measures in accordance with agreed environmental requirements.

MONITORING AND ASSURANCE

PPL controls biodiversity-related controls through environmental monitoring programmes, site inspections and periodic reviews by independent monitoring consultants, where applicable. PPL submits Environmental Monitoring Reports to relevant regulatory authorities in accordance with applicable requirements. Field and location teams implement biodiversity-related controls, supported by relevant technical functions. Engagement with regulators, local communities and environmental specialists supports informed decision-making and continual improvement in biodiversity management practices.

BIODIVERSITY-SENSITIVE LOCATIONS

During FY2026, activities were undertaken at selected biodiversity-sensitive locations in accordance with approved environmental assessments, management plans and applicable regulatory requirements.

BIODIVERSITY-SENSITIVE LOCATIONS WITH FY2026 ACTIVITIES

BLOCK	BIODIVERSITY SENSITIVITY	PROXIMITY OR OVERLAP	ACTIVITY
Dhok Sultan	Reserved forests	Dhok Sultan-3 is approximately 1.2 km from Rakh Sawalian Reserved Forest.	Appraisal drilling
		The Dhok Sultan Oil Handling Facility is located about 3.5 km from Rakh Chitti and 4 km from Rakh Sawalian Reserved Forest	Plant Operations
Sirani	Jubho Lagoon Ramsar Site	Dolphin X-1 is approximately 25 km from the Ramsar Site.	Exploration drilling and well-site construction
Kandhkot	Indus River protected area and habitat of the Indus River dolphin	Lal X-1 is approximately 9 km from the Indus River.	Exploration drilling
Gambat South	Deh Akro-II Wildlife Sanctuary and Ramsar Site	Taban East X1 is approximately 19 km from Deh Akro Wildlife Sanctuary.	Exploration drilling and well-site construction

Other biodiversity-sensitive locations within PPL's portfolio had no operational activities during FY2026. These locations remain under consideration through project planning and

environmental screening processes, and any future activities will be subject to applicable environmental assessments, regulatory approvals and biodiversity management measures.

BIODIVERSITY-SENSITIVE LOCATIONS WITH NO FY2026 ACTIVITIES

SR. NO.	BLOCK	BIODIVERSITY-SENSITIVE AREA
1	Sorah Block	Nara Desert Wildlife Sanctuary and Takkar Wildlife Sanctuary
2	Kalat Block	Harboi Protected Forest (Juniper ecosystem)
3	Margand Block	Harboi Protected Forest (Juniper ecosystem)
4	Shah Bandar Block	Keti Bandar South Wildlife Sanctuary and Indus Delta Ramsar Site
5	Gambat-II Block	Takkar Wildlife Sanctuary, Khat Dhoro Wildlife Sanctuary and Mehrano Wildlife Refuge
6	Baska Block	Koh-e-Suleiman Range / Chilghoza pine forest ecosystem
7	Hab Block	Dureji Game Management Area

Based on environmental assessments, monitoring records and operational reviews undertaken during FY2026, PPL did not identify any significant biodiversity impacts arising from its operations. No biodiversity-related incidents affecting protected species were reported during the reporting period.

BIODIVERSITY ENHANCEMENT INITIATIVES

PPL undertakes initiatives that contribute to ecological enhancement and environmental stewardship. During FY2026, the Company planted over 5,400 trees and saplings at Gambat South, Sui, Kandhkot, Hala and Dhok Sultan and distributed approximately 2,700 saplings to environmental authorities and surrounding communities. At Sui Field, PPL had additionally developed urban forests comprising approximately 1,500 trees irrigated using RO-rejected water. The initiative contributes to increased green cover, water conservation and improved local environmental quality.

CLOSURE AND REHABILITATION

PPL incorporates closure and rehabilitation considerations into the lifecycle management of its exploration and production assets. This supports regulatory compliance, manages environmental and safety risks, and enables the orderly retirement of wells and associated facilities when they are no longer required.

Closure requirements are identified through project-specific environmental assessments, regulatory approvals and operational planning. Depending on the asset, decommissioning activities may include permanent well plugging to prevent fluid or gas migration, dismantling and removal of facilities, management of hazardous materials and

waste, and restoration of disturbed land in accordance with applicable requirements. Drilling-related waste generated during closure activities is managed based on its characteristics and applicable disposal requirements. Water-based drill cuttings are treated and managed through approved methods, while oil-based drill cuttings are handled in accordance with Louisiana Statewide Order (LSO) 29-B requirements and other applicable environmental controls.

Qualified personnel undertake closure and rehabilitation activities using appropriate equipment and procedures. PPL follows completion with inspection and verification to assess whether the required rehabilitation measures have been implemented. Where applicable, No Objection Certificates are obtained from relevant authorities and landowners following completion of the restoration work.

PPL also considers the future use of infrastructure and rehabilitated land as part of closure planning. Subject to regulatory, safety and stakeholder considerations, access roads, utilities or other facilities may be retained or transferred for community use, while restored land may be returned to agricultural or other productive uses.

Oversight of closure and rehabilitation activities is provided by the Head of Drilling & Completions Engineering and the relevant Producing Asset Heads, with support from internal reviews and independent compliance inspections, where applicable.

During FY2026, Bashar X1 and Benari X1 well-sites were closed or rehabilitated. Closure planning continued for Mazarani Gas Field, while PPL maintained a rehabilitation provision of approximately **PKR 50.782 billion** for future decommissioning obligations.

WATER MANAGEMENT

MATERIAL TOPIC	OUR FOCUS	MOST RELEVANT SDGs
Water and effluents	Preserve ecological balance by implementing sustainable water use strategies and effective pollution control measures to promote environmental resilience and sustainability.	   

Water is a critical resource for PPL’s exploration, drilling and production activities, as well as for the communities surrounding its operations. The Company recognises the importance of responsible water management, particularly in regions where water availability is constrained, and focuses on improving water-use efficiency, increasing reuse opportunities and managing wastewater responsibly.

PPL manages water-related impacts through its QHSE framework, operational procedures and site-specific environmental management requirements. PPL incorporates water-related considerations into project planning and operations through environmental assessments, regulatory requirements and appropriate controls.

Across its operations, PPL applies a lifecycle approach to water management by monitoring withdrawal, promoting efficient use, maximising reuse where feasible and ensuring responsible treatment and disposal of wastewater streams. PPL manages produced water, drilling fluids, sewage and other wastewater streams through approved operational procedures and applicable environmental requirements.

PPL recognises that effective water stewardship requires collaboration with regulators, communities and industry stakeholders. The Company engages relevant stakeholders through environmental assessment processes, regulatory consultations and community engagement activities. PPL is also a voluntary member of the Karachi Water Partnership (KWP), supporting collaboration among industry, government and development partners on sustainable water management practices.

WATER WITHDRAWAL, CONSUMPTION AND DISCHARGE

PPL monitors water withdrawal, consumption and discharge across operational locations and consolidates information to assess its overall water footprint. The Company continues to strengthen water data quality by expanding flow meter coverage across operational locations. Improved measurement capability will support more accurate monitoring, enhance reporting transparency and facilitate better water management decisions.

Following operational use, wastewater is managed through appropriate treatment and disposal pathways, including lined containment systems, sewerage systems, disposal wells and controlled percolation, where applicable. These practices are implemented in accordance with regulatory requirements and applicable environmental standards.

Beyond operational water management, PPL contributes to community water security through its long-standing initiative to supply safe drinking water to Sui Town. A 170-kilometre pipeline from Kashmore supplies about two million gallons of water per day, benefiting more than 40,000 residents. The initiative reflects PPL’s continued engagement with communities surrounding its operations and contribution to addressing local water needs.



WATER WITHDRAWAL BY SOURCE IN ML/YEAR	FY2026		FY2025		FY2024	
	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS
Surface water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0	0	0	9	0
Other water (>1,000 mg/l Total Dissolved Solids)	0	0	0	0	0	0
Ground water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	1,394	145	1,431	126	1,514	133
Other water (>1,000 mg/l Total Dissolved Solids)	96	96	96	96	99	99
Produced water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0	0	0	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	912	910	943	941	1,059	1,057
Third-party water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	126	92	118	36	98	71
Other water (>1,000 mg/l Total Dissolved Solids)	8	0	13	5	9	5
Total water withdrawal	2,536	1,243	2,601	1,204	2,788	1,365

Water data are derived from flow meters, contractor-reported bowser volumes and engineering estimates where direct metering is unavailable.

WATER CONSUMPTION IN ML/YEAR	FY2026		FY2025		FY2024	
	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS
Total water consumption	1,844	1,816	1,970	1,896	2,199	2,158

Water is withdrawn from a non-stressed area but utilized in water-stressed region and the consumption is accordingly accounted for in the water-stressed areas.

WATER DISCHARGE BY DESTINATION IN ML/YEAR	FY2026		FY2025		FY2024	
	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS
Surface water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0	0	0	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	837	833	1,247	1,247	1,260	1,260
Ground water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0	0	0	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	42	36	51	34	58	47
Produced water (into geological formation)						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0	0	0	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	707	707	635	635	582	582
Third-party water						
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0	0	0	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	26	23	33	19	31	18
Total water discharged	1,612	1,599	1,966	1,935	1,931	1,907

WATER EFFICIENCY, REUSE AND RECYCLING INITIATIVES

During FY2026, PPL continued improving water efficiency and expanding reuse practices across its operations. Approximately 38.45 million litres of grey water, Reverse osmosis (RO) reject water and other recoverable water streams were reused for activities such as plantation, gardening and dust suppression. Major contributions included approximately 28.5 million litres of RO reject water at Sui Purification Plant, 5.3 million litres at Dhok Sultan Oil Handling Facility, 2.7 million litres at the Dolphin X-1 construction site and 1.9 million litres at the Khuzdar 2D Seismic Site, with additional reuse at SFGCS and West Wharf. At Dolphin X-1, the Company also recycled approximately 49.8 million litres of seawater through the reverse osmosis plant, reducing reliance on freshwater for drilling and camp operations. Operational improvements further conserved approximately 14.5 million litres of freshwater through enhanced drilling practices

and improved drilling-fluid management. At Adhi Field, PPL continued produced-water reinjection through dedicated injection wells, reinjecting approximately 90% of produced water and reducing reliance on conventional disposal methods.

PPL also progressed the Produced Water Injection Facility at Gambat South Field, completing basic and detailed engineering for future implementation. The facility is designed to treat and reinject produced water as volumes increase with future field development, reducing land requirements and potential soil and groundwater impacts associated with conventional surface evaporation ponds. PPL is also progressively expanding flow-meter coverage and assessing additional monitoring and leakage-identification measures to improve water-use efficiency and strengthen water-data quality across operational facilities.

PPL’s MINING OPERATIONS - WATER FOOTPRINT

WATER WITHDRAWAL BY SOURCE IN ML/YEAR	FY2026	
	ALL AREAS	AREAS WITH WATER STRESS
Surface water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	0	0
Ground water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	42.70	32.85
Other water (>1,000 mg/l Total Dissolved Solids)	0	0
Produced water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	0	0
Third-party water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0.15	0.15
Other water (>1,000 mg/l Total Dissolved Solids)	0	0
Total water withdrawal	42.85	33.00

WATER CONSUMPTION IN ML / YEAR	FY2026	
	ALL AREAS	AREAS WITH WATER STRESS
Total water consumption	42.85	33.00

WATER DISCHARGE BY DESTINATION IN ML / YEAR	FY2026	
	ALL AREAS	AREAS WITH WATER STRESS
Surface Water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	0	0
Ground water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	8.56	6.59
Produced water (into geological formation)		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	0	0
Third-party water		
Freshwater (≤1,000 mg/l Total Dissolved Solids)	0	0
Other water (>1,000 mg/l Total Dissolved Solids)	0.15	0.15
Total water discharged	8.71	6.74

WASTE MANAGEMENT

MATERIAL TOPICS	OUR FOCUS	MOST RELEVANT SDGs
Waste	Preserve environmental integrity through proactive waste management and pollution prevention measures aimed at reducing impacts on air, water, soil and biodiversity.	3 Good health and well-being 6 Clean water and sanitation 12 Responsible consumption and production 14 Life below water 15 Life on land

Waste is generated from PPL's exploration, drilling, production, maintenance and administrative activities, consisting of hazardous and non-hazardous waste streams.

Non-hazardous waste primarily originates from routine office, catering, and facility activities and includes domestic refuse, food waste, paper, glass, plastics, tyres, and scrap metal, as well as operational refuse such as used personal protective equipment (PPE), bedding, and air filters. Hazardous waste includes regulated materials requiring specialised containment and treatment, such as used batteries, printer cartridges, medical waste, paints, spent chemicals, glycol and amine filter cartridges, contaminated soil, and used oil filters. Core operational and construction activities also produce distinct waste streams, including drilling cuttings and fluids, used lubricating oil, oily rags, absorbents, chemical containers, and construction debris.

PPL manages waste through its Waste Management Procedure, which establishes requirements for waste segregation, handling, storage, transportation, treatment and disposal across its operations. PPL manages hazardous waste through approved contractors, maintaining disposal records to support traceability and regulatory compliance. PPL transfers used oil to Environmental Protection Agency (EPA) and Oil & Gas Regulatory Authority (OGRA) approved reclamation facilities for recovery and reuse.

PPL applies recognised industry practices for managing specific waste streams where regulatory requirements are limited. PPL applies the relevant requirements of LSO 29-B standards



for oil-based drill cuttings and extends them to water-based cuttings in sensitive zones, such as agricultural areas, exceeding local regulations.

PPL collects waste generation, treatment and disposal data at operational locations and consolidates it to support performance monitoring, regulatory reporting and continual improvement. PPL monitors waste performance by waste quantity, category and disposal method to identify opportunities for further reduction and recovery. PPL continues to strengthen waste management practices through improved segregation, contractor management, employee awareness and initiatives that promote resource efficiency and circular economy principles.

WASTE REDUCTION, RECOVERY AND CIRCULARITY

PPL prioritises waste prevention, segregation, reuse and recycling where technically and economically feasible. The Company treats and disposes of waste that cannot be recovered through approved methods, in accordance with applicable environmental requirements. During FY2026, the Company implemented several initiatives to improve resource efficiency and reduce waste generation across its operations.

FOOD WASTE REDUCTION AT KHUZDAR 2D SEISMIC PROJECT

During FY2026, PPL implemented a food waste reduction initiative at the Khuzdar 2D Seismic Project in Baluchistan to improve resource efficiency during temporary field operations. Measures included implementing a Pack-in-/Pack-out approach, holding awareness sessions during toolbox talks, improving monitoring of returned food, aligning food preparation with actual personnel requirements, and optimising portion sizes. These measures reduced food waste generation from 63.7 grams per person before the intervention to 25.1 grams per person afterwards, representing a 60.5% reduction, despite an approximately 65.5% increase in workforce during the reporting period. In addition, PPL diverted 3,624 kg of bread and roti waste from disposal and supplied it to a local recycler.

DRILLING WASTE REDUCTION AND RESOURCE RECOVERY

PPL advanced circular resource management in drilling activities through the exchange and reuse of oil-based drilling mud with other industry operators. The initiative reduced the need for virgin material consumption, saving approximately 325,000 litres of diesel and preventing the generation, treatment and disposal of approximately 645 tonnes of drilling waste. The Company also recycled more than 21 tonnes of solid waste generated from drilling operations, supporting resource recovery and reducing waste disposal requirements.

IMPROVED WASTE DIVERSION RATE

Excluding drill cuttings, PPL's waste diversion rate increased from 37% in FY 2025 to 55% in FY 2026, reflecting improved waste management and recovery practices, particularly for food waste, across its operations.

WASTE BY COMPOSITION, IN METRIC TONNES (MT)

	FY2026			FY2025			FY2024		
	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL
Waste composition									
Hazardous	312	154	158	525	408	117	352	167	185
Non-hazardous	3,516	322	3,194	4,772	98	4,674	6,301	107	6,194
Total waste	3,828	476	3,352	5,297	506	4,791	6,653	274	6,379

WASTE DIVERTED FROM DISPOSAL-BY-DISPOSAL OPERATION IN METRIC TONNES (MT)

	FY2026			FY2025			FY2024		
	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL
Hazardous waste									
Preparation for reuse / recycling	0	13	13	0	12	12	0	13	13
Other recovery operations	0	141	141	253	143	396	0	154	154
Total	0	154	154	253	155	408	0	167	167
Non-hazardous waste									
Preparation for reuse / recycling	39	197	236	29	69	98	26	81	107
Other recovery operations	86	0	86	0	0	0	0	0	0
Total	125	197	322	29	69	98	26	81	107
Waste prevented	125	351	476	282	224	506	26	248	274

WASTE DIRECTED TO DISPOSAL-BY-DISPOSAL OPERATION IN METRIC TONNES (MT)

	FY2026			FY2025			FY2024		
	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL
Hazardous Waste									
Incineration (with energy recovery)	0	0	0	0	0	0	0	0	0
Incineration (without energy recovery)	0	157	157	4	111	115	4	181	185
Landfill	0	0	0	0	0	0	0	0	0
Other disposal operations	1	0	1	2	0	2	0	0	0
Total	1	157	158	6	111	117	4	181	185
Non-hazardous waste									
Incineration (with energy recovery)	0	0	0	0	0	0	0	0	0
Incineration (without energy recovery)	0	1	1	0	4	4	0	1	1
Landfill	0	98	98	0	80	80	0	53	53
Other disposal operations	2,992	103	3,095	4,385	205	4,590	5,926	214	6,140
Total	2,992	202	3,194	4,385	289	4,674	5,926	268	6,194
Waste directed to disposal - Total	2,993	359	3,352	4,391	400	4,791	5,930	449	6,379

Drill cuttings are among the most significant waste streams generated during PPL’s exploration and drilling activities. PPL manages these through established waste management procedures that ensure appropriate handling, treatment, recovery or disposal, as applicable, in compliance with regulatory requirements and recognised industry practices.

DRILL CUTTINGS GENERATED IN METRIC TONNES (MT)

YEAR	OIL-BASED MUD (OBM) (HAZARDOUS)	WATER-BASED MUD (WBM) (NON-HAZARDOUS)	TOTAL
FY2026	0	2,962	2,962
FY2025	253	4,367	4,620
FY2024	0	5,909	5,909

PPL’s MINING OPERATIONS – WASTE DATA
WASTE BY COMPOSITION, IN METRIC TONNES (MT)

	FY2026		
	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL
Hazardous	4.20	0.14	4.06
Non-hazardous	7.20	0	7.20
Total waste	11.40	0.14	11.26

WASTE DIVERTED FROM DISPOSAL-BY-DISPOSAL OPERATION IN METRIC TONNES (MT)

	FY2026		
	ONSITE	OFFSITE	TOTAL
Hazardous Waste			
Preparation for reuse / recycling	0	0	0
Other recovery operations	0	0.14	0.14
Total	0	0.14	0.14
Non-hazardous waste			
Preparation for reuse / recycling	0	0	0
Other recovery operations	0	0	0
Total	0	0	0
Waste prevented	0	0.14	0.14

WASTE DIRECTED TO DISPOSAL-BY-DISPOSAL OPERATION IN METRIC TONNES (MT)

	FY2026		
	ONSITE	OFFSITE	TOTAL
Hazardous Waste			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfill	0	0	0
Other disposal operations	0	4.06	4.06
Total	0	4.06	4.06
Non-hazardous waste			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfill	0	0	0
Other disposal operations	0	7.20	7.20
Total	0	7.20	7.20
Waste directed to disposal - Total	0	11.26	11.26

EMPOWERING LIVES

PEOPLE

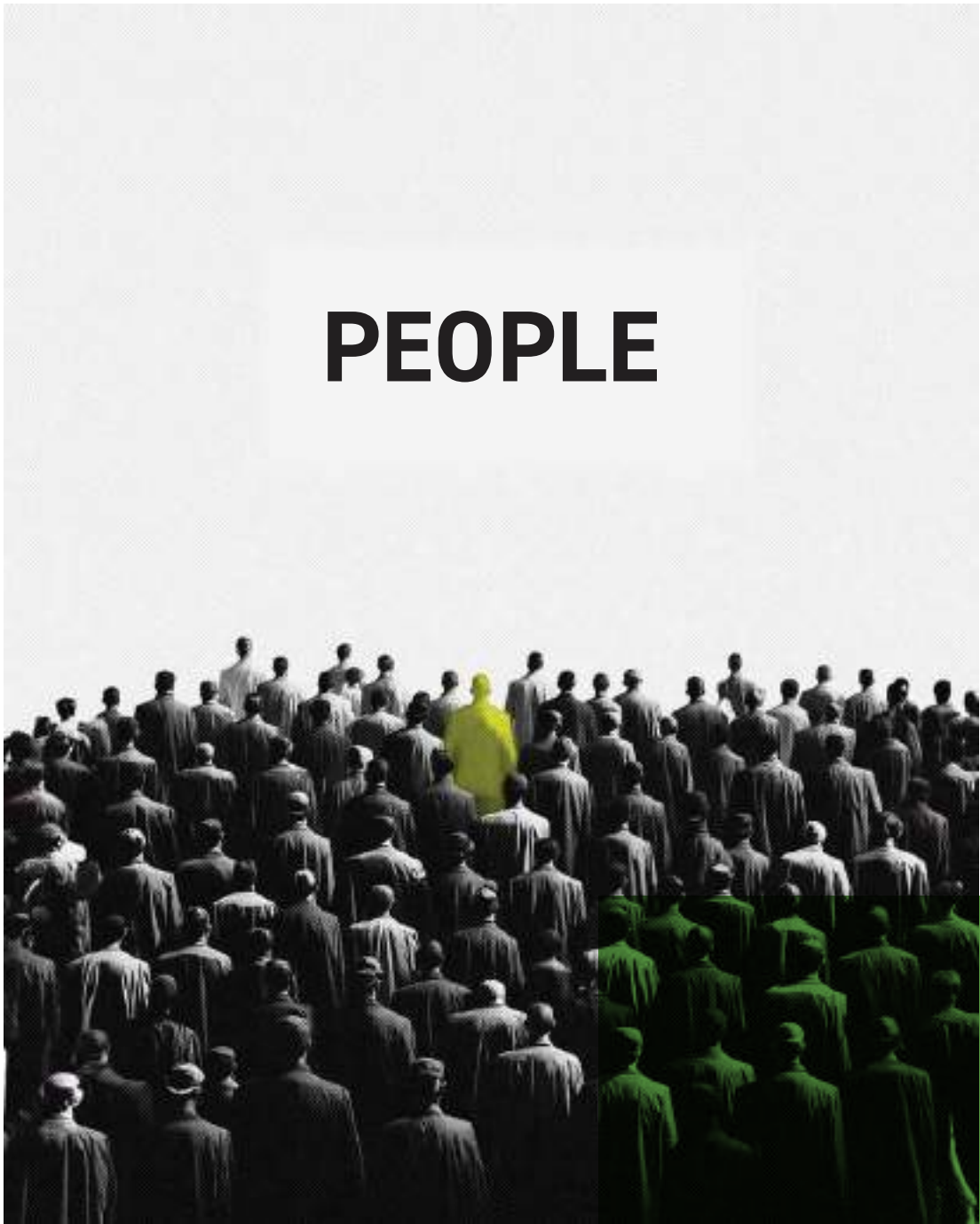
- OUR APPROACH
- NURTURING WORKFORCE
- QUALITY, HEALTH, SAFETY AND SECURITY
- RESPECTING HUMAN RIGHTS

COMMUNITIES

- OUR APPROACH
- COMMUNITY INVESTMENTS



PEOPLE



OUR APPROACH



PPL's workforce provides the technical expertise, operational experience and institutional capability required to deliver reliable energy and sustain long-term business performance. The Company seeks to maintain a capable, engaged and inclusive workforce by attracting suitable talent, developing employee capabilities, supporting wellbeing and providing a respectful working environment.

PPL recognises that its employment practices generate positive impacts through job creation, skills development, career progression, employee wellbeing and workplace inclusion. Potential adverse impacts may arise from unfair employment practices, discrimination, inadequate development opportunities, workplace grievances and ineffective workforce planning. The Company seeks to manage these impacts through established policies, employment procedures, employee engagement mechanisms and oversight by the Human Resources function.

PPL's people practices are guided by its Code of Conduct, Human Resource Management Policy, Rules of Service for management and non-management employees, and other applicable employment procedures. These frameworks support merit-based recruitment, fair employment practices, equal opportunity, employee development and compliance with applicable

labour requirements.

The Human Resources function oversees workforce planning, recruitment, performance management, learning and development, succession planning, compensation and employee engagement. The Head of Human Resources provides strategic leadership and oversees the policies, systems and programmes that support workforce effectiveness and organisational capability. Annual objectives and performance indicators help align HR priorities with operational requirements and evolving business needs.

Employees are engaged through formal and informal channels, including employee surveys, Corporate Dialogue Sessions, team meetings, performance discussions and established grievance mechanisms. Feedback received through these channels informs improvements in workplace practices, HR services and employee experience. Employees may also raise concerns through the Grievance Handling Procedure, Whistleblowing Policy and other confidential reporting channels. PPL monitors the effectiveness of its people practices through workforce data, performance reviews, training evaluations, exit interviews, engagement feedback and compliance reviews. Findings from these mechanisms inform corrective actions, programme improvements and revisions to relevant employment practices.

NURTURING WORKFORCE

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
• Employment practices, • Non-discrimination and equal opportunity	Foster an inclusive and high-performing workplace by supporting equal employment, enhancing skills through education and training and leveraging diverse experiences to drive innovation and safety.	    

PPL recognises that attracting, developing and retaining capable people is essential to meeting its operational requirements and sustaining long-term business performance. The Company follows a merit-based recruitment process focused on identifying candidates with the technical expertise, professional capabilities and potential required to support its operations and evolving business priorities.

Equal employment opportunity is incorporated into recruitment and employment decisions, which are based on merit, competence and business requirements without discrimination based on gender, ethnicity, religion or social background. PPL supports employee attraction and retention through competitive remuneration, development opportunities and a working environment suited to the technical and geographical demands of its operations.

The Company also provides structured internships and practical learning opportunities for students and young professionals. These programmes offer exposure to the energy sector, support the development of future talent and contribute to PPL's longer-term talent pipeline.

PPL's workforce comprises technical, professional and operational employees supporting exploration, production and corporate functions across Pakistan. Workforce planning seeks to

balance current operational requirements with longer-term capability development and succession needs.

PPL gives due consideration to suitably qualified candidates from local districts and provinces wherever practicable. Given the specialised nature of upstream oil and gas activities, certain positions require technical competencies that may not always be available locally. The Company therefore seeks to strengthen regional representation through recruitment and capability-building opportunities, subject to merit and role requirements.

During FY2026, four of PPL's 64 senior management employees at Job Grade 11 and above, representing approximately 6%, were from districts where the Company's operational fields and plants are located.

PPL also engages contractual personnel through qualified third-party service providers for specialised technical and non-technical activities at corporate and operational locations. These personnel are engaged in accordance with operational and project requirements, while relevant health, safety, environmental and ethical expectations are incorporated into contractual arrangements and oversight of contractor performance.

WORKFORCE PROFILE

EMPLOYEES BY EMPLOYMENT TYPE BROKEN BY GENDER						
EMPLOYMENT TYPE	FY2026			FY2025		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Full time	2,449	93	2,542	2,444	99	2,543
Part-time	0	0	0	0	0	0
Total	2,449	93	2,542	2,444	99	2,543

EMPLOYEES BY EMPLOYMENT CONTRACT BROKEN BY GENDER						
EMPLOYMENT CONTRACT	FY2026			FY2025		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Permanent	2,357	92	2,449	2,389	99	2,488
Temporary	92	1	93	55	0	55
Total	2,449	93	2,542	2,444	99	2,543

EMPLOYEES BY EMPLOYMENT TYPE BROKEN BY REGION						
LOCATION	FY2026			FY2025		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Punjab – Adhi & Dhok Sultan	157	44	201	160	12	172
Balochistan – Sui & Quetta	1484	3	1,487	1,498	3	1,501
Sindh – Gambat, Hala, Kandhkot & Mazarani	732	43	775	780	40	820
Islamabad Office	74	3	77	48	0	48
Posted Abroad – PIOL	2	0	2	2	0	2
Total	2,449	93	2,542	2,488	55	2,543

HIRING AND ATTRITION

HIRING BY AGE GROUP			HIRING BY GENDER			HIRING BY REGION		
<30	39%	48	Male	98%	121	Federal	6%	8
30-50	56%	70	Female	2%	3	Sindh	16%	20
>50	5%	6	Total		124	Punjab	31%	38
Total		124				Balochistan	47%	58
						Total		124

Attrition by Age Group			Attrition by Gender			Attrition by Region		
<30	2%	2	Male	93%	116	Federal	2%	3
30-50	25%	31	Female	7%	9	Sindh	39%	48
>50	73%	92	Total		125	Punjab	10%	13
Total		125				Balochistan	49%	61
						Total		125

Both the hiring and attrition rates were 5% during FY2026, compared to 3% and 5% in FY2025.

REMUNERATION AND BENEFITS

PPL provides a remuneration and benefits framework designed to recognise employee contributions, support retention and promote workforce stability. The Company’s compensation approach is based on fairness and market competitiveness, supported by periodic benchmarking against the oil and gas industry.

Employee remuneration comprises fixed and performance-linked components, as well as monetary and non-monetary benefits. The Company provides additional allowances for employees assigned to remote and operational locations, reflecting the nature and conditions of their work.

During FY2026, the median male-to-female compensation ratio was 0.97. Variations in total remuneration reflect factors such as job level, role requirements, operational assignments and applicable allowances. The Company provides a range of benefits intended to support employee wellbeing and financial security, including retirement benefits, healthcare coverage, life and disability insurance, maternity leave, professional development support and other employment-related benefits.

In accordance with applicable requirements, eligible female employees are entitled to 90 days of paid maternity leave for up to three qualifying births during their service. During FY2026, all 92 female employees were eligible for maternity benefits. One female employee availed maternity leave and subsequently returned to work. The employee returned to work and remained employed at the relevant measurement date, resulting in return-to-work and retention rates of 100%.

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES (EXCLUDING TEMPORARY EMPLOYEES)

BENEFITS	MANAGEMENT	NON-MANAGEMENT
Pension	–	✓
Provident fund	✓	✓
Gratuity	✓	✓
Variable Pay Payment and Spot Bonus	✓	–
Discovery Bonus	✓	✓
Statutory and Settlement Bonus	–	✓
Life insurance	✓	✓
Disability and invalidity coverage	✓	✓
Health care/allowance for dependents and parents	✓	✓
Maternity leave	✓	✓
Retention schemes	✓	–
Field, Shift and Dearness allowance	✓	✓
Company Scholarship + Special Leave Without Pay (LWOP) for studies	✓	–
Company maintained car	✓	–
Continuous Professional Development (CPD)	✓	–
Employee Initiative Recognition Scheme (EIRS)	✓	–
Hajj and umrah facility	–	✓

PERFORMANCE MANAGEMENT

PPL aligns individual performance with corporate objectives and business priorities through a structured performance management framework. The framework promotes accountability, collaboration and continuous improvement, while recognising employee contributions against defined performance outcomes.

Under the Company’s Pay-for-Performance philosophy, corporate objectives are translated into measurable Key Performance Indicators

through the Balanced Scorecard framework and cascaded across departments and functional areas. This enables employees to understand how their responsibilities contribute to organisational performance. Progress against objectives is reviewed through periodic management reviews and monthly operational meetings. Key performance outcomes are reported to senior management and the Board to support oversight, accountability and alignment with corporate priorities.

EMPLOYEE ENGAGEMENT

PPL continued to engage employees through Corporate Dialogue Sessions conducted at its Head Office and Gambat South Field. These structured forums enabled employees and management to discuss strategic priorities, operational matters and opportunities for organisational improvement. Feedback obtained through the sessions informed workplace and process improvements and supported open communication across the Company.

DIGITAL HR TRANSFORMATION

PPL continued to digitalise Human Resources processes to improve service delivery, process efficiency and employee access to HR information. During FY2026, initiatives included automated employee experience letters, exit interview management and Collective Bargaining Agreement (CBA) forecasting and budgeting, together with enhancements to SuccessFactors and deployment of the SAP Fiori People Services Portal.

The Company also introduced an AI-supported application screening model, an Employee Onboarding Portal and automated workflows for External Services Request Forms. Further initiatives under development include an HR Policy Bot integrated with Microsoft Teams, AI-supported competency-based job descriptions, an automated succession planning platform, and digitalisation of annual increment and performance-based reward processes.

LEARNING, LEADERSHIP AND DEVELOPMENT

PPL invests in employee learning and development to strengthen technical expertise,

leadership effectiveness, digital skills and professional competencies required for its operations and evolving business needs. Learning priorities are identified through an annual Training Needs Assessment, which aligns development programmes with organisational objectives and individual capability requirements. Employees participate in in-house programmes, on-the-job learning and courses delivered in collaboration with national and international institutions. Training covers technical disciplines, leadership, behavioural competencies, digital applications, QHSE practices and continuing professional development. PPL did not provide formal transition-assistance programmes during FY2026.

During FY2026, development initiatives included senior leadership programmes, leadership retreats, team-building sessions, behavioural development and technical upskilling. Employees also participated in programmes covering professional communication, presentation skills, applied artificial intelligence, Power BI, advanced Excel, change management and team effectiveness.

PPL supports leadership continuity through a structured succession planning process conducted every two years and reviewed by the Executive Committee. The process identifies potential successors for critical positions and informs development actions to strengthen leadership readiness and business continuity. The Company also provides internships, workplace learning and support for higher education and professional certifications. During FY2026, more than 200 students participated in PPL's summer and winter internship programmes, gaining practical exposure to the energy sector.

ANNUAL TRAINING HOURS PER EMPLOYEE

	FY2026	FY2025
Training hours	24,411	21,892
Number of employees	2,542	2,543
Training per employee per year	9.6	8.6

ANNUAL TRAINING HOURS BY GENDER

	MALE		FEMALE	
	FY2026	FY2025	FY2026	FY2025
Training per employee per year	9.7	8.5	6.9	11.9

ANNUAL TRAINING HOURS BY EMPLOYEE CATEGORY

	MANAGEMENT		NON-MANAGEMENT	
	FY2026	FY2025	FY2026	FY2025
Training per employee per year	18.5	15.6	1.5	2.4

DIVERSITY, EQUITY AND INCLUSION

PPL seeks to provide a workplace in which employees are treated with dignity, fairness and respect. Equal opportunity principles apply across recruitment, development, performance evaluation and career progression, with employment decisions based on merit, competence and business requirements.

During FY2026, the Company strengthened awareness of diversity, equity and inclusion through interactive sessions conducted at the Head Office and operational locations. Facilitated by a certified trainer, the sessions addressed unconscious bias, inclusive communication and equitable decision-making through practical workplace discussions and scenarios.

Women were represented across different organisational levels during the reporting period. They held 71 of 1,953 entry- and mid-level positions and 22 of 589 senior and executive positions. Persons with disabilities accounted for 0.86% of the workforce, representing 21 employees.

PPL maintains a zero-tolerance approach to discrimination, harassment and workplace misconduct. Employees may raise related concerns through the Company's established grievance and confidential reporting mechanisms. No incidents of discrimination were reported during FY2026.

EMPLOYEES BY GENDER, AGE AND MINORITY GROUP

	MINORITY GROUP		AGE GROUP			DISABILITY	
	Muslim	Non-Muslim	<30	30-50	>50	Non-Disabled	with Disability
Male	2,426	23	198	1,519	732	2,336	21
Female	72	21	4	58	31	92	0

*Disability data is only maintained for permanent staff i.e. MPT & NMPT.

EMPLOYEES BY EMPLOYMENT CATEGORY, GENDER, AGE AND MINORITY GROUP

	GENDER		MINORITY GROUP		AGE GROUP		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Management	1,145	64	1,167	42	54	832	323
Non-Management	1,304	29	1,331	2	148	745	440
	2,449	93	2,498	44	202	1,577	763

INDIVIDUALS IN GOVERNANCE BODIES BY GENDER, AGE AND MINORITY GROUP

	GENDER		MINORITY GROUP		AGE GROUP		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Board of Directors	91%	9%	100%	0%	0%	27%	73%

QUALITY, HEALTH, SAFETY & SECURITY

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
- Occupational health & safety - Asset integrity and critical incident management - Digitalization and cyber security	Protecting the health, safety and security of our people while safeguarding the integrity of our assets is fundamental to responsible energy operations and sustainable business performance	

QHSE MANAGEMENT SYSTEM

PPL manages quality, occupational health and safety, process safety and operational environmental risks through its integrated QHSE Management System. The system establishes a common framework for identifying risks, defining operational controls, monitoring performance and supporting continual improvement across corporate offices, producing assets, drilling activities, project locations and mining operations.

The integrated management system is certified to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. PPL also applies applicable national regulatory requirements and relevant industry guidance, including selected guidance and recommended practices issued by IOGP, API and NFPA.

The requirements of the QHSE Management System apply to employees, contractors and other personnel working at PPL-controlled locations. Defined responsibilities, procedures and operational controls support consistent implementation across the Company's activities.

WORKERS PARTICIPATION

PPL encourages employees and contractors to participate in occupational health and safety matters by identifying hazards, reporting unsafe acts, unsafe conditions and near misses, and contributing suggestions for improved workplace controls.

Worker participation is supported through toolbox talks, safety meetings, workplace inspections,

incident reporting arrangements and consultation with employee representatives. Employees may also raise concerns through established grievance and confidential reporting mechanisms without fear of retaliation.

Employee health, safety and welfare matters are also addressed through engagement between management and the Workers' Union under the applicable CBA.

HAZARD IDENTIFICATION AND INCIDENT INVESTIGATION

PPL identifies and assesses occupational and process safety hazards through established tools and procedures, including Job Safety Analyses, HAZID and HAZOP studies, fire risk assessments, workplace inspections and process safety reviews.

Risks are evaluated before work begins, and controls are selected in accordance with the hierarchy of controls and the As Low As Reasonably Practicable principle. Identified controls are incorporated into work procedures, permit-to-work requirements, operating instructions and site-level safety arrangements.

Employees and contractors are required to report incidents, near misses, unsafe acts and unsafe conditions. We investigate reported events to determine immediate and underlying causes and identify corrective and preventive actions. Lessons arising from investigations are communicated to relevant operations and, where appropriate, incorporated into procedures, training and operational controls to reduce the risk of recurrence.

PROMOTION OF WORKERS' HEALTH

The Medical Services Department, staffed by qualified medical professionals, provides occupational health services to corporate and operational locations. Field locations receive round-the-clock medical assistance in accordance with operational requirements.

During FY2026, the Company continued employee health surveillance and field health visits to support early identification of occupational health concerns and preventive care. The Company also conducted mental health awareness sessions, while sports facilities, gyms and health clubs supported broader employee wellbeing.

QHSE TRAINING

PPL provides occupational health, safety and emergency preparedness training to employees and contractors based on their roles and exposure to operational risks. Training includes induction, refresher programmes, specialised technical courses, emergency drills and toolbox talks.

Training delivered during the reporting period included:

- First aid and emergency response;
- HSE awareness for employees and contractors;
- Behaviour Based Safety
- Permit to Work System
- Incident investigation

Contractors receive relevant safety induction and training before commencing work. Their performance is subsequently monitored through site supervision, inspections, communication and periodic review.

CONTRACTOR QHSE MANAGEMENT

Contractors and service providers are required to comply with applicable PPL QHSE requirements throughout the project lifecycle. Requirements are communicated through contractual provisions, pre-mobilisation meetings, inductions and site-specific controls.

PPL monitors contractor performance through inspections, audits, site visits and periodic performance reviews. Identified deficiencies are addressed through corrective actions and follow-up processes.

MONITORING AND EVALUATION OF QHSE PERFORMANCE

PPL monitors QHSE performance through leading and lagging indicators, inspections, internal and external audits, management reviews and incident analysis. PPL uses the results to identify trends, evaluate control effectiveness and determine corrective and preventive actions.

Occupational health and safety indicators include fatalities, work-related injuries, near misses, unsafe acts and unsafe conditions. Process safety performance is monitored through Tier 1, Tier 2 and Tier 3 Process Safety Events, while environmental events are tracked through relevant incident and spill indicators.

During FY2026, no Tier 1 or Tier 2 Process Safety Events and no significant environmental spills were reported across the stated reporting boundary. PPL maintains a zero-tolerance target for Tier 1 Process Safety Events, which is incorporated into the Corporate Balanced Scorecard and linked to executive performance evaluation.



HEALTH AND SAFETY PERFORMANCE	FY2026		FY2025	
	PPL	CONTRACTOR	PPL	CONTRACTOR
Fatality	0	3	0	0
Fatal Accident Rate	0	0.18	0	0
Fatal Accident Rate (combined)	0.11		0	
Lost Time Injures	1	6	0	0
Lost Time Injury Frequency	0.10	0.36	0	0
Lost Time Injury Frequency (combined)	0.27		0	
High-consequence work-related injuries (excluding fatalities)	1	3	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.10	0.18	0	0
Rate of high-consequence work-related injuries (combined)	0.15		0	
Recordable work-related injuries	1	7	0	0
Total Recordable Injury Rate	0.10	0.42	0	0
Total Recordable Injury Rate (combined)	0.30		0	
Hours worked (million)	9.67	16.58	9.34	13.75
No. of Near Misses (combined)	131		-	
No. of UA / UC (combined)	1,887		-	

Injury and PSE rates are calculated based on 1,000,000 work hours, ensuring standardised measurement and transparent reporting of safety outcomes.

During FY2026, PPL recorded three fatal incidents and four work-related injuries across its operations. The incidents included two fatalities and three injuries at the Khuzdar 2D Seismic Site, and one serious injury at the Sui Purification Plant.

- Khuzdar 2D Seismic Site: On 31 July 2025, a severe motor vehicle accident occurred during seismic operations, resulting in two fatalities and three injuries.
- Khuzdar 2D Seismic Site: On 18 September 2025, a mountaineer returning after completion of assigned work lost balance and fell from a mountain, sustaining fatal injuries.
- Sui Purification Plant: On 25 April 2026, an electrical fitter sustained serious burn injuries due to an electric shock incident during replacement of a Current Transformer (CT) at the Transformer-01 Vacuum Circuit Breaker (VCB) Switchgear Panel. The employee received medical treatment at Aga Khan University Hospital, Karachi.

All incidents were investigated in accordance with PPL's incident management procedures to determine root causes and identify corrective and preventive actions. Lessons learned from investigations were incorporated into relevant operational controls to strengthen safety performance and prevent recurrence.

Following the expansion of the reporting boundary, BME's occupational health and safety performance is incorporated into PPL's disclosures in accordance with the operational control approach. Relevant QHSE requirements and monitoring practices are applied to support safe and responsible mining operations.



HEALTH AND SAFETY PERFORMANCE: PPL’s MINING OPERATIONS

	FY2026	
	BME	CONTRACTOR
Fatality	0	0
Fatal Accident Rate	0	0
Lost Time Injury	0	0
Lost Time Injury Frequency	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0
Recordable work-related injuries	0	0
Total Recordable Injury Rate	0	0
Main types of work-related injuries	0	0
Hours worked (million)	0.255	0.337
No. of Near Misses (combined)	17	
No. of UA / UC (combined)	0	

ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT

PPL manages the integrity of its wells, pipelines, processing facilities and associated infrastructure across the asset lifecycle, from design and construction through operation, maintenance and decommissioning. Asset integrity supports process safety, operational reliability and the prevention of environmental incidents. The Company apply established integrity management practices in accordance with applicable regulatory requirements and relevant API, AMPP and ISO standards.

PPL's Asset Integrity Management System integrates risk-based inspection, well integrity management, corrosion monitoring and Reliability, Availability and Maintainability assessments. These processes are supported by preventive maintenance, cathodic protection, corrosion inhibition, External Corrosion Direct Assessment for buried pipelines and periodic integrity reviews to identify degradation risks and maintain the safe and reliable operation of critical assets.

The company manages critical incidents through established emergency response procedures and a defined incident management structure. A dedicated Incident Management Team coordinates the response to Level 3 emergencies, while reportable incidents are investigated through Root Cause Analysis to identify underlying causes and determine corrective and preventive actions. Lessons from investigations are communicated to relevant operations and, where appropriate, incorporated into procedures, maintenance programmes and operational controls to reduce the risk of recurrence.

DIGITALISATION AND CYBER SECURITY

Digital technologies support PPL's decision-making, operational continuity and organisational efficiency. The Company continues to strengthen its digital infrastructure and information security controls to protect critical information assets, support business processes and respond to evolving cybersecurity risks.

PPL manages information security through policies, risk management processes and governance arrangements aligned with ISO 27001 principles and recognised information security practices. The IT Steering Committee and the Information Security Management Forum provide oversight by reviewing technology priorities, information security risks and the implementation of relevant controls.

During FY2026, PPL continued to modernise its IT environment through server virtualisation, infrastructure consolidation, Virtual Desktop Infrastructure and increased use of cloud-based solutions. Secure remote access, digital workflows, paperless approvals and collaboration platforms also supported more efficient and flexible business operations.

The company strengthened cybersecurity controls through AI-enabled endpoint protection, cloud-based Security Information and Event Management, immutable backup and recovery arrangements, multi-factor authentication, and continuous monitoring through a 24/7 Security Operations Centre (SOC). The company also conducted cybersecurity awareness sessions and phishing simulations to reinforce employee awareness and responsible use of digital systems.

Performance is monitored through relevant Key Performance Objectives and the Corporate Balanced Scorecard, supporting alignment between technology initiatives, business priorities and emerging risks.

During FY2026, PPL experienced a cybersecurity incident in August 2025. The Company promptly activated its incident response procedures, ensuring a full recovery without any data breach or loss. A thorough forensic investigation led by an international expert firm was conducted, and all

recommended controls have since been implemented. Notably, a 24/7 SOC was established, along with other mitigation measures, to further strengthen cybersecurity. The incident had no material adverse impacts.

As part of the incident response process, PPL timely notified relevant external stakeholders, including PSX, NCCIA, and the media, as applicable. PPL also kept key internal stakeholders, including the Board of Directors and Executive Committee, informed throughout the incident management and recovery process.

RESPECTING HUMAN RIGHTS

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
- Forced labour and modern slavery - Freedom of association and collective bargaining - Conflict and security	Embed respect for human and labour rights across operations through fair practices, ethical conduct and inclusive engagement with all stakeholders.	

OUR APPROACH

PPL seeks to conduct its activities in a manner that respects the rights of employees, contractors, communities and other stakeholders affected by its operations. Its commitments are reflected in the Code of Conduct, ESG Policy, Human Resource Management Policy and other applicable procedures, informed by national legislation, the ILO Core Conventions and the United Nations Guiding Principles on Business and Human Rights. PPL also communicates relevant expectations to suppliers through contractual requirements.

PPL incorporates human rights considerations into employment practices, security arrangements, project planning, stakeholder engagement and procurement requirements. Human Resources oversees employment and labour matters, while Procurement incorporates relevant legal, ethical and labour-related requirements into supplier onboarding and contractual arrangements.

PPL assesses human rights risks within its own operations through compliance reviews, internal

audits, grievance mechanisms and stakeholder engagement. Where it identifies concerns, PPL assigns corrective actions to the responsible functions and monitors them through established processes. Findings from grievances, audits and reviews inform improvements to relevant policies, procedures and controls.

Employees and other stakeholders may raise concerns through established grievance and confidential reporting channels. PPL reviews reported matters in accordance with applicable procedures and takes corrective action where required.

PPL does not currently conduct formal human rights risk assessments of suppliers. PPL aims to conduct formal human rights risk assessments of suppliers in future. Suppliers and contractors are still required to comply with applicable labour laws, regulatory requirements and contractual provisions relating to lawful employment, fair treatment, forced labour, child labour and freedom of association.

FORCED LABOUR, MODERN SLAVERY AND CHILD LABOUR

PPL prohibits forced labour, child labour and other exploitative employment practices within its operations. During FY2026, no operations were identified as presenting a significant risk of forced labour or child labour, and no related incidents were reported.

As supplier-level human rights risk assessments are not currently conducted, PPL has not determined the extent of its exposure to these risks within its supply chain. No related concerns were reported to the Company through its established oversight or grievance mechanisms during the reporting period.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

PPL respects employees' rights to freedom of association and collective bargaining in accordance with applicable labour laws and employment arrangements. Regular engagement with the Collective Bargaining Agent provides a structured forum for consultation on workplace matters, employee welfare and industrial relations.

During FY2026, 100% of non-management employees were covered by the CBA. No operations were identified as presenting a significant risk to freedom of association or collective bargaining rights, and no related violations were reported.

Given the operational mobility inherent in exploration and production activities, workforce relocations within operational blocks are promptly communicated to employee representatives. This supports transparency and workforce engagement, although the CBA does not prescribe a formal minimum notice period for such relocations.

Suppliers and contractors are required to comply with applicable laws governing freedom of association and collective bargaining. PPL does not currently undertake a formal supplier-level assessment of these risks. PPL aims to undertake a formal supplier-level assessment of these risks in future.

CONFLICT AND SECURITY

PPL operates across geographically dispersed locations, including areas with elevated security risks. The Company applies a risk-based security approach to protect personnel, assets and operational continuity while promoting professional

conduct, respect for human rights and responsible engagement with employees, contractors, communities and public security agencies.

Security activities are coordinated centrally through the Head Office Security Department. Field security personnel report operationally to site management and functionally to the central security function. Field security personnel are responsible for protecting production facilities, wells, pipelines and associated infrastructure, supporting exploration and drilling activities, facilitating secure personnel movement and coordinating with relevant government and law-enforcement authorities where required.

Security services are primarily provided through licensed contractors and personnel with relevant professional experience. Permanent employees represent approximately 1% of PPL's security workforce, while the remaining personnel are engaged through security service providers affiliated with the All Pakistan Security Agencies Association. Contracted personnel are subject to background verification and are required to comply with applicable legislation, PPL's security requirements and expected standards of professional conduct.

Security personnel, including contractor-provided security staff, participate in operational refresher activities and emergency response drills conducted at PPL locations. PPL's security arrangements are guided by applicable legal requirements, company policies and expectations regarding professional conduct and responsible security practices. These measures are intended to support proportionate and responsible security practices across PPL's operational locations.

Concerns relating to security conduct may be raised through established grievance and disciplinary mechanisms. Reported matters are reviewed and addressed in accordance with applicable procedures, while security performance is monitored through routine reporting, periodic evaluations and management reviews.

Several exploration blocks, including Kalat, Margand, Drugh and Savi Ragah, are in frontier regions with evolving security conditions. PPL undertakes location-specific security risk assessments and coordinates with relevant authorities to protect its workforce and support continuity of operations in these areas.

COMMUNITIES



OUR APPROACH

Community development has been part of PPL's corporate identity since commercial operations began at Sui in the 1950s. The CSR program includes obligatory and voluntary community investment to support development in operational areas and other underserved communities, with programmes focused on education, healthcare, clean drinking water, skills and livelihoods, community infrastructure, renewable energy, environmental conservation, inclusion and humanitarian assistance.

PPL's community investment programme is guided by its Board-approved CSR Policy 2013, Corporate Donations Policy 2022 and supporting procedural manuals. The Company allocates at least 1.5% of pre-tax profit annually to community investment and contributed more than PKR 8.3 billion during FY2025-26.

The Community Development Department manages programmes across operational areas,

from needs assessment and project design to implementation, monitoring and reporting. The PPL Welfare Trust provides advisory oversight, while the Corporate Donations Programme supports initiatives in major urban centres through selected implementing organisations. Projects are identified through stakeholder consultations, needs assessments and engagement with communities, government institutions and development partners. Implementation is monitored through field visits, progress reviews, stakeholder feedback and third-party impact assessments where appropriate. Community members may raise programme-related concerns through written submissions, direct engagement with Community Development personnel and telephone channels. During FY2026, 19 complaints relating to community programmes were received and addressed.

COMMUNITY INVESTMENTS

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
- Local communities - Land & resource rights	Foster strong community relationships by minimizing environmental and social impacts and implementing targeted CSR initiatives that safeguard human rights and promote long-term, sustainable livelihoods for affected populations.	

During FY2026, PPL's community development programmes benefited more than 750,000 people across Pakistan.

COMMUNITY INVESTMENT PERFORMANCE

INDICATOR	FY2026	FY2025
Total community investment (Voluntary plus Obligatory)	PKR 8.3 billion	PKR 4.7 billion
Total beneficiaries	755,226	2,704,323

EDUCATION AND SCHOLARSHIPS

PPL supported schools, educational infrastructure, learning resources, student transportation and scholarship programmes across operational and underserved areas. During FY2026, more than 9,000 students benefited from these initiatives, while 200+ scholarships were supported.

Key initiatives included the continued operation of Sui Model School and Girls College, PPL-TCF schools at Kandhkot, infrastructure development and rehabilitation of educational institutions,

higher professional scholarships for local students from PPL producing areas, 64 scholarships through the Balochistan Education Endowment Fund and other essential support for government schools, and education assistance in remote communities.

PPL education and scholarship programs support SDG 1 and SDG 4.

CASE STUDY: BUILDING SKILLS AND OPPORTUNITY IN BALOCHISTAN

During FY2026, PPL launched a group of education, skills development, employment and infrastructure initiatives in Balochistan with a combined investment of approximately PKR 521 million. The programme included 64 scholarships through the Baluchistan Education Endowment Fund, a skills development and overseas employment initiative for 50 young people in partnership with the Baluchistan Technical Education and Vocational Training Authority (BTEVTA), and rehabilitation of educational and healthcare facilities in District Dera Bugti.

The programme also supported extension of the gas supply network to remote colonies within Sui’s free gas distribution system. Together, these initiatives were designed to improve access to education, strengthen employability, enhance essential infrastructure and support longer-term socio-economic development in underserved communities of District Dera Bugti.

SKILLS DEVELOPMENT AND WOMEN’S EMPOWERMENT

More than 1,000 people benefited from vocational, technical and digital skills programmes, while community initiatives reached more than 7,000 women.

Major interventions included PKR 121 million in support for BTEVTA to train and prepare 50 young people from Balochistan for overseas employment, the continued operation of the Computer Training Centre and Library at Sui, the establishment of a Skill Development Centre at Dhong, and support for women’s vocational training centres.

PPL skill development and women empowerment programs support SDG 1, SDG 4 and SDG 5.

HEALTHCARE AND WELLBEING

PPL’s healthcare programmes served more than 125,000 patients during FY2026 through hospitals, mobile medical units, dispensaries, medical equipment and partnerships with specialist institutions.

The Company continued to support Sui Field Hospital, mobile medical units at operational locations and a range of specialised healthcare organisations, including Al-Shifa Trust Eye Hospital, Dow University of Health Sciences, Bait-ul-Sukoon Cancer Hospital and Chal Foundation.

PPL healthcare and wellbeing programs support SDG 1 and SDG 3.

CASE STUDY: TWO DECADES OF COMMUNITY HEALTHCARE

PPL and the Marie Adelaide Leprosy Centre marked 20 years of partnership in supporting the Dr Ruth Pfau Healthcare Centre at Kandhkot. Since 2005, the facility has developed from a



small healthcare unit into a centre providing treatment for leprosy, ophthalmic conditions, skin diseases, tuberculosis, and maternal and child health.

Over the course of the partnership, the Centre has served more than 100,000 patients and currently provides treatment to more than 25,000 patients annually. During FY2026, PPL provided PKR 4.5 million in operational support, continuing a long-term partnership that expands access to specialised healthcare in an underserved area.

CLEAN DRINKING WATER

More than 150,000 people benefited from PPL’s community drinking-water programmes during FY2026. The Company continued to support water supply schemes, reverse-osmosis facilities and distribution infrastructure in Sui, Ghaibi Dero, Dakhnair, Naban Janjua, Dhok Jhakar and other operational communities.

PPL clean drinking water programs support SDG 3 and SDG 6.

CASE STUDY: EXPANDING ACCESS TO SAFE DRINKING WATER

PPL completed a potable water initiative at Government Primary School Dhok Hindu, Tehsil Jand, District Attock, in collaboration with Moawin Foundation. Developed at a cost of PKR 1 million, the reverse-osmosis plant became operational in December 2025 and was formally inaugurated in January 2026.

The facility provides safe drinking water to students and surrounding communities through a designated public collection point. The project addresses local water-quality constraints and strengthens access to an essential service in a rural community.

RENEWABLE ENERGY AND ENERGY ACCESS

PPL supported solar energy systems at schools, healthcare facilities, homes and community infrastructure, benefiting more than 50,000 people.

Key initiatives included 90 solar home systems in District Washuk, solarisation of District Headquarters Hospital Washuk and solar systems at educational and healthcare facilities near Adhi, Dhok Sultan and Hyderabad.

PPL continued to support energy access in Sui Town by supplying natural gas. The initiative supports household energy needs, reduces reliance on traditional fuels and contributes to improved living conditions for the local community.

PPL renewable energy and energy access programs support SDG 7.

COMMUNITY AND CLIMATE-RESPONSIVE INFRASTRUCTURE

PPL developed and rehabilitated education, healthcare, road and public infrastructure across operational communities. During FY2026, PPL developed or rehabilitated 17 public facilities, while road, street and public-facility projects improved access and connectivity in Sindh, Punjab and Balochistan. PPL community and climate-responsive infrastructure programs support SDG 11.

ENVIRONMENTAL CONSERVATION

PPL’s community programmes included plantation and environmental enhancement activities. During FY2026, approximately 2,700 saplings were donated. This plantation is in addition to 5,400 trees as reported above in this report.

INCLUSION OF PERSONS WITH DISABILITIES

Around 200 people benefited from initiatives supporting education, rehabilitation, vocational training, mobility and inclusive sports. Programmes included transportation for students of the Special Education and Rehabilitation Centre, vocational support through the Karachi Vocational Training Centre, rehabilitation services through Chal Foundation and sponsorship of women’s blind cricket.

HUMANITARIAN ASSISTANCE

PPL provided humanitarian assistance to more than 150,000 people during FY2026. Approximately 18,000 households across 21 districts received relief packages, supported through an allocation of PKR 100 million.

LAND AND RESOURCE RIGHTS

PPL manages land access and uses through established procedures intended to support regulatory compliance, fair compensation and responsible engagement with landowners and affected communities. The Company’s land acquisition procedures were first introduced in 2009 and most recently revised in December 2024.

Depending on operational requirements, land is obtained through private negotiation, processes under the Land Acquisition Act, 1894, or through the relevant Board of Revenue. Land may be acquired temporarily, leased against annual compensation or permanently acquired through a one-time payment. Compensation arrangements are documented and determined in accordance with applicable government-approved rates and agreed terms.

Environmental and social considerations are incorporated into site selection and project planning to avoid or minimise disturbance to agricultural land, forested areas, settlements and other sensitive receptors. Campsites and operational facilities are located away from residential areas where

practicable, while landowners’ consent and applicable approvals are obtained before exploration or development activities commence.

PPL engages landowners, communities and other stakeholders through field consultations, public hearings and project-related environmental and social assessment processes. Concerns raised during these engagements are documented and addressed through project planning, mitigation measures or management action, as appropriate. Community members may also raise land-related concerns through grievance registers maintained at operational locations and other established communication channels.

Following completion of temporary activities, disturbed land is rehabilitated in accordance with applicable statutory and project-specific requirements before being returned to the landowner or relevant government authority. During FY2026, no involuntary resettlement occurred in connection with PPL’s operations.

CONSOLIDATED SUMMARY OF BENEFICIARIES OF CSR 2026

SR. #	SECTORS	NUMBER OF BENEFICIARIES
1	Education	9,047
2	Scholarships	205
3	Skill Development	1056
4	Women Empowerment	7,000
5	Health	125,033
6	Water Resource Development	150,050
7	Renewable energy	50,745
8	Clean Energy (Gas) provided to Sui town	110,000
9	Plantation	2,700
10	Climate Resilient construction	143,190
11	Street / road / infrastructure Development	12,000
12	Differently-abled Persons	200
13	Humanitarian Assistance / Relief	144,000
TOTAL		755,226

GENERATING VALUES

- OUR APPROACH
- ENERGY SECURITY AND RESILIENCE
- ECONOMIC RETURNS
- ETHICAL CONDUCT & INTEGRITY



OUR APPROACH

PPL creates long-term value by responsibly developing Pakistan's indigenous oil and gas resources while contributing to national energy security, economic development and sustainable growth. The Company is committed to balancing commercial performance with responsible business practices, generating value for shareholders, government, employees, suppliers, business partners and communities connected with its operations.

The Company's strategic priorities guide economic decision-making, supported by a structured planning and governance framework. The Company develops annual business plans through engagement with operational and functional teams, incorporating technical, financial, operational and risk considerations. These plans are reviewed through established management processes and approved by the Board of Directors to ensure that investments, resource allocation and operational priorities remain aligned with the Company's objectives.

PPL manages its economic impacts through responsible financial stewardship, operational efficiency, ethical business conduct and effective stakeholder engagement. The Company monitors financial, operational and sustainability-related performance indicators to evaluate progress against business objectives, assess emerging risks and identify opportunities for improvement.

Performance outcomes, management reviews and stakeholder feedback are used to strengthen decision-making and refine plans, programmes and operational priorities where required. Lessons learned from review of operational performance, regulatory developments and stakeholder engagement are incorporated into relevant policies, procedures and business practices to support continual improvement.

Responsible business conduct is embedded across PPL's operations through its Code of Conduct, Whistleblowing Policy and related governance processes. The Company promotes transparency, accountability and ethical behaviour among employees, contractors and business partners through defined requirements, awareness initiatives and monitoring mechanisms.

PPL engages with stakeholders including shareholders, government authorities, employees, suppliers, contractors, communities and industry partners to understand expectations, identify potential impacts and inform business decisions. These engagements, together with internal reviews and performance assessments, support the Company's approach to creating and distributing economic value.



ENERGY SECURITY AND RESILIENCE

OUR FOCUS	MOST RELEVANT SDGs
Drive future-ready business strategies that encourage efficient energy use and enhance economic resilience, supporting Pakistan's enduring socio-economic growth.	 

Ensuring affordable and reliable energy supply is fundamental to sustaining economic activity and enabling long term development. Consistent access to energy underpins decent work, industrial growth and financial stability. PPL contributes directly to these objectives by delivering natural gas to power producers and distribution companies and supplying crude oil to refineries, thereby meeting the energy needs of both domestic and commercial sectors.

Against a backdrop of fiscal pressures, policy transitions and climate related challenges, Pakistan continues to face structural economic constraints. In this context, PPL's strategic focus on exploring and developing indigenous oil and gas reserves has

become even more critical. By expanding domestic production, the company reduces reliance on imports, strengthens national energy security and enhances economic resilience.

PPL remains committed to unlocking new hydrocarbon resources and increasing production through sustained exploration and the adoption of advanced technologies. At the same time, the company is implementing measures to minimize environmental impacts, ensuring operations are aligned with sustainability principles. This balanced approach reinforces Pakistan's energy resilience while contributing to inclusive and sustainable socio economic progress.

ENERGY SECURITY		ECONOMIC SECURITY	
78% Of company's net share of gas production supplied to gas distribution companies for meeting energy needs of domestic and commercial consumers	22% of company's net share of gas production supplied to power producers for electricity generation	~97,000 BOE/D company's net share of hydrocarbons sold as import substitution	PKR 134.7 billion Contributed to national exchequer in the form of taxes, royalties, duties, levies, dividends and others US \$ 2.8 billion Foreign exchange saved by substituting imports
(FY2025: 80.5%)	(FY2025: 19.5%)	(FY2025: 95,000 BOE/D)	(FY2025: PKR 209 BILLION) (FY2025: US\$ 2.6 BILLION)

ECONOMIC RETURNS

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
Economic impacts	Strengthen inclusive development by ensuring value is broadly distributed and cultivating a resilient ecosystem that delivers sustainable, shared benefits for all stakeholders.	

PPL contributes to Pakistan's economic development by responsibly developing indigenous oil and gas resources, supporting energy security and creating value for a broad range of stakeholders.

During FY2026, PPL continued to generate and distribute economic value through its operations, including payments to government, returns to shareholders, employee remuneration and benefits, procurement from suppliers, and investments in community development initiatives. PPL continues to strengthen its long-term financial resilience through exploration, reserve enhancement, production optimisation, operational efficiency improvements and portfolio diversification.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Please refer to the Statement of Value Addition at page 254 of Annual Report 2026.

FINANCIAL IMPLICATIONS OF CLIMATE CHANGE

PPL recognises that climate change and the global energy transition may influence the future operating environment of the oil and gas sector.

Transition-related developments, including evolving climate policies, changing market expectations and shifts in energy demand, may affect future investment decisions, operating costs and long-term hydrocarbon demand. Physical climate risks, including extreme weather events, rising temperatures and water-related challenges, may also affect operational continuity, infrastructure resilience and project execution.

The Company continues to evaluate these risks while strengthening operational resilience through measures such as emissions management, methane reduction initiatives, energy efficiency improvements and assessment of lower-carbon opportunities. PPL is progressively enhancing its capability to evaluate the financial implications of climate-related risks and opportunities and integrate relevant considerations into business planning and risk management processes.

Detailed disclosures regarding climate-related risks, opportunities, scenario analysis and potential financial effects are presented separately in the Sustainability-related Financial Disclosures prepared in accordance with IFRS S1 and IFRS S2.

ETHICAL CONDUCT & INTEGRITY

MATERIAL AND SUB-TOPICS	OUR FOCUS	MOST RELEVANT SDGs
- Anti-corruption - Payments to government - Public policy - Supply chain impact	Ensure adherence to ethical principles and all applicable legal requirements, while proactively participating in policy development and embedding sustainability within the supply chain.	

PPL maintains a strong commitment to ethical conduct, transparency and accountability in conducting its business activities. The Company's Code of Conduct, Whistleblowing Policy and related governance mechanisms provide the foundation for responsible business practices across its operations.

As a signatory to the United Nations Global Compact (UNGC) since 2006, PPL continues to support the Ten Principles relating to human rights, labour standards, environment and anti-corruption. These principles guide the Company's approach to responsible business conduct.

ANTI-CORRUPTION AND COMPLIANCE

PPL applies a zero-tolerance approach towards bribery and corruption. The Company requires employees to comply with its Code of Conduct and reinforces ethical responsibilities through periodic awareness initiatives and annual reaffirmation of compliance commitments. All Directors acknowledge and sign the Code of Conduct for Directors every year, which includes anti-corruption provisions.

During FY2026, the Company continued to communicate anti-corruption requirements across the organisation through established awareness and compliance processes. The Company also maintains confidential reporting channels through its Whistleblowing Policy, enabling employees and other stakeholders to raise concerns about unethical conduct.

Anti-corruption considerations are incorporated into key business processes, including procurement, contracting and corporate donations. Procurement practices follow a structured, merit based system aligned with Public Procurement Regulatory Authority (PPRA) Rules, ensuring segregation of duties, fairness and accountability. Independent internal, external and government audits provide additional safeguards. Corporate donations are subject to defined approval requirements, including Board approval for donations exceeding the prescribed threshold.

The Company conducts exploration and licensing activities in accordance with applicable regulatory requirements and competitive bidding processes overseen by the relevant authorities.

During FY2026, the Company provided no specific anti-corruption training, and no confirmed incidents

of corruption, bribery or significant non-compliance were reported. No legal proceedings relating to corruption were brought against the Company or its employees during the reporting period.

PAYMENTS TO GOVERNMENT

PPL contributes to Pakistan's economic development through timely and compliant payment of taxes, levies, duties, royalties and other statutory obligations.

The Chief Financial Officer (CFO) oversees tax compliance and strategy, supported by the tax function, internal controls, periodic reviews and assurance processes. PPL's tax function, with support from external advisors where required, ensures compliance with applicable tax laws and regulations and engages constructively with tax authorities to address tax matters and clarify regulatory requirements. Tax-related risks are assessed through established review processes, including consideration of potential financial and strategic implications arising from changes in tax regulations and business conditions. Tax-related concerns, including potential misconduct, may be raised through PPL's established whistleblowing mechanism, which provides confidential reporting channels and supports impartial investigation and corrective action where required.

During FY2026, PPL contributed PKR 134.7 billion to the national exchequer through taxes, levies, duties and royalties, compared with PKR 209 billion in FY2025. These contributions represent a significant component of the Company's economic contribution to public finances.

Detailed information on PPL's tax contributions and related financial disclosures is provided on pages 334-335.

PPL promotes transparency in its tax-related disclosures through reporting of relevant tax residency information and country-by-country reporting disclosures. Information relating to the Company's ownership structure, subsidiaries and joint venture arrangements is disclosed on page 69.

COUNTRY BY COUNTRY REPORTING

The table does not cover information related to subsidiaries including their tax residency details

DISCLOSURE	PPL
i. Tax Residency	Pakistan
ii. Primary Activity	Exploration, development and production of hydrocarbons and minerals
iii. Number of Employees (FTE)	2,542 (FY2025: 2,543)
iv. Revenues from Third-Party Sales (net of federal excise duty, sales tax and petroleum levy)	PKR 264 billion (FY2025: 243 billion)
v. Profit/Loss Before Tax	PKR 137 billion (FY2025: 139 billion)
vi. Tangible Assets (excluding cash)	PKR 922 billion (FY2025: 847 billion)
vii. Corporate Income Tax Paid (Cash Basis)	PKR 37 billion (FY2025: 54 billion)
viii. Corporate Income Tax Accrued	PKR 38 billion (FY2025: 47 billion)

PUBLIC POLICY

PPL engages with relevant industry associations, regulatory bodies and sector stakeholders on matters relating to energy security, operational standards, environmental performance and the sustainable development of Pakistan’s energy sector. Through these engagements, the Company contributes technical perspectives and supports informed policy development while remaining guided by applicable laws, regulatory requirements and its own governance commitments.

As Pakistan energy landscape continues to evolve, PPL supports policies that promote responsible resource development, energy security and a balanced transition considering national priorities, available capabilities and socio-economic requirements. The Company continues to align its business decisions with applicable national policies while progressively strengthening its environmental and sustainability practices.

PPL maintains independence in developing its policies and strategic priorities. Where industry positions or external developments differ from the Company’s commitments, PPL is guided by its internal policies, applicable regulations and responsible business principles.

In accordance with applicable legal requirements, PPL does not make political contributions. No political donations were made during FY2026, reflecting the Company’s commitment to neutrality, transparency and ethical business conduct.

RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

PPL’s supply chain supports exploration, drilling, production and corporate activities by providing materials, equipment, services and technical expertise. The Company engages with a diverse supplier base, including local and international vendors, ranging from specialised oil and gas service providers to suppliers of operational and support services.

During FY2026, PPL maintained a registered supplier base of approximately 9,000 suppliers, of which approximately 1,600 suppliers were active during the reporting period. The supply chain includes suppliers supporting drilling activities, engineering services, seismic operations, equipment supply, transportation, catering and other operational requirements.

PPL promotes transparent and responsible procurement practices through its established procurement framework. The Company uses the Tejari e-Procurement platform to facilitate transparent tendering, supplier participation, documentation and procurement traceability. Supplier selection involves evaluating technical capability, experience, financial capacity and other relevant criteria to ensure that procurement decisions are based on objective assessments.

Procurement processes incorporate applicable regulatory, ethical, health, safety and environmental requirements. Standard bidding documents and contractual arrangements require suppliers and contractors to comply with applicable labour laws, QHSE requirements, ethical business practices and other contractual obligations. These requirements include provisions relating to safe working conditions, worker welfare, integrity commitments and compliance with applicable regulations.

PPL recognises local procurement as an important contributor to economic development and domestic capacity building. During FY2026, approximately 49% of supply chain payments were made to local suppliers, while 51% were directed towards international suppliers. Local procurement expenditure amounted to approximately PKR 29 billion during the reporting period.

The proportion of local procurement is calculated based on operated assets where procurement visibility is available. This calculation excludes partner-operated assets, as comparable supplier spending data is not currently available.

SUPPLIER ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

Relevant environmental, social, labour and QHSE requirements are incorporated into contractual requirements and supplier obligations. PPL is progressively strengthening the integration of ESG considerations into supplier evaluation and engagement processes. Suppliers and contractors are required to comply with applicable environmental regulations, labour requirements, QHSE standards and contractual obligations during service delivery.

PPL monitors supplier performance through contractual requirements, inspections, site

supervision, audits and performance reviews. However, PPL has not yet undertaken a formal supplier environmental or social risk assessment covering potential impacts such as environmental performance, labour practices, human rights or broader ESG risks within the supply chain. To strengthen its approach, PPL has developed a Sustainable Supply Chain Roadmap to progressively integrate ESG considerations into supplier engagement, procurement processes and supplier development activities. The roadmap will support identifying relevant supply chain risks, enhancing supplier expectations and developing future supplier engagement mechanisms.

SUPPLIER ENGAGEMENT AND FUTURE DEVELOPMENT

PPL continues to engage suppliers through formal tendering processes, pre-bid meetings, clarification sessions and contract management activities. As part of the Sustainable Supply Chain Roadmap, PPL plans to progressively integrate ESG expectations and supplier code of conduct requirements into its procurement framework. These requirements will set clearer expectations for suppliers on responsible business practices, environmental performance, labour standards, human rights and ethical conduct and will be incorporated into supplier engagement and procurement processes as the roadmap is implemented. The Company also plans to conduct supplier awareness and capacity-building sessions as part of the implementation of its sustainable supply chain roadmap.

ANNEXURES

- INDEPENDENT ASSURANCE STATEMENT
- GRI CONTENT INDEX
- UNGC INDEX
- SDGs INDEX
- PSX SDG INDEX
- ACRONYMS

INDEPENDENT ASSURANCE STATEMENT

For the Pakistan Petroleum Limited ESG Report 2026



Independent Assurance Statement

For the Pakistan Petroleum Limited ESG Report 2026

FERSO ESG performed an independent review of the Pakistan Petroleum Limited (PPL) ESG Report 2026 (the report), covering the period from July 1, 2025, to June 30, 2026. The report was prepared in accordance with the Global Reporting Initiative's (GRI) Standards 2021, GRI 11 Oil and Gas Sector Standard 2021 and the GRI 14 Mining Sector Standard (relevant for Bolan Mining Enterprise). Furthermore, the report considered the "Sustainability reporting guidance for the oil and gas industry" developed by Ipieca, API, and IOGP. The report also meets the requirements of the UNGC's COP and is demonstrating links with the United Nation's Sustainable Development Goals (SDGs) and the adherence to the AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The report references the ESG guidelines as well issued by the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX). The report addresses in separate section the disclosure requirements of the International Financial Reporting Standards (IFRS) – Sustainability Disclosure Standards S1 and S2, issued by the International Sustainability Standards Board (ISSB).

Independence

We work independently and ensure that none of FERSO ESG staff members maintained or maintains business ties with Pakistan Petroleum Limited.

Our Qualification

FERSO ESG is a firm specialized in sustainability advisory and report assurance and is licensed as assurance provider by AccountAbility under license number 000-845. The review process was conducted by professionals with experience in independent assurance and ESG reporting.

Responsibilities of PPL and FERSO ESG

The management of PPL has prepared its second ESG Report and is responsible for all its content. FERSO ESG was responsible for the independent review and expressed an independent conclusion on the report. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance placed on the report by any third party is entirely at its own risk.

Scope of Assurance

The scope of our work covers all information included in the PPL's ESG Report 2026, covering the period from July 1, 2025, through June 30, 2026, and considered the requirements of the International Standard on Assurance Engagement (ISAE) 3000 (Revised) "Assurance Engagements other than audits or reviews of historical financial information" issued by the International Auditing and Assurance Standards Board, being co-reviewed by Nadeem Safdar & Co., Chartered Accountants.

FERSO ESG was asked to express an opinion in relation to the review scope, which includes the following aspects:

- Review of qualitative and quantitative information reported and referenced in the report.
- Verification of selected data points collecting related evidence.
- Evaluation of the disclosed information in the report to check adherence to the GRI Standards 2021, a GRI 11 Oil and Gas Sector Standard 2021 and the GRI 14 Mining Sector Standard (relevant for Bolan Mining Enterprise).
- Adherence to the GRI principles for sustainability reporting, laid out in the GRI 1 standards.



- Adherence of the review process to the International Standard on Assurance Engagement (ISAE) 3000 (Revised), "Assurance Engagements other than audits or reviews of historical financial information" to provide limited assurance on performance data within the report.
- Review of the Sustainable Development Goals (SDGs) linkage with GRI Standards reported in the SDG Index.
- Adherence to the AA1000APS-Principles of Inclusivity, Materiality, Responsiveness and Impact.

Methodology

The methodology applied was a desk review of the report drafts as well as the final report and a review of provided evidence for selected data. The following procedures were performed during the review process:

- Critical review of the PPL's ESG Report 2026 draft and final versions.
- Review of the final report and the respective Content Index to check consistency.
- Evaluation of the adherence of the report to the GRI Standards 2021, GRI 11 Oil and Gas Sector Standard 2021 and the GRI 14 Mining Sector Standard (relevant for Bolan Mining Enterprise).
- Review of the IFRS S1 and S2 disclosures to evaluate standard adherence.
- Collection of sample evidence to verify selected data points.
- Analysis of the report content against AccountAbility's Principles of Inclusivity, Materiality, Responsiveness and Impact.
- Preparation of the Independent Assurance Statement.
- United Nations Global Compact (UNGC) Communication on Progress requirements and ten principles.
- Assessment of disclosures against applicable SECP ESG Guidelines and PSX Sustainability Reporting Guidelines.

The work was planned and carried out to provide a level of limited assurance, and we believe that the review of the report by FERSO ESG provides an appropriate basis for our conclusions.

Statement of Conclusions

Use of Disclosure Standards

PPL declares the report to be in accordance with the GRI Standards 2021. FERSO ESG reviewed the use of the Standard GRI 1: Foundation 2021. Based on the analysis, recommendations to adjust the content have been made. The company has integrated all our recommendations, and we can confirm that the report is in accordance with the requirements of the GRI Standards 2021. Additionally, the company provides consistent information against IFRS S1 and S2 disclosure requirements.

Main Conclusions

Based on the analysis of evidence carried out to verify selected indicators, we briefly present the following main conclusions:

- PPL has elaborated its ESG Report based on the GRI Standards 2021 and the Oil and Gas Sector Standard (GRI 11) 2021. Use of the standards has been declared in accordance with the GRI provision in the Content Index at the end of the report, and items that were not disclosed, have been reported with the respective reasons of omission.
- FERSO ESG solicited evidence for and verified the following selected items: GRI 2-29; GRI 3-1; GRI 306; GRI 410-1; GRI 413; GRI 414-1 and GRI 414-2. PPL provided all evidence related to the disclosure item in a timely manner and responded to additional requests raised by the assurance team to clarify all data points.



- Reviewing the evidence provided for the above data points, we found that the information related to the selected disclosure items was provided in accordance with the requirements of the relevant standards and in transparent and balanced manner. All items could be closed accordingly, and suggested adjustments were implemented in the final report version.
- Most of the solicited adjustments addressed the compliance with the GRI principles of Accuracy, Clarity and Completeness. During the review, further contextual information was deemed to be necessary for the company response to the cyber security incident that occurred in August 2025, which was addressed and led to improvements in the preparedness for similar incidents.
- PPL applied transitional reliefs available under IFRS S1 and S2 and the SECP adoption requirements in preparing its first mandatory sustainability-related financial disclosures. Our review confirmed that disclosed GHG figures and climate-related capital commitments are represented consistently, and PPL demonstrates to have the necessary governance and risk management processes in place to adequately address the challenge of the upcoming mandatory IFRS S1 and S2-reporting cycle.
- This is PPL's second ESG report after the first adoption and publication in accordance with the GRI Standards in the previous year, 2025. The report shows that the company delivered significant progress in the implementation of a robust sustainability governance and started to align and integrate ESG-related risks in the company's risk management system.
- PPL expanded the reporting boundary to include relevant environmental and occupational health and safety data from its affiliate Bolan Mining Enterprises. After an internal analysis of the GRI 14 Mining Sector Standard 2024, the company decided that there is no necessity to adjust the current list of material topics, given the similarity of impacts, but relevant data of the operation have already been disclosed in this report.
- No material gaps were identified against SECP ESG Guidelines and PSX Sustainability Reporting expectations.

Limitation and exclusions

The verification of financial figures was not object of FERSO ESG's work and the review of the Annual Report, which is referenced in the PPL's ESG Report 2026, was not in the scope of the engagement.

Final Considerations

PPL has delivered its ESG Report 2026 in compliance with GRI 1 Foundation 2021, GRI 11 Oil and Gas Sector Standard 2021, and IFRS S1 and S2 Standards, applying transitional relief for IFRS S1 and S2 adoption. Based on the scope of our work and the review procedures we performed using the ISAE 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", we conclude that nothing has come to our attention that causes us to believe that the information in PPL's ESG Report 2026 is not fairly stated in all material aspects, in accordance with the applicable reporting criteria.

São Paulo, September 11, 2026

Beat Grüninger
Assurance Leader
FERSO ESG



Islamabad, September 11, 2026

Nadeem Safdar, FCA
Assurance Provider- Managing Partner,
Nadeem Safdar & Co.
Chartered Accountants
ICAP Membership No: 2396

GRI CONTENT INDEX

Statement of use	PPL has reported in accordance with the GRI Standards for the period July 1, 2025 to June 30, 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard	GRI 11: Oil and Gas 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON
GRI 2: General Disclosures 2021	The organization and its reporting practices		
	2-1 Organizational details	69	
	2-2 Entities included in the organization's sustainability reporting	147	
	2-3 Reporting period, frequency and contact point	147	
	2-4 Restatements of information	147	
	2-5 External assurance	148, 206	
	Activities and workers		
	2-6 Activities, value chain and other business relationships	51-54, 63, 64, 69	
	2-7 Employees	182-183	
	2-8 Workers who are not employees	-	2-8 Information not available as per GRI Standards Requirement. Workers are employed by third-party contractors, but that number depends on projects and other factors. Currently precise number is not available.
	Governance		
	2-9 Governance structure and composition	154	
	2-10 Nomination and selection of the highest governance body	154	
	2-11 Chair of the highest governance body	154	
	2-12 Role of the highest governance body in overseeing the management of impacts	154, 155	
	2-13 Delegation of responsibility for managing impacts	155	
	2-14 Role of the highest governance body in sustainability reporting	154	
	2-15 Conflicts of interest	156	
	2-16 Communication of critical concerns	156	
	2-17 Collective knowledge of the highest governance body	155	
	2-18 Evaluation of the performance of the highest governance body	156	
	2-19 Remuneration policies	156	
	2-20 Process to determine remuneration	156	

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON	
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	-	2-21 a, b Confidentiality constraint – Sensitive information	
	Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	16, 18, 147, 157		
	2-23 Policy commitments	157		
	2-24 Embedding policy commitments	157		
	2-25 Processes to remediate negative impacts	157, 49		
	2-26 Mechanisms for seeking advice and raising concerns	156, 157		
	2-27 Compliance with laws and regulations	163, 202		
	2-28 Membership associations	151		
	Stakeholder engagement			
	2-29 Approach to stakeholder engagement	158 - 159		
	2-30 Collective bargaining agreements	192		
Management of Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	160		
	3-2 List of material topics	161		
	3-3 Management of material topics	Throughout the report in relevant sections		
Material topics				
GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED/ REASON	GRI SECTOR STANDARD REF.
EMISSIONS				
11.1 GHG emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 164, 166		11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	167		11.1.2
	302-2 Energy consumption outside of the organization	-	a-c - The information is not available as per GRI requirement. PPL is targeting disclosure of the relevant significant categories in the next ESG Report.	11.1.3
	302-3 Energy intensity	167		11.1.4
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	166, 167		11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	166, 167		11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	-	a-g - The information is not available as per GRI requirement. PPL is targeting disclosure of the relevant significant categories in the next ESG Report.	11.1.7
	305-4 GHG emissions intensity	166, 167		11.1.8
11.3 Air emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 166		11.3.1
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	166	Concentrations of NO _x and SO _x (expressed in mg /Nm ³) are below the prescribed legal limits, but mass-based data as per GRI requirement is unavailable.	11.3.2

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON	GRI SECTOR STANDARD REF.
CLIMATE ADAPTATION, RESILIENCE AND TRANSITION				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 164, 165		11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	164, 242, 243		11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	167		11.2.3
Additional sector disclosure	Public policy development and lobbying on climate change	164, 203		11.2.4
BIODIVERSITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 168		11.4.1
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	168		11.4.2
	101-2 Management of Biodiversity impact	168, 169		11.4.3
	101-4 Identification of biodiversity impacts	168, 169		11.4.4
	101-5 Locations with Biodiversity impacts	169		11.4.5
	101-6 Direct drivers to Biodiversity loss	168, 169		11.4.6
	101-7 Changes to the state of biodiversity	169		11.4.7
	101-8 Ecosystem services	168, 169		11.4.8
11.7 Closure and rehabilitation				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 170		11.7.1
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	192		11.7.2
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	185		11.7.3
Additional sector disclosures	List the operational sites with closure plans, closed and in process	170		11.7.4
	Decommissioned structures left in place and rationale for leaving	170		11.7.5
	Total monetary value of financial provisions for closure and rehabilitation	170		11.7.6
WASTE				
11.5 Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 175		11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	175		11.5.2
	306-2 Management of significant waste-related impacts	175		11.5.3
	306-3 Waste generated	176, 178		11.5.4
	306-4 Waste diverted from disposal	176, 178		11.5.5
	306-5 Waste directed to disposal	177, 178		11.5.6
WATER AND EFFLUENTS				
11.6 Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	163, 171		11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	171		11.6.2
	303-2 Management of water discharge-related impacts	171		11.6.3
	303-3 Water withdrawal	172, 174		11.6.4
	303-4 Water discharge	173, 174		11.6.5
	303-5 Water consumption	172, 174		11.6.6

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON	GRI SECTOR STANDARD REF.
HEALTH AND SAFETY				
11.9 Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics			11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	187		11.9.2
	403-2 Hazard identification, risk assessment and incident investigation	187		11.9.3
	403-3 Occupational health services	188		11.9.4
	403-4 Worker participation, consultation and communication on occupational health and safety	187, 188		11.9.5
	403-5 Worker training on occupational health and safety	188		11.9.6
	403-6 Promotion of worker health	188		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	187, 188		11.9.8
	403-8 Workers covered by an occupational health and safety management system	187		11.9.9
	403-9 Work-related injuries	189, 190		11.9.10
	403-10 Work-related ill health	189, 190		11.9.11
11.8 Asset integrity and critical incident management				
GRI 3: Material Topics 2021	3-3 Management of material topics	190		11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	188		11.8.2
Additional sector disclosures	Total number of Tier 1 and Tier 2 process safety events by business activity	188		11.8.3
	Additional sector disclosures are for organizations with oil sands mining operations	N/A	Not applicable, PPL has no oil sands mining operations	11.8.4
Digitalization and cyber security				
GRI 3: Material Topics 2021	3-3 Management of material topics	190		-

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON	GRI SECTOR STANDARD REF.
EMPLOYMENT PRACTICES				
11.10 Employment practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	181, 182		11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	183		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	184		11.10.3
	401-3 Parental leave	184		11.10.4
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	192		11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	185		11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	185		11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	204		11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	204	b, d and e - Information not available/incomplete	11.10.9
11.11 Non-discrimination and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	181, 191		11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	182		11.11.2
GRI 401: Employment 2016	401-3 Parental leave	184		11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	185		11.11.4
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	186		11.11.5
	405-2 Ratio of basic salary and remuneration	184		11.11.6
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	186		11.11.7
ECONOMIC IMPACTS				
11.14 Economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	199, 201		11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	254		11.14.2

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON	GRI SECTOR STANDARD REF.
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	182		11.14.3
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	194, 195, 196		11.14.4
	203-2 Significant indirect economic impacts	194, 195, 196, 200		11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	204		11.14.6
LOCAL COMMUNITIES				
11.15 Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	194		11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	194, 197		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	194, 197		11.15.3
Additional sector disclosures	Number and type of grievances from local communities	194		11.15.4
11.16 Land and resource rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	197		11.16.1
Additional sector disclosures	Locations of operations that caused or contributed to involuntary resettlement	197		11.16.2
HUMAN RIGHTS				
11.12 Forced labor and modern slavery				
GRI 3: Material Topics 2021	3-3 Management of material topics	191		11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	191-192		11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	204		11.12.3
11.13 Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	191, 192		11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	192		11.13.2
11.18 Conflict and security				
GRI 3: Material Topics 2021	3-3 Management of material topics	192		11.18.1
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	192		11.18.2

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED / REASON	GRI SECTOR STANDARD REF.
ETHICAL PRACTICES				
11.20 Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	199, 202		11.20.1
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	202		11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	202		11.20.3
	205-3 Confirmed incidents of corruption and actions taken	202		11.20.4
Additional sector disclosures	Approach to contract transparency	202		11.20.5
	List of beneficial owners	432		11.20.6
11.21 Payments to governments				
GRI 3: Material Topics 2021	3-3 Management of material topics	202		11.21.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	254		11.21.2
	201-4 Financial assistance received from government	-		11.21.3
GRI 207: Tax 2019	207-1 Approach to tax	202		11.21.4
	207-2 Tax governance, control and risk management	202		11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	202		11.21.6
	207-4 Country-by-country reporting	203		11.21.7
Additional sector disclosures	Details of oil and gas purchased from the state	-	PPL does not purchase oil and gas from government.	11.21.8
11.22 Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics	203		11.22.1
GRI 415: Public Policy 2016	415-1 Political contributions	203		11.22.2
SUPPLY CHAIN IMPACTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	203-204		-
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	204		-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	204		-
	308-2 Negative environmental impacts in the supply chain and actions taken	204	b, d and e – Information not available/incomplete	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	204	b, d and e – Information not available/incomplete	11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	204		11.10.9
TOPIC FROM SECTOR STANDARD NOT REPORTED				
Rights of indigenous people		-	No indigenous people exist nearby PPL operational sites.	11.17

UNGC INDEX

PRINCIPLE	STATEMENT	PAGE NO.	GRI STANDARDS DISCLOSURE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	194, 197	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	194, 197, 204	413-1, 414-1, 414-2
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	192	2-30, 402-1, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	191-192	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	191-192	409-1
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	182-186	2-7, 2-8, 401-1, 401-3, 404-1, 405-2, 406-1,
Principle 7	Businesses should support a precautionary approach to environmental challenges.	164, 166-167, 172, 174, 242-243	201-2, 302-1, 303-3, 305-1, 305-2, 305-3, 305-7
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	163, 166-167, 172-178, 202, 204	2-27, 302-1, 302-2, 302-3, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1, 308-2
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	167	305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	156-157, 202	2-23, 2-26, 205-1, 205-2

SDGs INDEX

SDGs	STATEMENT	PAGE NO.	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	194-197, 200	203-1 203-2, 413-2, 11.15.4
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	194-197, 200, 254	201-1, 203-1, 203-2, 413-2
	Ensure healthy lives and promote well-being for all at all ages	166-167, 175-178, 187, 189-190, 194-196, 200	203-2, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10
	Ensure inclusive and quality education for all and promote lifelong learning	155, 185	2-17, 404-1
	Achieve gender equality and empower all women and girls	154, 183-186, 194-196, 204, 254	2-9, 2-10, 201-1, 203-1, 401-1, 401-3, 404-1, 405-1, 405-2, 406-1, 414-1, 414-2
	Ensure access to water and sanitation for all	172-178	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5
	Ensure access to affordable, reliable, sustainable and modern energy for all	167, 194-196, 254	201-1, 203-1, 302-1, 302-2, 302-3
	Promote inclusive and sustainable economic growth, employment and decent work for all	167, 172, 174, 182-187, 189-192, 194-196, 200, 204, 254	2-7, 2-8, 2-30, 201-1, 203-2, 302-1, 302-2, 302-3, 303-5, 401-1, 401-2, 401-3, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1, 409-1, 414-1, 414-2
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	194-196, 254	201-1, 203-1
	Reduce inequality within and among countries	184, 194-196, 200	203-2, 405-2
	Make cities inclusive, safe, resilient and sustainable	194-196	203-1
	Ensure sustainable consumption and production patterns	166-167, 175-178, 204	204-1, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4

SDGs INDEX

SDGs	STATEMENT	PAGE NO.	GRI STANDARDS DISCLOSURE
	Take urgent action to combat climate change and its impacts	164, 166-167, 242-243	201-2, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4
	Conserve and sustainably use the oceans, seas and marine resources	166-167, 175-178	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	166-167, 175-178	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Promote just, peaceful and inclusive societies	154-157, 163, 186, 202, 204	2-9, 2-10, 2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 414-1, 414-2
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable

PSX SDGs INDEX

Our activities and material topics are closely linked to a wide spectrum of Sustainable Development Goals (SDGs). This report meets PSX minimum reporting requirements for listed entities, supported by governance systems that align business strategy with SDG priorities. Relevant sections present detailed insights into performance and contributions, while this section focuses on PSX-specific SDG disclosures.

Refer to pages 155, 157, 163, 168, 171, 175, 181, 187, 191, 194 and 199 for alignment with material topics, governance and management approach for SDGs.

SDG AND TARGET	COMPANY PERFORMANCE TARGET	PERFORMANCE INDICATOR	STATUS (FY2026)	STATUS (FY2025)	STATUS (FY2024)	BUSINESS ACTION	FUTURE BUSINESS ACTION
 Target 5.1 End all forms of discrimination against women and girls everywhere.	-	Existence of policies to promote, enforce and monitor equality and non-discrimination on the basis of gender	PPL has implemented robust policies that uphold gender equality and reinforce compliance with anti-discrimination standards.			Promote, enforce and monitor non-discrimination	Promote, enforce and monitor non-discrimination
			Refer to pages 157, 181, 186 and 191 for the management approach and performance.				
Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	-	Existence of sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical and psychological violence	PPL adheres to the Harassment of Women at Workplace Act 2010, covering sexual, physical and psychological harassment as well as workplace violence and maintains dedicated three-member Harassment Committees for management and non-management employees to ensure effective grievance handling.			Enforce policies and grievances solving mechanism relevant to prevent sexual, physical and psychological violence	Enforce policies and grievance solving mechanisms relevant to prevent sexual, physical and psychological violence
		Proportion of female employees at your company aged 15 years and older subjected to physical, sexual, or psychological violence	PPL maintains compliance with labor laws by not employing female workers under the age of 15 and confirms that no workplace violence complaints were reported during the period.			Prevent sexual, physical and psychological violence by enforcing policies and grievances mechanism.	Prevent sexual, physical and psychological violence by enforcing policies and grievances mechanism.
			Refer to pages 157, 186 and 191 for the management approach, grievance mechanisms and performance.				
 Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	-	Fresh water consumption in ML per KBOE	Status (FY2026)	Status (FY2025)	Status (FY2024)		Increasing water-use efficiency and recycling to reduce water withdrawal and related impacts.
			Fresh water consumption	Fresh water consumption	Fresh water consumption		
			0.057	0.059	0.057		
			Freshwater consumption is calculated by subtracting the volume of produced water from the Company's total water withdrawal.				

SDG AND TARGET	COMPANY PERFORMANCE TARGET	PERFORMANCE INDICATOR	STATUS (FY2026)	STATUS (FY2025)	STATUS (FY2024)	BUSINESS ACTION	FUTURE BUSINESS ACTION																																																																																											
 Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage the formalization of growth micro/small/medium size enterprises including access to financial services.	-	Proportion of informal (contract, casual and daily wage) employment in non-agriculture areas at company	PPL adheres to applicable employment legislation and international conventions through structured, formal labor practices and responsible workforce management, with no reliance on informal employment. Refer to pages 181, 182, 186 and 191 for the management approach and workforce profile.			Compliance with applicable laws and adherence to international charters.	Compliance with applicable laws and adherence to international charters.																																																																																											
Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value.	-	Average hourly earnings of managerial and non-managerial employees, by gender (Based on Average Basic Pay Scale) M = management NM = Non-management Average hourly earnings of managerial and non-managerial employees with disabilities, by gender M = management NM = Non-management Minimum wage of employees (Non-management) Number of net new jobs created at your company, by gender and persons with disabilities Proportion of your employees with disabilities	<table><tr><th colspan="3">Status (FY2026)</th><th colspan="3">Status (FY2025)</th><th colspan="3">Status (FY2024)</th></tr><tr><th></th><th>Male</th><th>Female</th><th></th><th>Male</th><th>Female</th><th></th><th>Male</th><th>Female</th></tr><tr><td>M</td><td>1,311</td><td>963</td><td>M</td><td>1,105</td><td>817</td><td>M</td><td>962</td><td>719</td></tr><tr><td>NM</td><td>266</td><td>264</td><td>NM</td><td>294</td><td>297</td><td>NM</td><td>221</td><td>209</td></tr><tr><td colspan="9">At PPL, basic pay reflects a consolidated "clean wage," inclusive of house, utilities, conveyance and other allowances, resulting in total compensation equivalent to 2.3 times the basic salary; accordingly, the reported basic salary has been normalized by a factor of 2.3. The relatively lower average hourly earnings for female employees are primarily attributable to a higher proportion of male employees in senior roles. Refer to pages 181 & 184 for the remuneration approach.</td></tr></table> <table><tr><th colspan="3">FY2026</th><th colspan="3">FY2025</th><th colspan="3">FY2024</th></tr><tr><th></th><th>Male</th><th>Female</th><th></th><th>Male</th><th>Female</th><th></th><th>Male</th><th>Female</th></tr><tr><td>M</td><td>1,638</td><td>No disabled females</td><td>M</td><td>1,424</td><td>No disabled females</td><td>M</td><td>1,166</td><td>No disabled females</td></tr><tr><td>NM</td><td>416</td><td></td><td>NM</td><td>448</td><td></td><td>NM</td><td>317</td><td></td></tr></table> <table><tr><th colspan="2">(FY2026)</th><th colspan="2">(FY2025)</th><th colspan="2">(FY2024)</th></tr><tr><td colspan="2">42,710</td><td colspan="2">44,934</td><td colspan="2">42,434</td></tr></table> As an equal opportunity employer, PPL welcomes applications from all qualified individuals, while noting that field positions in exploration, development and production are not designated for persons with disabilities due to role-specific safety and operational requirements. Refer to page 183 for hiring and attrition details. As a listed entity, PPL upholds equal opportunity employment and adheres to Government of Pakistan provincial quota requirements. While operational demands limit the placement of persons with disabilities in field roles, PPL actively evaluates qualified candidates for suitable office-based opportunities to support inclusivity. Refer to pages 183 and 186 for the workforce profile and related performance.	Status (FY2026)			Status (FY2025)			Status (FY2024)				Male	Female		Male	Female		Male	Female	M	1,311	963	M	1,105	817	M	962	719	NM	266	264	NM	294	297	NM	221	209	At PPL, basic pay reflects a consolidated "clean wage," inclusive of house, utilities, conveyance and other allowances, resulting in total compensation equivalent to 2.3 times the basic salary; accordingly, the reported basic salary has been normalized by a factor of 2.3. The relatively lower average hourly earnings for female employees are primarily attributable to a higher proportion of male employees in senior roles. Refer to pages 181 & 184 for the remuneration approach.									FY2026			FY2025			FY2024				Male	Female		Male	Female		Male	Female	M	1,638	No disabled females	M	1,424	No disabled females	M	1,166	No disabled females	NM	416		NM	448		NM	317		(FY2026)		(FY2025)		(FY2024)		42,710		44,934		42,434		Compliance with applicable laws. Compliance with applicable laws. Compliance with applicable laws. Compliance with applicable laws. Compliance with applicable laws.	Compliance with applicable laws. Compliance with applicable laws. Compliance with applicable laws. Compliance with applicable laws. Compliance with applicable laws.
Status (FY2026)			Status (FY2025)			Status (FY2024)																																																																																												
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At PPL, basic pay reflects a consolidated "clean wage," inclusive of house, utilities, conveyance and other allowances, resulting in total compensation equivalent to 2.3 times the basic salary; accordingly, the reported basic salary has been normalized by a factor of 2.3. The relatively lower average hourly earnings for female employees are primarily attributable to a higher proportion of male employees in senior roles. Refer to pages 181 & 184 for the remuneration approach.																																																																																																		
FY2026			FY2025			FY2024																																																																																												
	Male	Female		Male	Female		Male	Female																																																																																										
M	1,638	No disabled females	M	1,424	No disabled females	M	1,166	No disabled females																																																																																										
NM	416		NM	448		NM	317																																																																																											
(FY2026)		(FY2025)		(FY2024)																																																																																														
42,710		44,934		42,434																																																																																														

SDG AND TARGET	COMPANY PERFORMANCE TARGET	PERFORMANCE INDICATOR	STATUS (FY2026)	STATUS (FY2025)	STATUS (FY2024)	BUSINESS ACTION	FUTURE BUSINESS ACTION
Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment.	-	Frequency rates of fatal and non-fatal occupational injuries at your company, by gender and migrant status.	Refer to pages 187, 188, 189 and 190 for the management approach and safety performance.			Promote health and safety and ensure secure working conditions for all workers.	Promote health and safety and ensure secure working conditions for all workers.
		Compliance with labor rights based on national and provincial legislation.	PPL upholds labor rights in accordance with domestic and provincial legislation and international frameworks, ensuring ethical workforce management and full regulatory compliance. Refer to pages 191 and 192 for the human and labour rights approach.			Ensure compliance with applicable laws and commitments.	Ensure compliance of applicable laws and commitments.
 Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	-	MT CO ₂ e emissions per KBOE	65	63	62	Upgradation of existing facilities and adoption of cleaner technologies to reduce the environmental footprint.	Upgradation of existing facilities and adoption of cleaner technologies to reduce the environmental footprint.
 Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all waste throughout their lifecycle, in accordance with agreed international frameworks and significantly reduce their release to air, water and soil in-order to minimize their adverse impacts on human health and environment.	-	Quantity of hazardous waste generated and treated. Does PPL treat its hazardous waste in accordance with the international multilateral agreements signed by the Government of Pakistan?	Refer to pages 163, 175, 176, 177 and 178 for the management approach and waste data			Ensure compliance with applicable laws for handling and treatment of hazardous waste.	Ensure compliance with applicable laws for handling and treatment of hazardous waste.

SDG AND TARGET	COMPANY PERFORMANCE TARGET	PERFORMANCE INDICATOR	STATUS (2026)	STATUS (2025)	STATUS (2024)	BUSINESS ACTION	FUTURE BUSINESS ACTION
Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	-	Quantity of waste material generated and recycled	Refer to pages 176, 177 and 178 for waste data.			Reduce waste generation through prevention, recycling and reuse.	Reduce waste generation through prevention, recycling and reuse.
Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability reporting in their reporting cycle.	-	Does PPL publish a sustainability report? Does PPL report on SDG?	Yes, PPL initiated the publication of its annual Sustainability Report last year, incorporating disclosure of its progress and contributions toward the SDGs.			Embrace sustainability practices to manage and report the impacts.	Embrace sustainability practices to manage and report the impacts.

ACRONYMS

AA1000AS	AccountAbility 1000 Assurance Standard	NEQS	National Environmental Quality Standards
AGM	Annual General Meeting	OGCI	Oil and Gas Climate Initiative
API	American Petroleum Institute	OGDC	Oil and Gas Decarbonization Charter
BME	Bolan Mining Enterprises	PICG	Pakistan Institute of Corporate Governance
CBA	Collective Bargaining Agent	PPE	Personal Protective Equipment
CoP	Communication on Progress	PPEPCA	Pakistan Petroleum Exploration & Production Companies Association
D&P	Development and Production		
DEI	Diversity, Equity and Inclusion	PPRA	Public Procurement Regulatory Authority
EIA	Environmental Impact Assessment	PSX	Pakistan Stock Exchange
EPA	Environmental Protection Agency	QHSE	Quality, Health, Safety and Environment
ERM	Enterprise Risk Management	RWC	Restricted Work Case
GHG	Greenhouse Gasses	SASB	Sustainability Accounting Standards Board
GWP	Global Warming Potential	SDGs	Sustainable Development Goals
GRI	Global Reporting Initiative	SECP	Securities and Exchange Commission of Pakistan
IEA	International Energy Agency	UNGC	United Nations Global Compact
IEE	Initial Environmental Examination		
ILO	International Labor Organization		
IOGP	International Association of Oil & Gas Producers		
IPCC	Intergovernmental Panel on Climate Change		
IPIECA	International Petroleum Industry Environmental Conservation Association		
ISAE	International Standards on Assurance Engagements		
KBOE	Kilo Barrels of Oil Equivalent		
LEA	Law Enforcement Agency		
LPG	Liquefied Petroleum Gas		
LSO	Louisiana Statewide Order		
LTI	Lost Time Injury		
LTIF	Lost Time Injury Frequency		
ML	Mega Liters		
MT	Metric Tonne		
MTC	Medical Treatment Case		

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

1. GENERAL DISCLOSURES

1.1 REPORTING ENTITY AND BOUNDARY

These sustainability-related financial disclosures have been prepared for Pakistan Petroleum Limited (“PPL” or “the Company”) for the year ended June 30, 2026. The disclosures relate to PPL as the parent company and are connected to the separate financial statements of PPL for the same reporting period.

During the year, there were no acquisitions, disposals or changes in the legal reporting entity that affected the parent-company sustainability reporting boundary. PPL’s corporate profile, business activities, geographical locations and value chain are described within annual report (see pages 63, 64 & 69).

1.2 STATEMENT OF COMPLIANCE

These disclosures have been prepared in accordance with IFRS Sustainability Disclosure Standards (SDS), comprising IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, as adopted in Pakistan by the Securities and Exchange Commission of Pakistan (SECP) through its Order dated December 31, 2024.

1.3 CONNECTIVITY WITH THE FINANCIAL STATEMENTS

These disclosures should be read together with PPL’s separate financial statements for the year ended June 30, 2026. Financial effects arising directly within subsidiaries and associates are not presented as PPL’s own financial effects unless they are reflected in PPL’s separate financial statements.

1.4 REPORTING PERIOD AND CURRENCY

These disclosures cover the period from July 01, 2025 to June 30, 2026, consistent with PPL’s financial reporting period. Financial information is presented in Pakistan Rupees unless otherwise stated.

1.5 GREENHOUSE GAS EMISSIONS APPROACH AND BOUNDARY

The organisational boundary used for measuring PPL’s greenhouse gas emissions differs from the financial reporting boundary. In accordance with IFRS S2, PPL measures its greenhouse gas emissions using the GHG Protocol Corporate Accounting and Reporting Standard (2004) and has applied the operational-control approach for determining the operations included in its Scope 1 and Scope 2 emissions inventory. PPL selected operational control because upstream joint operations often produce complex operatorship structures in which financial-control criteria would not fully capture the operations PPL directly manages. This approach also aligns with IPIECA/API/IOGP Sustainability Reporting Guidance (4th edn, 2020) and is consistent with the flexibility permitted under paragraph 29(a)(ii) of IFRS S2.

Under operational-control approach, PPL accounts for Scope 1 and Scope 2 emissions from operations over which it has the authority to introduce and implement operating policies, irrespective of its ownership interest in those operations. This approach reflects PPL’s ability to manage and influence emissions from the activities it operates and provides a practicable basis for emissions measurement across its oil and gas exploration and production (E&P) portfolio in which participating interests may change over time. Accordingly, operated E&P and mining portfolio under joint operations where PPL exercises operational control, are included within the GHG inventory even where those operations are outside the parent-only financial reporting boundary. Conversely, non-operated interests and other arrangements over which PPL does not exercise operational control are excluded from PPL’s Scope 1 and Scope 2 emissions. Changes in exploration blocks acquired, surrendered or in operator status are disclosed at pages 51 to 54. Resulting effects on the GHG operational-control boundary have been accounted in the emissions, where applicable.

1.6 MATERIALITY

PPL applies materiality in determining the information included in these sustainability-related financial disclosures. Information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions of primary users of PPL’s general purpose financial reports. Materiality is assessed in the context of PPL’s circumstances, considering the nature and magnitude of the climate-related risk or opportunity, including qualitative and quantitative factors and its potential effects over the short, medium and long term.

1.7 APPLICATION OF TRANSITIONAL RELIEFS

PPL applied the transitional reliefs available under IFRS S1, IFRS S2 and the SECP adoption requirements in preparing its first mandatory sustainability-related financial disclosures.

TRANSITION RELIEF	CURRENT YEAR APPLICATION
Climate Reporting (IFRS S1 para E-5)	PPL has elected to disclose information only about climate-related risks and opportunities in its first annual reporting period. Requirement to disclose sustainability-related risks and opportunities other than climate-related matters will be addressed in subsequent reporting year.
Comparative information (IFRS S1 para E-3 & IFRS S2 para C-3)	Comparative information is not presented in line with relief applicable for first reporting year.
Scope 3 GHG emissions (IFRS S2 para C-4b)	Scope 3 greenhouse gas emissions are not disclosed. The Company is continuing to develop processes to support Scope 3 assessment and reporting in next year.

1.8 TIME HORIZONS

For assessment of climate-related risks and opportunities, PPL applies following time horizons reflecting the long operating lives and investment cycles of upstream oil and gas assets. They are broader than PPL’s normal annual and medium-term planning periods:

HORIZON	PERIOD	STRATEGIC RELEVANCE
Short term	To 2030	Near-term operational planning, emerging regulation and implementation of current initiatives
Medium term	2030–2045	Field-development cycles, capital allocation, technology deployment and changing energy demand
Long term	Beyond 2045	Reserve life, long-lived asset resilience and structural changes in energy systems

1.9 USE OF JUDGEMENTS

Preparation of these disclosures required management to apply judgement in assessing climate-related risks and opportunities, determining their potential effects on PPL’s prospects, selecting appropriate assumptions and estimation approaches, and determining the nature and extent of information to be disclosed. The key judgements applied in preparing these disclosures are summarized below.

AREA OF JUDGEMENT	NATURE OF JUDGEMENT
Identification of climate-related risks and opportunities	Determining which physical and transition risks and climate-related opportunities could reasonably be expected to affect PPL’s prospects.
Materiality	Assessing which information about identified climate-related risks and opportunities is material to users of PPL’s general purpose financial reports.
Time horizons	Determining time horizons that appropriately reflect PPL’s operating, strategic and capital-allocation cycles.
Value-chain assessment	Determining the extent to which upstream and downstream climate-related developments could affect PPL’s prospects.
Financial effects	Determining whether current and anticipated effects can be separately identified and quantified and, where quantitative information is unavailable, determining the appropriate qualitative information to provide.
Climate resilience	Selecting assumptions and information for assessing resilience of PPL’s strategy and business model to climate change.
GHG measurement	Application of boundaries, emission factors, assumptions and estimation techniques.
Industry-based metrics	Determining which industry-based metrics are applicable and material to PPL.

1.10 MEASUREMENT UNCERTAINTY, ESTIMATES AND ASSUMPTIONS

Some climate-related metrics and financial effects are subject to measurement uncertainty and require use of estimates and assumptions. For GHG emissions, uncertainty may arise from activity data, conversion factors, emission factors and assumptions relating to fuel characteristics and operating conditions. The measurement methodologies and significant assumptions applied to PPL's Scope 1 and Scope 2 emissions are described in the Metrics and Targets (Section 5).

For anticipated financial effects and other forward-looking assessments, uncertainty arises because outcomes depend on future regulatory, market, technological and physical climate conditions. Where direct measurement is not available, PPL uses reasonable and supportable information available at the reporting date and applies estimation techniques appropriate to the circumstances. Where quantitative information cannot be developed with sufficient reliability or separately identified, PPL provides qualitative information on the nature and direction of the effects. Similarly, the scenario analysis and resilience assessment also involve uncertainty.

1.11 CURRENT AND FORWARD-LOOKING INFORMATION

These disclosures include information about conditions and circumstances existing during FY 2025-26 and forward-looking information relating to climate-related risks and opportunities, strategy, targets and anticipated financial effects. Forward-looking information reflects management's assessment based on reasonable and supportable information available at the reporting date. Actual outcomes may differ from those assessed because of uncertainties relating to future regulatory, market, technological and physical climate conditions, as well as other factors outside PPL's control.

1.12 KEY LIMITATIONS

PPL's assessment and quantification of climate-related financial effects continue to develop. While the principal channels through which identified climate-related risks and opportunities could affect financial position, financial performance and cash flows have been identified, certain effects cannot yet be separately identified or quantified with sufficient reliability. Limitations also arise in relation to value-chain information, particularly where data from suppliers, contractors, non-operated interests, transmission and offtake arrangements, customers and capital providers is not consistently available. Where quantitative information is not available, PPL uses reasonable and supportable information available at the reporting date, together with qualitative assessment and management judgement. Potential climate-related risks and associated financial effects, if any, arising from partner-operated fields have not been included in PPL's FY 2025-26 climate-related risk assessment and related disclosures. These fields are expected to be considered in subsequent assessment cycles as the required information, methodologies and assessment processes are further developed.

1.13 CHANGES IN ESTIMATES, PRIOR-PERIOD ERRORS AND RESTATEMENTS

In line with the transitional relief described in Section 1.7, the comparative sustainability-related financial information is not required for PPL's first annual reporting period. Accordingly, there are no prior-period comparative amounts requiring restatement.

1.14 EVENTS AFTER THE REPORTING PERIOD

There were no events, transactions or developments between the end of the reporting period and the date of authorization of these disclosures that required adjustment to, or additional disclosure in, the sustainability-related financial disclosures.

1.15 AUTHORIZATION

These disclosures were approved by the PPL's Board of Directors on 14 September, 2026.

2. SUSTAINABILITY GOVERNANCE

Board oversight

The Board of Directors ("BOD" or "the Board") has overall responsibility for oversight of the principal risks and opportunities that could affect PPL's strategy, financial performance and long-term prospects,

including sustainability-related matters. The Board Environmental, Social and Governance Committee ("ESG Committee") supports the Board in overseeing sustainability-related matters, including climate-related risks, opportunities, initiatives and disclosures. The responsibilities of the Board ESG Committee are set out in its Terms of Reference (see page 40).

Other Board Committees contribute through their respective mandates. The Board Enterprise Risk Committee is relevant where climate-related risks are considered through PPL's ERM framework; the Board Audit Committee provides oversight through its responsibilities for financial reporting, internal controls and assurance; and the Board Human Resources Committee also supports sustainability-related objectives which are reflected in performance-management or remuneration arrangements. These roles complement sustainability and climate-related oversight exercised through the Board and Board ESG Committee.

The Board consists of members with vast experience in leadership, corporate governance, finance, engineering and exploration and production. These collective competencies support oversight of the operational, strategic and financial implications of climate-related matters. Climate-related knowledge and oversight capability continue to develop as PPL's implementation of IFRS S1 and IFRS S2 progresses. The Board also considers technical input from management and external specialists where required.

The Board ESG Committee receives information on sustainability through management presentations, ESG performance updates, risk assessments and progress reports on relevant initiatives. During FY 2025-26, the Board ESG Committee received management updates on PPL's ESG reporting practices, progress about the development of a three- to five-year rolling ESG plan, environmental-footprint analysis, resource requirements and selected decarbonization initiatives, including methane monitoring and Leak Detection and Repair Program (LDAR). The Board approved inclusion of the MD/CEO as a member of the Board's ESG Committee, as well as approved the ESG Policy in August 2025.

Sustainability and climate-related considerations are incorporated into Board and management decision-making to the extent supported by current information and assessment of exposure. During the reporting year, climate-related matters were considered through risk assessment, scenario analysis, ESG review and relevant operational and investment processes. Their integration into the PPL's established ERM, strategic planning and capital-allocation processes is progressive, particularly for transition risks. Trade-offs between operational and sustainability matters are assessed through project appraisals.

PPL is contemplating opportunities to establish company-wide climate-related targets. Presently, the Board ESG Committee oversees sustainability-related initiatives, including methane management, flare reduction, energy efficiency and renewable-energy deployment. Progress is monitored through departmental performance reviews, ESG updates and management reporting.

ESG considerations are incorporated into the performance evaluation framework for Executive Directors, representing approximately 5% of the overall performance assessment. This component covers ESG matters more broadly and is not separately attributable to climate-related performance.

Management's role

At the executive level, responsibility for oversight and monitoring of sustainability-related matters is delegated to the ESG Steering Committee. This committee comprises of senior representatives from operations, corporate planning, legal, finance, QHSE and other relevant functions. The Committee oversees implementation of sustainability and climate-related actions, coordinates consideration of these matters in business planning and risk assessment and supports the development and monitoring of relevant indicators and disclosures. Individual functions remain responsible for identifying, assessing and managing climate-related risks and opportunities relevant to their respective activities.

The ESG Steering Committee is supported by a cross-functional ESG Working Group and the QHSE Department, which acts as the technical secretariat and sustainability focal function. QHSE coordinates

matters including GHG emissions reporting, identification of climate-related risk by ERM, sustainability performance indicators and applicable reporting requirements while the ESG Working Group facilitates data collection and coordination across functions. QHSE, ERM, Finance, Corporate Planning, Operations, Assets and other relevant functions contribute operational, risk and financial information, assess exposures, implement agreed actions and escalate significant matters through PPL's established governance arrangements.

Management uses PPL's existing risk-management, operational, financial and reporting processes as the basis for controls and procedures supporting climate-related oversight. These arrangements include functional ownership of underlying information, cross-functional review and coordination, management monitoring and escalation, and sustainability-related reporting processes. Climate-related risk assessment is being progressively aligned with PPL's ERM processes, with relevant functions providing company-specific information required to assess likelihood, consequences and appropriate management responses.

PPL is progressively strengthening sustainability-specific controls within this existing framework, including clearer data ownership, automation of sustainability-data collection and reporting, closer integration of climate-related risk assessment with ERM, and development of related reporting controls.

3. STRATEGY

Climate-related matters are relevant to PPL's strategy because of the long operating lives and capital-intensive nature of upstream oil and gas activities, the greenhouse gas emissions associated with production and processing operations, and the exposure of operating assets and supporting infrastructure to changing physical climate conditions. Transition-related developments, including evolving climate and emissions regulation, methane-management requirements, changes in energy demand, technology development and financing expectations, could influence PPL's operating environment and longer-term strategic choices. Physical climate hazards, including flooding, extreme heat, severe weather and changes in water availability, could affect the continuity and efficiency of operations and the integrity of infrastructure. These developments also give rise to opportunities to improve resource and energy efficiency, reduce emissions and hydrocarbon losses, and evaluate lower-emissions technologies and energy sources.

3.1 CLIMATE-RELATED RISKS AND OPPORTUNITIES

PPL's current assessment is primarily qualitative and considers the nature of each exposure, the parts of the business model and value chain in which the effects are concentrated, the period over which the matter could reasonably be expected to affect PPL's prospects and the potential magnitude of the consequences. The significance levels below are indicative assessments based on the information currently available. Value-chain concentration identifies the part of PPL's business model or wider value chain in which the exposure or opportunity is expected to be most relevant; it does not imply that effects are confined to that area.

The table below summarizes the identified climate-related risks and opportunities, together with their category, principal time horizon, indicative significance and primary area of value-chain concentration. Detailed discussion of the effects on PPL's business model and value chain, strategy and decision-making, and current and anticipated financial effects is provided in the referenced sub-sections.

REF.	CLIMATE-RELATED RISK / OPPORTUNITY	CATEGORY	PRINCIPAL HORIZON	*SIGNIFICANCE	CONCENTRATION
3.1.1	Climate regulation, carbon pricing and methane requirements	Transition risk – Policy & Legal	Medium–Long	High	Cross-value chain / own operations
3.1.2	Changing natural gas demand	Transition risk – Market	Long	High	Downstream / producing assets
3.1.3	Lower-carbon technology developments	Transition risk – Technology	Long	High	Own operations / downstream
3.1.4	Climate-related financing expectations	Transition risk – Reputation	Medium–Long	Medium	Capital providers / cross-value chain
3.1.5	Flooding and extreme weather	Physical risk – Acute	Short–Medium	Low-Medium	Own operations
3.1.6	Rising temperatures and water stress	Physical risk– Chronic	Long	Medium	Own operations
3.1.7	Resource and operational efficiency	Opportunity	Short–Medium	Medium	Own operations
3.1.8	Methane, flaring and hydrocarbon-loss reduction	Opportunity	Short–Medium	High	Own operations
3.1.9	Lower-emissions energy and carbon management	Opportunity	Medium–Long	Medium	Own operations / selected value-chain relationships

*The significance levels presented above are indicative qualitative assessments based on the information available at the reporting date. In determining significance, PPL considered the likelihood of the relevant climate-related development and the potential magnitude of its consequences for operations, production and revenue, operating and capital expenditure, asset values, reserve recoverability and financing conditions, together with the time horizon over which the effect could arise. These significance levels are intended to indicate the relative importance of the identified climate-related risks and opportunities for sustainability-related financial disclosure purposes and do not represent formal ratings under PPL's Corporate Risk Register. Further information on PPL's assessment and prioritisation approach is provided in Section 4.2.

3.1.1 CLIMATE REGULATION, CARBON PRICING AND METHANE REQUIREMENTS

PPL is exposed to evolving climate-related regulation and policy requirements affecting upstream oil and gas operations, including requirements relating to greenhouse gas emissions measurement and disclosure, methane management, flaring and potential future carbon-pricing or equivalent policy mechanisms. These developments could increase compliance obligations and affect the cost and economics of emissions-intensive operations and future investments. PPL's climate-risk assessment identifies higher operating and capital costs and potential pressure on project returns as the principal financial transmission channels associated with this risk.

Effects on business model and value chain

The exposure is concentrated primarily in PPL's operated exploration, production and processing activities because these activities generate Scope 1 emissions through fuel combustion, flaring, venting and fugitive releases and could therefore be directly affected by more stringent emissions or methane-management requirements. The effect may also extend to development and investment decisions where additional emissions-control requirements alter project costs or economics, and to relevant joint arrangements and contractors where regulatory or reporting requirements affect activities supporting PPL's upstream operations.

Effects on strategy and decision-making

PPL's current response is focused principally on strengthening emissions measurement and management capability and assessing potential emissions-reduction measures. PPL has utilized satellite-based methane monitoring through GHGSAT, a Canadian emissions intelligence company, for six months at Sui PP,

Kandhkot, Gambat South, Adhi and Dhok Sultan to support identification of significant methane releases, and further LDAR activity is under consideration. PPL is evaluating flare-gas recovery, renewable energy, energy-efficiency measures and carbon-management technologies such as Carbon Capture and Storage (CCS).

Current and anticipated financial effects

During FY2025-26, there were no financial effects or expenditures attributable to or arising from climate-related regulatory, carbon-pricing or methane-compliance requirements. No carbon cost was applicable or recognised during the year.

The anticipated expenditure for FY2026-27 includes PKR 5.51 million budgeted for third-party verification of GHG data. PPL's FY2026-27 budget includes PKR 2.0 million for hydrocarbon recovery through manual depressurization of TEG Units 1–6 at Sui. The initiative is intended to recover hydrocarbons that would otherwise be flared. In the short to medium term, emissions limitations, methane-management mandate or carbon-pricing requirements could result in additional operating expenditure and capital investment in measurement, verification, emissions-management and abatement measures. Over longer term, more stringent emissions policies could increase operating expenditure, require additional capital investment and potentially effect project economics. Scenario analysis indicates that potential carbon-cost exposure increases under stronger transition pathways. Further details are provided in Section 3.3.

3.1.2 CHANGING NATURAL GAS DEMAND AND ENERGY-TRANSITION DYNAMICS

PPL is exposed to the possibility that the energy transition could alter the long-term demand for natural gas through increased renewable-energy deployment, electrification, energy-efficiency improvements, fuel substitution and changes in energy policy. The timing and extent of this risk are uncertain and depend on the pace and form of the transition. This exposure is particularly relevant to PPL because natural gas represents the predominant component of its production portfolio and contributed approximately 59% of product-wise sales revenue in FY2025-26. PPL's gas production also serves major domestic sectors including power generation and industry.

Effects on business model and value chain

The principal exposure arises downstream through demand from domestic gas consumers and feeds back into PPL's producing assets, reserves and future development opportunities. Reduced offtake or nominations could affect production dispatch and revenue, while a sustained structural reduction in natural-gas demand could reduce production volumes and asset utilisation over time and affect the economic recoverability and valuation of reserves. Because E&P investments are generally made over long development and production periods, the significance of this risk extends beyond near-term sales volumes. Changes in the expected long-term role of natural gas could affect assumptions used in assessing field development, reserve monetisation, expected asset lives and the attractiveness of future long-lived investments.

Effects on strategy and decision-making

PPL currently considers changing energy demand primarily as a longer-term strategic consideration. PPL's response is focused on monitoring developments in energy demand, policy and technology and using these developments to inform longer-term portfolio and investment considerations. Portfolio optimisation and adaptation of future investment decisions could become increasingly relevant where long-term natural-gas demand weakens. Scenario analysis indicates that long-term demand exposure becomes more pronounced under stronger transition pathways. Further details are provided in Section 3.3.

Current and anticipated financial effects

During FY2025-26, no separately quantified financial effects were separately identified specifically associated with climate-driven changes in natural-gas demand. The principal financial implications identified for this risk are forward-looking.

Over the longer term, a sustained reduction in natural-gas demand could lower production volumes and revenue, reduce utilisation of producing assets, delay or constrain reserve monetisation and affect future

cash flows. Where changes in expected demand materially alter the economics of an asset or development opportunity, they could also affect investment decisions, asset-life assumptions and assessments of recoverability. Future gas prices and revenues are influenced not only by climate-transition developments but also by domestic supply-demand conditions, LNG markets, energy-security considerations, infrastructure constraints and Pakistan's regulated gas-market arrangements.

3.1.3 INCREASING COMPETITIVENESS OF LOWER-CARBON TECHNOLOGIES

The increasing competitiveness and deployment of renewable energy, electrification, energy-efficiency technologies and other lower-carbon alternatives could progressively change the relative economics of conventional hydrocarbons. For PPL, the principal exposure arises where technological change reduces the role or competitiveness of natural gas in the energy system or changes the technologies required to operate upstream assets efficiently under a lower-carbon transition.

Effects on business model and value chain

The exposure is relevant principally to PPL's producing assets and future development portfolio and downstream markets in which its hydrocarbons compete with alternative sources of energy. As renewable generation, electrification and energy-efficiency technologies become more widely deployed, they could affect the long-term competitiveness of natural gas and influence the expected utilisation and economic lives of hydrocarbon assets. Technology developments can also affect PPL's own operations. Technologies for emissions monitoring, methane management, energy efficiency, renewable power and carbon management may change the cost and technical options available for reducing the emissions intensity of existing operations. The effect of technological change is therefore two-sided: it may create competitive pressure on the existing hydrocarbon business model while also providing technologies through which PPL can improve operational efficiency and manage transition exposure. The significance of this risk increases under faster technology-transition pathways, as described in Section 3.3.

Effects on strategy and decision-making

PPL is evaluating a range of technologies that could improve operational efficiency, reduce emissions or provide lower-emissions energy for its operations. Initiatives under review include CCS at Sui Purification Plant and Gambat South, flare-gas utilization as fuel gas for gensets at Dhok Sultan, geothermal-energy potential at Sui & Kandhkot wells, additional solarisation, electric or hybrid vehicles, replacement of methane with nitrogen for blanketing, substitution of raw gas with instrument air at nodal compressors and measures to maintain zero routine flaring. These initiatives represent technology options being implemented rather than a single committed technology-transition pathway. PPL's current approach is therefore to assess technologies progressively according to their technical and economic suitability and their potential contribution to emissions reduction, operational efficiency and longer-term portfolio resilience.

Current and anticipated financial effects

During FY2025-26, no separately quantified financial effect was identified as arising specifically from the increasing competitiveness of lower-carbon technologies. PPL's current exposure is principally reflected through the need to evaluate emerging technologies and their implications for future operating and investment decisions rather than through a separately identifiable current-period effect on revenue or asset carrying values.

Over the medium to long term, increasing competitiveness of lower-carbon technologies could affect PPL through two principal financial channels. First, greater substitution of conventional energy by lower-carbon alternatives could reduce expected future cash flows from some hydrocarbon assets, shorten their economic lives or change the economics of future development opportunities. Second, maintaining competitiveness and reducing operational emissions may require additional expenditure on energy efficiency, renewable energy, methane-management, carbon-management or other lower-emissions technologies. Some of this expenditure is already beginning to appear in forward operating plans. The longer-term financial effects could be significant where technological change alters assumptions concerning asset utilisation, expected cash flows, useful lives or the attractiveness of capital deployment to long-lived hydrocarbon projects.

3.1.4 CLIMATE-RELATED PERCEPTIONS AND FINANCING EXPECTATIONS

PPL is exposed to evolving expectations from lenders, investors and other capital providers regarding climate-related risk exposure, emissions performance, transition preparedness and the quality of climate-related disclosures. These expectations could influence how capital providers assess PPL's risk profile and, over time, could affect access to finance or the cost and terms on which financing is available.

Effects on business model and value chain

Access to financing supports exploration, field development and other long-lived upstream investments. Consequently, the changes in lender or investor requirements relating to emissions, climate-risk management or transition readiness could influence financing availability and terms for future investment. The risk is dynamic and interacts with other transition risks. Higher emissions exposure, weaker transition preparedness, increasing carbon-cost exposure or uncertainty concerning the long-term economics of hydrocarbons could affect how lenders and investors evaluate PPL. Conversely, credible climate-related information and evidence of effective emissions and risk management could support capital-provider assessment of the Company.

Effects on strategy and decision-making

PPL is responding to these expectations through development of its climate-related governance, reporting, emissions-management and stakeholder-engagement capabilities. Its ESG programme includes an interface with Finance in relation to banks and insurance, carbon-financing opportunities, third-party assurance and investor-oriented reporting. Climate scenario analysis also considers financing and reputation risk through the potential effect of increasing investor and lender expectations on PPL's financial and strategic resilience.

Current and anticipated financial effects

PPL has no current-period effect on financing costs, financing availability or insurance costs attributable specifically to climate-related perceptions or financing expectations.

Over the medium to long term, the increasing incorporation of climate and ESG considerations into lending and investment decisions could affect PPL's access to finance, financing terms and cost of capital. This exposure is becoming more relevant as Pakistan's sustainable-finance framework develops, including SBP's Green Banking Guidelines, the Pakistan Green Taxonomy, SECP's framework for ESG Mutual Funds and PSX's development of its first Sustainability Index. These developments could increase the emphasis placed by lenders and investors on PPL's emissions performance, climate-risk exposure, transition preparedness when making financing and investment decisions.

3.1.5 FLOODING AND EXTREME WEATHER

PPL's operations are exposed to acute physical climate events, including flooding, flash floods, extreme rainfall and severe weather. Such events could disrupt operations, damage infrastructure and restrict access to operating locations.

Effects on business model and value chain

The exposure is concentrated in PPL's producing assets and supporting infrastructure, including wells, processing facilities, pipelines, rights-of-way, access roads and other field infrastructure. Flooding or severe weather could damage these assets, restrict access to operating sites, interrupt maintenance or field activities and, where sufficiently severe, affect production continuity. The risk can also extend beyond PPL's own operations where severe weather affects contractors, logistics routes or the timely movement of equipment and materials.

Effects on strategy and decision-making

PPL addresses flooding and severe-weather exposure through existing asset-maintenance, drainage, access-route, emergency-response and business-continuity arrangements. The Company also undertakes location-specific measures where operational experience indicates a need for additional protection, including drainage and trench works, protection against water ingress, repair of flood-affected rights-of-way and access routes, and storm-water management. These measures are intended to reduce the likelihood or severity of asset damage, maintain access to operating locations and support continuity of operations

following severe-weather events. PPL's higher-warming scenario indicates increasing exposure to physical climate hazards over time. Further details are provided in Section 3.3.

Current and anticipated financial effects

For the current year, PPL incurred PKR 4.49 million and provided PKR 0.55 million as budget for next year for flood-related repairs, restoration works at Kandhkot, as well, repair of well right-of-way (ROW), access roads and culverts, earth filling, grading and flood-water diversion. At Sui Purification Plant, repair expenditure PKR 0.40 million was incurred during the year for cleaning and repair of trenches following flood-related conditions.

Excessive rainfall and flash flooding at Dhok Sultan caused damage to the dam walls, resulting in damages ROW of flow lines, water crossings, drainage channels, access road and other protective structures and PPL's FY 2026-27 capital budget already includes PKR 17.25 million for restoration. FY2026-27 budget also provides PKR 10.20 million for a climate-change and physical-risk assessment of PPL-operated areas and PKR 0.12 million for rain-protection measures at Sui Purification Plant. These activities are intended to map PPL's exposure to location-specific physical assets and support appropriate adaptation measures.

Over the short to medium term, more frequent or severe flooding and extreme-weather events could increase expenditure on drainage, asset protection, access-route restoration, emergency response and maintenance. Severe events could also result in temporary production interruption, delayed field activities or damage to operating infrastructure, with corresponding effects on revenue and cash flows. Over the longer term, increasing physical climate exposure could require additional expenditure to strengthen operational continuity, infrastructure resilience and supply-chain reliability.

3.1.6 RISING TEMPERATURES AND WATER STRESS

Rising average temperatures, more frequent periods of extreme heat and changes in water availability could affect the reliability and efficiency of PPL's operations over time. Higher temperatures can increase thermal stress on equipment and workforce, while reduced availability could constrain water-dependent field and processing activities.

Effects on business model and value chain

The exposure is concentrated principally within PPL's own operations, particularly producing and processing assets, supporting utilities, workforce and activities dependent on reliable water availability. Sustained increases in ambient temperature could affect equipment performance and reliability, increase cooling requirements and create additional occupational heat-stress considerations. Water stress could affect the availability or cost of water required for field operations and other operational uses. Where water availability becomes constrained, this could affect operational efficiency or require additional water-management measures. PPL's higher-warming scenario indicates increasing exposure to physical climate hazards over time. Further details are provided in Section 3.3.

Effects on strategy and decision-making

PPL's response includes operational measures intended to improve heat resilience and water-use efficiency. These include protection of electrical systems against higher-temperature conditions, reuse of water within operations, rainwater harvesting and water-recharge measures. At Sui Purification Plant, PPL has implemented reuse of reverse-osmosis reject water for plantation purposes. Further planned measures include heat-resistant cabling and protection of electrical systems, grey-water reuse and storm-water harvesting at Dhok Sultan, and rainwater harvesting and water recharge at Adhi Field.

Current and anticipated financial effects

During FY2025-26, PPL incurred PKR 0.19 million at Adhi Field on a water-management measure under which plant water requirements are being met through RO-treated Adhi Annulus Water, enabling discontinuation of utility water supplied by local tankers. For FY2026-27, an approved expenditure includes PKR 0.50 million for heat-resistant cabling and protection of electrical systems at Sui, PKR 0.30 million at Dhok Sultan for grey-water reuse and stormwater harvesting, and PKR 0.12 million at Adhi Field for rainwater harvesting and water recharge. Over the medium to long term, increasing temperatures and

water constraints could require additional expenditure on equipment protection, cooling, water treatment, reuse, harvesting and alternative water-management arrangements.

3.1.7 RESOURCE AND OPERATIONAL EFFICIENCY

Improving the efficiency with which PPL uses energy, fuel, water and other operational resources can reduce operating costs and greenhouse gas emissions while improving the efficiency of existing assets. The opportunity is concentrated principally within PPL's own operations, particularly production and processing facilities and supporting utilities. PPL has identified energy-efficiency improvements and resource optimisation among its climate-related opportunities.

Effects on business model, value chain, strategy and decision-making

PPL is pursuing this opportunity mainly through incremental improvements to existing operations rather than through a change in its core business model. Measures include process and equipment efficiency, reduction of unnecessary energy use, water reuse and other operational optimisation measures. Such actions can lower fuel, electricity or water requirements, reduce associated emissions and potentially lower operating expenditure. Current and planned measures include reuse of reverse-osmosis reject water at Sui Purification Plant, energy-efficient lighting at Sui and process-efficiency measures at Adhi involving conical baffles and conversion of conventional geysers to instant geysers. PPL uses project-level evaluation and operating requirements to determine where such measures can be implemented within existing assets.

Current and anticipated financial effects

During FY2025-26, PPL incurred PKR 0.20 million on installation of piping and valves to facilitate reuse of RO reject water for plantation at Sui Purification Plant. The initiative increases reuse of process water and reduces reliance on freshwater resources. An approved operating expenditure for FY 2026-27 includes PKR 0.84 million for installation of energy-efficient lighting at Sui Purification Plant and PKR 0.27 million at Adhi Field for process and energy-efficiency measures. In addition, PKR 0.18 million of capital expenditure has been approved for installation of a utility-water flow meter at Adhi Field to support monitoring and optimisation of freshwater consumption. The financial benefits of these measures could arise through lower energy and resource consumption and associated operating costs. The extent of future savings will depend on actual resource reductions achieved.

Over the short to medium term, further resource-efficiency measures could require operating or capital expenditure but could also reduce fuel, electricity and water consumption and associated operating costs. They may additionally reduce emissions exposure and the future cost of complying with more stringent emissions-management requirements. The financial benefit will depend on the scale of resource savings achieved and the cost and operating life of the individual measures.

3.1.8 METHANE, FLARING AND HYDROCARBON-LOSS REDUCTION

Reducing methane emissions, flaring and avoidable hydrocarbon losses can lower PPL's operational emissions while retaining product that would otherwise be released or combusted without productive use. The opportunity is concentrated principally in production and processing activities where methane leaks, venting and flaring occur and therefore has both emissions-management and resource-efficiency characteristics.

Effects on business model, value chain, strategy and decision-making

The potential economic benefit arises from retaining or recovering saleable hydrocarbons, alongside reduced emissions exposure. PPL is pursuing this opportunity through a combination of hydrocarbon-recovery measures, methane monitoring and evaluation of more systematic leak detection and repair. During FY2025-26, hydrocarbon recovery was undertaken at Sui Purification Plant during depressurisation of purification banks. PPL has also utilized GHGSAT satellite monitoring at Sui Purification Plant, Kandhkot, Gambat South, Adhi and Dhok Sultan to identify significant methane releases and potential opportunities for leak repair and gas recovery. In addition, a broader LDAR programme and flare-gas utilization as fuel gas for gensets at Dhok Sultan are being considered as further measures to reduce emissions and product losses.

Current and anticipated financial effects

During FY2025-26, PPL incurred PKR 0.69 million on hydrocarbon oil reclamation using a de-emulsifier to recover oil from oily sludge generated during produced-water treatment. In addition, PPL spent PKR 1.74 million on hydrocarbon recovery through manual depressurization of purification banks at Sui plant. These initiatives enabled recovery of hydrocarbons that would otherwise have been flared/wasted and therefore contributed to reducing flaring-related emissions. GHGSAT methane monitoring was provided without direct cost through PPL's participation in the Oil & Gas Decarbonization Charter (OGDC) with the support of Oil & Gas Climate Initiative (OGCI). For FY2026-27, PPL has provided PKR 1.5 million for participation in the Oil & Gas Decarbonization Charter. This expenditure supports PPL's participation in sector-wide decarbonisation initiatives and knowledge-sharing on emissions reduction. PPL has allocated PKR 3.77 million for wireline logging and potential fluid sampling in the upcoming Gambat South water-disposal well to support evaluation of the Ranikot Formation for potential carbon capture and storage (CCS). The planned expenditure is associated with potential climate-related mitigation response and an opportunity to develop CCS. Potential future implementation of LDAR and other methane- and flare-reduction measures may require additional expenditure for monitoring, inspection, repair and equipment while potentially reducing product losses through recovery of hydrocarbons that would otherwise be released.

3.1.9 LOWER-EMISSIONS ENERGY AND CARBON MANAGEMENT

PPL may reduce the emissions intensity of its operations through greater use of lower-emissions energy sources and evaluation of carbon-management technologies. These opportunities are relevant principally to PPL's operated production and processing assets and include renewable energy, geothermal energy and carbon capture and storage (CCS).

Effects on business model, value chain, strategy and decision-making

PPL's approach is currently focused on evaluating and selectively deploying technologies that can reduce operational emissions while remaining compatible with its existing upstream asset base. A 700 KW solar facility has been operating at Khewali Pumping Station since March 2024, while additional solar installation of approximately 250 KW at West Wharf Warehouse is approved for installation. PPL is also evaluating geothermal-energy potential at Sui and Kandhkot and CCS opportunities at Sui Purification Plant and Gambat South. These initiatives would allow PPL to substitute part of its conventional energy use with lower-emissions sources and, where technically and commercially feasible, capture and store emissions from significant operating sources. The evaluation of projects remains at different stages of maturity.

Current and anticipated financial effects

During FY2025-26, PPL incurred PKR 2.54 million on specialised subsurface training relating to carbon capture and storage. Climate-related capital expenditure during the year also included PKR 8.58 million on solar-energy installations. For FY2026-27, approved operating expenditure includes PKR 44.8 million for a geothermal-energy feasibility study covering Sui and Kandhkot.

If developments related to geothermal or CCS projects progress beyond evaluation, they would require additional capital and operating expenditure, however, will significantly reduce emissions and exposure to future carbon-related costs. CCS could additionally create longer-term carbon-management value where capture and storage are technically viable and supported by an appropriate commercial and regulatory framework. The relevance of these opportunities increases under stronger transition pathways, as described in Section 3.3.

3.2 CLIMATE-RELATED STRATEGIC RESPONSE AND RESOURCE ALLOCATION

PPL's current climate-related strategic response is focused on managing identified transition and physical risks while pursuing selected climate-related opportunities within its existing upstream business. The key areas of response include emissions measurement and management, methane and hydrocarbon-loss reduction, operational and resource efficiency, renewable and lower-emissions energy, carbon-management options, and measures to strengthen resilience to flooding, heat and water stress. PPL is developing a three- to five-year ESG implementation plan intended to progressively translate these priority areas into field-level actions, defined responsibilities and implementation milestones.

PPL’s ability to respond to climate-related risks and opportunities depends on the availability of technical, operational and financial resources, together with the flexibility to incorporate climate-related considerations into operational planning, project evaluation and future investment decisions. Operating and capital resources are being directed towards physical-risk adaptation, emissions and methane management, energy and resource efficiency, renewable energy and carbon-management initiatives. The scale and timing of future resource allocation will depend on the significance of the relevant risk or opportunity, technical feasibility, project maturity, expected benefits and availability of funding within PPL’s broader capital-allocation and budgeting processes.

During FY2025-26, PPL incurred approximately PKR 10.25 million of operating expenditure and PKR 8.58 million of capital expenditure associated with climate-related risks and opportunities. For FY2026-27, PPL has allocated approximately PKR 66.71 million of operating expenditure and PKR 48.88 million of capital expenditure for climate mitigation, adaptation and opportunity initiatives. These expenditures are specifically attributable to climate-related responses, while broader ESG-related expenditures, that also support climate objectives, are not separately distinguished as climate-specific.

Current and planned responses therefore comprise a combination of operational measures, feasibility and assessment activities, and targeted operating and capital expenditure. Detailed current and anticipated financial effects associated with individual risks and opportunities are presented in Sections 3.1.1–3.1.9, while capital deployed towards climate-related risks and opportunities is disclosed in Section 5.1.5.

3.3 CLIMATE RESILIENCE AND SCENARIO ANALYSIS

PPL performed climate scenario analysis during FY2025-26 to assess the resilience of its business model and strategy under alternative climate and energy-transition pathways.

3.3.1 SCENARIO USED

PPL used three internationally recognised scenarios representing materially different climate and energy-transition pathways.

SCENARIO	SOURCE	INDICATIVE TEMPERATURE INCREASE ABOVE PRE-INDUSTRIAL LEVEL (BY YEAR 2100)	PRINCIPAL PURPOSE
IEA STEPS	IEA	2.5–2.7°C	Moderate transition pathway
IEA NZE by 2050	IEA	1.5°C	Accelerated transition pathway
SSP3-7.0	IPCC	2.8 –4.6°C	Higher-warming physical-risk pathway

3.3.2 SCENARIO TIME HORIZONS

The scenario analysis was performed over the same horizons used by PPL in assessing its climate-related risks and opportunities.

PPL TIME HORIZON	PERIOD	APPLICATION IN SCENARIO ANALYSIS
Short term	To 2030	Tests emerging carbon, methane, market and physical-risk effects.
Medium term	2030–2045	Tests increasing transition pressure, technology and demand shifts, carbon-cost exposure and developing physical risks.
Long term	Beyond 2045	Tests structural demand changes, stronger transition effects and more severe physical climate conditions.

3.3.3 KEY VARIABLES AND ASSUMPTIONS

PPL’s scenario analysis incorporated assumptions concerning climate policy, economic and energy-market conditions, Pakistan-specific energy and physical-climate conditions, energy-system development and technological change. The principal assumptions were as follows:

ASSUMPTION AREA	KEY ASSUMPTIONS APPLIED IN PPL’S ANALYSIS
Climate-related policies	Policy ambition was assumed to strengthen gradually under STEPS, accelerate significantly under NZE and remain comparatively limited under SSP3-7.0. The assessment considered increasing methane-management and emissions requirements and potential carbon-pricing mechanisms. For Pakistan, the analysis also considered national climate and energy-policy direction, including increasing renewable-energy deployment and emissions-reduction commitments.
Macroeconomic trends	Energy-demand assumptions considered economic and population growth, industrialisation, urbanisation and increasing energy access, particularly in emerging and developing economies. For Pakistan, industrial activity, economic growth and energy-security considerations were assumed to remain important influences on natural-gas demand.
National and regional variables	The analysis reflected Pakistan’s continuing reliance on natural gas, declining domestic gas production, LNG dependence, infrastructure and energy-security considerations. For physical risk, the higher-warming pathway assumes increasing exposure to flooding, flash floods, extreme heat, water stress and severe weather, with potential implications for operating assets, workforce and infrastructure.
Energy usage and mix	STEPS assumes continued relevance of oil and natural gas alongside increasing renewable deployment; NZE assumes much faster growth in renewables, electrification and energy efficiency with declining long-term fossil-fuel demand; SSP3-7.0 assumes continued reliance on conventional fuels and a slower energy transition.
Technology developments	Technology and electrification uptake were assumed to be moderate under STEPS, accelerated under NZE and limited under SSP3-7.0. The NZE pathway therefore assumes faster deployment and improving competitiveness of renewable energy, electrification and energy-efficiency technologies.

3.3.4 SCENARIO APPROACH

The assessment is primarily qualitative, supplemented by directional revenue sensitivities. PPL did not use a specific long-term natural-gas price forecast because future revenues are also influenced by domestic regulation, supply-demand conditions, LNG markets, energy-security considerations and infrastructure constraints. Revenue effects were therefore assessed directionally under each scenario.

The scenario analysis indicates that PPL’s exposure varies materially by pathway. STEPS presents comparatively moderate transition pressure, NZE produces the greatest transition and financial exposure, while SSP3-7.0 results in the greatest long-term physical climate exposure. The qualitatively assessed implications for revenue, carbon cost, operating expenditure, capital expenditure and asset resilience are reflected in the scenario resilience assessment.

3.3.5 ASSESSMENT OF CLIMATE RESILIENCE

Under STEPS, resilience is supported by the continuing role of natural gas and comparatively gradual transition pressure. Under NZE, resilience becomes more dependent on PPL’s ability to respond to weaker long-term gas demand, increasing carbon and methane costs and changing technology and financing conditions through emissions management, operational efficiency and adaptation of future investment and portfolio decisions. Under SSP3-7.0, resilience depends more heavily on the ability of operating assets and infrastructure to withstand more severe physical climate conditions.

The principal areas affecting future resilience are therefore carbon-cost exposure, uncertainty in long-term natural-gas demand, methane and emissions-management requirements, potential additional capital expenditure and physical exposure of operating assets and infrastructure. PPL's existing and developing responses include methane and hydrocarbon-loss reduction, operational efficiency, evaluation of lower-emissions technologies, flood and heat adaptation, water management and business-continuity measures.

PPL's ability to respond to the scenario outcomes depends on the flexibility of its future investment decisions, the ability to upgrade or adapt existing producing and processing assets, and the availability of financial resources to implement mitigation and adaptation measures. Existing and planned investments in methane management, hydrocarbon recovery, energy efficiency, renewable energy, CCS evaluation, flood protection, heat resilience and water management are expected to support this adaptability. PPL has not undertaken a separate quantitative assessment of financing capacity or asset-by-asset redeployment and decommissioning options as part of the current scenario analysis. The assessment therefore remains subject to significant uncertainty concerning future natural-gas demand, climate and methane regulation, carbon-price development, technology deployment and the location and severity of future physical climate impacts.

4. RISK MANAGEMENT

PPL uses its existing enterprise risk management framework as the basis for managing the business risks. During FY2025-26, this framework was supplemented by a separate climate-related risk and opportunity assessment and climate scenario analysis to identify matters that could reasonably be expected to affect PPL's prospects over the short, medium and long term. The climate assessment is not yet embedded within the routine ERM process; rather, its results are being used as inputs for further evaluation under PPL's ERM methodology.

4.1 IDENTIFICATION OF CLIMATE-RELATED RISKS

Climate-related risks were identified by considering PPL's business model, upstream value chain, key dependencies and external operating environment. The assessment primarily included categories of transition and physical risks. The assessment considered where climate-related developments could affect PPL across exploration, development, production, processing, marketing, sales and eventual decommissioning, as well as relevant relationships with customers, suppliers, contractors and capital providers. The principal transmission channels considered effects on production and revenue, operating and capital expenditure, asset values and reserve recoverability, and access to finance and cost of capital. PPL used internally available information together with external climate, policy, market and industry information to support the assessment. External sources included climate and physical-risk information, energy-transition outlooks and applicable regulatory and industry guidance. The climate scenario analysis provided an additional forward-looking lens for assessing how transition and physical risks could develop under alternative climate pathways.

4.2 ASSESSMENT AND PRIORITISATION

The initial climate-risk assessment used a qualitative likelihood-impact approach. Likelihood considered factors such as key historical occurrences, forward-looking trends, regulatory developments, market dynamics and operational exposure. Impact considered the potential consequences for production and revenue, operating and capital costs, asset values and reserve recoverability, and financing conditions. Risks were then classified on an indicative Low, Medium or High basis. The assessment also considered the period over which each risk could arise using PPL's short-, medium- and long-term horizons. The time horizon provides information on when an exposure could become relevant but does not itself determine its risk rating.

These initial climate-risk ratings are not equivalent to formal ratings in PPL's Corporate Risk Register. PPL's ERM function has indicated that further company-specific evidence is required to evaluate the likelihood and consequence of the identified risks against the Company's risk criteria and risk appetite. Accordingly,

the climate assessment is being used as an input to the ERM process rather than representing completed formal ERM scoring for all identified climate risks. Climate-related risks are therefore not automatically prioritised above or below other enterprise risks. Their prioritisation within the wider ERM framework depends on evaluation against PPL's established risk criteria and appetite, while the sustainability-related financial disclosure assessment additionally considers whether a climate-related matter could reasonably be expected to affect PPL's prospects over the applicable time horizons.

4.3 USE OF SCENARIO ANALYSIS

PPL uses climate scenario analysis to supplement the risk-assessment process by considering how identified risks could change under alternative transition and physical-climate pathways. The analysis provided forward-looking information relevant to assessing the nature and potential severity of risks that may not be fully reflected in current operating experience. The scenario analysis does not replace PPL's ERM assessment. Its results provide additional information for management when evaluating risk exposure, financial implications and longer-term resilience under the Company's established risk-management processes.

4.4 CLIMATE-RELATED OPPORTUNITIES

Climate-related opportunities were identified through consideration of PPL's operations, emissions profile, resource use, technology developments and the transition pathways considered in the climate assessment. Identified opportunities include resource and operational efficiency, methane, flaring and hydrocarbon-loss reduction, lower-emissions energy and carbon-management measures. Opportunities were assessed separately from the climate-risk prioritisation process based on qualitative assessment considering their potential effect on operations and financial benefits and the periods over which those benefits could arise. Scenario analysis also informs consideration of opportunities by indicating the circumstances in which emissions reduction, methane management, efficiency and lower-emissions technologies could become more strategically or financially relevant.

4.5 MONITORING AND INTEGRATION WITH ERM

PPL's existing ERM framework provides the broader structure through which enterprise risks are assessed and monitored. However, assessment processes for climate-related risks in the current reporting year are being progressively aligned with ERM framework, including further evaluation of company-specific likelihood, consequences, risk ratings and appropriate ownership.

Presently climate-related risks and opportunities are monitored through relevant operational, environmental and ESG activities, including emissions measurement, methane monitoring, physical-risk response measures and review of relevant regulatory, market and technology developments. Where a climate-related matter meets the applicable ERM criteria, these could be incorporated into the existing risk-governance and monitoring process.

During FY2025-26, the principal change in PPL's approach was the introduction of a structured climate-related risk and opportunity assessment and climate scenario analysis alongside the existing ERM process. This has extended the assessment beyond current-period risk exposure to consider potential effects over PPL's short-, medium- and long-term horizons. PPL has planned to align its climate-related assessment with the established ERM process during FY 2026-27.

5. CLIMATE-RELATED METRICS AND TARGETS

PPL uses climate-related metrics to monitor its exposure to climate-related risks and opportunities and the actions undertaken in response. The metrics disclosed below comprise the cross-industry metric categories required by IFRS S2 and applicable industry-based metrics associated with PPL's upstream oil and gas activities. PPL is progressively working to developed asset and enterprise level classification and measurement processes capable of reliably quantifying the amount and percentage of exposure. Accordingly, the current disclosure describes the nature and relative concentration of the exposure using information presently available.

5.1 CROSS INDUSTRY METRICS

5.1.1 GREENHOUSE GAS (GHG) EMISSIONS

DESCRIPTION	FY2025-2026 (tCO ₂ e)		
	TOTAL	PPL E & P OPERATIONS	PPL MINING OPERATIONS
Scope 1 Emission			
- flared hydrocarbons	738,383	738,383	0
- other combustion	775,786	774,244	1,542
- process emissions	12,359	12,359	0
- other vented emissions	305,903	305,903	0
Total Scope 1	1,832,431	1,830,889	1,542
Scope 2 - Location Based	1,350	1,279	71
Total Scope 1 and 2	1,833,781	1,832,168	1,613
E&P operations - Scope 1 & 2 emissions intensity (tCO ₂ e/KBOE)	Not applicable	65	Not applicable
Mining operations - Scope 1 & 2 emissions intensity (tCO ₂ e/ton)	Not applicable	Not applicable	0.0095
Scope 1 emissions subject to emissions-limiting regulation	0	0	0

Emission measurement approach, key sources, sources of data, assumptions and limitations

- a) PPL’s sustainability-related financial disclosures are connected to its separate financial statements and accordingly PPL is the reporting entity. Scope 1 and Scope 2 GHG emissions are measured using the operational-control approach under the GHG Protocol Corporate Accounting and Reporting Standard (2004). Consequently, the GHG inventory includes emissions from investees and operations over which PPL exercises operational control. See section 1.5 for further details.
- b) Reported emissions are absolute gross values without netting-off or use of carbon credits.
- c) None of the reported Scope 1 GHG emissions are subject to emissions-limiting regulations.
- d) Scope 1 emissions arise from combustion of fuels in gas turbines, generators, compressors, engines, heaters, boilers, company-owned vehicles, contractor-owned vehicles and generators fueled by the Company, as well as from flaring, venting and refrigeration leakages. Scope 2 emissions result from the consumption of purchased electricity used across PPL’s offices and field operations. PPL is planning to measure fugitive emissions through its planned LDAR program.
- e) Flared emissions involve comparatively greater measurement uncertainty due to assumptions about combustions efficiency.
- f) The company has benchmarked the API Compendium of GHG Emissions Estimation Methodologies for the Oil & Natural Gas Industry (Edition 2021) to configure emission factors and methodologies/equations in the Sustainability Reporting Module for estimating GHG emissions from PPL operations. Additionally, International Energy Agency (IEA) emission factors have been applied for purchased electricity and Global Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, using a 100-year time horizon. As per API Compendium, following key assumptions are applied:

- For estimation of CO₂ emissions from natural gas combustion, 100% complete combustion is assumed, and stoichiometric calculations are applied based on the composition of that gas.
- For the estimation of CO₂ emissions from combustion of unwanted gas in flares, a 98% combustion efficiency is assumed, with the remaining 2% considered as un-combusted release.

- g) The Scope 1 and Scope 2 emissions include CO₂, CH₄, N₂O, hydrofluorocarbons (HFCs) and hydrochlorofluorocarbons (HCFCs) for all E&P producing assets and offices.

5.1.2 ASSETS OR BUSINESS ACTIVITIES VULNERABLE TO TRANSITION RISKS

PPL is developing processes to quantify the amount and percentage of assets or business activities vulnerable to climate-related transition risks. The current assessment remains primarily qualitative and indicates that exposure is concentrated in PPL’s producing and processing assets, future development portfolio and related upstream activities, with additional exposure arising through downstream demand and capital-provider expectations. The principal transition-risk drivers identified by PPL include evolving climate and emissions regulation, potential carbon-pricing and methane-management requirements, changes in long-term natural-gas demand, increasing competitiveness of lower-carbon technologies and changing financing expectations. These risks could affect operating and capital expenditure, production and revenue, asset utilisation, project economics, reserve monetisation and access to finance over the medium to long term. Based on the current assessment, transition-risk exposure is expected to become more significant as transition pathways diverge and long-lived hydrocarbon assets become increasingly sensitive to changes in regulation, market demand, technology and financing conditions. PPL intends to progressively develop an asset- and business-activity-level methodology to quantify the amount and percentage of exposure to transition risks.

5.1.3 ASSETS OR BUSINESS ACTIVITIES VULNERABLE TO PHYSICAL RISKS

PPL is developing processes to quantify the amount and percentage of assets and business activities vulnerable to climate-related physical risks. The current assessment remains primarily qualitative and indicates that exposure is concentrated in producing and processing assets and supporting infrastructure, including wells, pipelines, rights-of-way, access roads, utilities and other field infrastructure. Location-specific impacts from flooding and severe weather have occurred during the reporting period, including repair and restoration requirements at certain operating locations. PPL’s higher-warming scenario also indicates that exposure to flooding, extreme heat and water stress could increase over time and may place greater pressure on operational continuity, infrastructure resilience and water-dependent activities. PPL therefore considers physical-risk exposure to be presently concentrated at specific locations rather than quantified at an enterprise-wide level. The Company is progressing physical climate-risk assessment and asset-level hazard mapping to support future quantification of the amount and percentage of assets or business activities vulnerable to physical climate risks.

5.1.4 ASSETS OR BUSINESS ACTIVITIES ALIGNED WITH CLIMATE-RELATED OPPORTUNITIES

PPL has identified climate-related opportunities principally in resource and operational efficiency, methane, flaring and hydrocarbon-loss reduction, renewable and lower-emissions energy, and carbon-management activities. The current opportunity portfolio is represented mainly by specific operational initiatives and projects within existing producing and processing assets rather than by a separately defined portfolio of climate-aligned assets or business activities. These initiatives include water and energy-efficiency measures, hydrocarbon recovery and loss-reduction activities, solar-energy deployment, geothermal-energy evaluation and assessment of carbon capture and storage opportunities. While PPL has not yet quantified the amount or percentage of assets or business activities aligned with climate-related opportunities, these activities provide an initial basis for identifying parts of the business that may become increasingly aligned as related initiatives progress. PPL intends to further develop the methodology for identifying and quantifying opportunity-aligned assets and business activities as its climate-related planning, project evaluation and data-classification processes mature.

5.1.5 CAPITAL DEPLOYED TOWARDS CLIMATE RISK AND OPPORTUNITIES

During FY2025-26, PPL deployed PKR 8.58 million of capital towards climate-related opportunities, comprising expenditure on solar-energy installations. This expenditure relates to the lower-emissions energy and carbon-management opportunity described in Section 3.1.9. In addition, approximately PKR 48.88 million of capital expenditure has been approved for FY2026-27, comprising approximately PKR 27.68 million for solar-energy installations, PKR 0.18 million for a utility-water flow meter at Adhi Field to support resource and water-use efficiency, PKR 3.77 million for wireline logging and potential fluid sampling at the upcoming Gambat South water-disposal well to evaluate the Ranikot Formation for potential CCS and PKR 17.25 million for repairs and restoration following excessive rainfall and flash flooding at Dhok Sultan. This approved amount represents planned capital allocation and had not been deployed as at June 30, 2026.

5.1.6 INTERNAL CARBON PRICE

PPL has not yet established a formal policy or process to use internal carbon price in the decision-making.

5.1.7 REMUNERATION

PPL has incorporated overall sustainability-related KPOs into departmental and individual performance objectives, including through relevant Balanced Scorecards. Presently, the climate-related performance indicators are not separately linked to executive remuneration. Therefore, identification of remuneration percentage attributable specifically to climate-related considerations is not separately available for FY2025-26.

5.2 INDUSTRY-BASED METRICS

PPL has also considered Volume 11: Oil & Gas - Exploration & Production (2023) of the industry based guidance to IFRS S2. Accordingly, following industry-based metrics are considered relevant and reported accordingly.

REFERENCE	METRIC	FY2025-26
EM-EP-110a.1	Gross Scope 1; % subject to emissions-limiting regulation	See 5.1.1
EM-EP-110a.2	Scope 1 from flaring, other combustion, process and other venting emissions	See 5.1.1
EM-EP-110a.3	Scope 1 emissions strategy, targets and performance	See 3.1.1, 3.1.8, 3.2 and 5.3
EM-EP-140a.1	a) Total water withdrawn b) % from high baseline stress c) Total water consumed d) % from high baseline stress (Metric includes both E&P and Mining Operations)	2,579 Mega liters 49% 1,887 Mega liters 98%
EM-EP-140a.2	Volume of produced water	912 Mega liters
EM-EP-420a.3	Investment in renewable energy - No revenue earned from renewable energy - In addition to existing investment , the approved solar-related capital expenditure for FY2026-27 is approximately PKR 27.68 million.	PKR 8.58 million

REFERENCE	METRIC	FY2025-26
EM-EP-420a.4	Effect of prices, demand and climate regulation on E&P capital allocation	No significant effects were identified. (also see 3.1.1, 3.1.8 & 3.2)
EM-EP-000.A	Production of: (1) oil (2) natural gas	4,078 Mbbl 208,787 MMscf
EM-EP-000.B	Number of offshore sites (includes PPL-operated blocks)	2 Nos.
EM-EP-000.C	Number of terrestrial sites (includes PPL-operated blocks and fields)	31 Nos.

5.3 TARGETS

PPL has undertaken significant efforts to first measure its GHG footprint before establishing companywide climate targets. Its GHG data is reported using a reliable software solution (VelocityEHS). A structured climate-target framework is under development as part of PPL’s broader decarbonisation and ESG planning. PPL has, however, established and is progressing a number of operational objectives and initiatives relevant to climate mitigation, including flare reduction, methane-management activities, evaluation of LDAR, solarisation and energy-efficiency measures. These initiatives are monitored through departmental performance arrangements, ESG KPOs and related operational reviews, providing a foundation for the development of a company-wide quantified emissions-reduction pathway. PPL is also a signatory to the Oil & Gas Decarbonization Charter, which includes a sector commitment towards near-zero upstream methane emissions by 2030.



Chief Financial Officer



Director



Chief Executive Officer

THE VALUE THAT ENDURES

Sustainable growth is built over time. This chapter reflects PPL's financial strength, resilience and ability to create enduring value through disciplined performance and strategic vision.



SIX YEARS' SUMMARY

FINANCIAL PERFORMANCE

		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
EBITDA Margin to sales ¹	%	59	59	66	63	64	60
Operating Leverage	%	45	118	163	(424)	77	(22)
Pre tax Margin	%	46	49	58	55	57	52
Net profit to sales	%	35	26	34	40	38	37
Gross Profit ratio	%	58	65	67	66	63	61
Return on Equity	%	13	12	18	18	13	13
Return on Capital Employed	%	15	20	27	23	18	16

OPERATING PERFORMANCE / LIQUIDITY

Total assets turnover ⁷	times	0.29	0.35	0.40	0.34	0.26	0.27
Fixed assets turnover	times	0.97	1.42	2.09	2.14	1.76	1.77
Debtors turnover ⁷	times	0.61	0.64	0.63	0.56	0.46	0.48
Debtors turnover ⁷	days	601	571	576	649	786	762
Current ratio ⁷	ratio	4.42	3.57	3.35	3.59	4.81	4.53
Quick ratio ⁷	ratio	4.36	3.52	3.31	3.55	4.75	4.47
Cash to Current Liabilities ⁷	times	0.81	0.26	0.27	0.47	0.43	0.53
Cash flow from Operations to Sales	times	0.36	0.20	0.05	0.28	0.09	0.40
Creditors turnover ²	times	-	-	-	-	-	-
Creditors turnover ²	days	-	-	-	-	-	-
Inventory turnover ²	times	-	-	-	-	-	-
Operating Cycle ²	days	-	-	-	-	-	-

CAPITAL MARKET / CAPITAL STRUCTURE ANALYSIS

Market value per share as at June 30	Rs	86.83	67.51	59.14	117.11	170.17	242.62
- Low during the year	Rs	76.85	64.22	51.05	63.58	106.40	161.13
- High during the year	Rs	106.05	90.00	83.84	137.90	216.50	284.60
Breakup value per share	Rs	143.53	159.82	198.73	235.05	259.41	286.49
Basic and Diluted EPS ⁵	Rs	19.27	19.68	35.99	42.01	33.82	36.21
Price earning ratio ⁶	ratio	4.51	3.43	1.64	2.79	5.03	6.70
Cash Dividend Yield	%	4.03	2.96	4.23	5.12	4.41	4.95
Cash Dividend Cover Ratio	times	5.51	9.84	14.40	7.00	4.51	3.02
Total Shareholder Return / Return on investment	%	2.94	(18.22)	(10.18)	106.48	51.66	49.64
Price to Book Ratio	times	0.60	0.42	0.30	0.50	0.66	0.85
Debt Equity Ratio ³	ratio	-	-	-	-	-	-
Weighted average cost of debt ³	%	-	-	-	-	-	-
Interest Cover Ratio ³	ratio	-	-	-	-	-	-
Financial Leverage Ratio ³	ratio	-	-	-	-	-	-
Cashflow Coverage Ratio ³	ratio	-	-	-	-	-	-

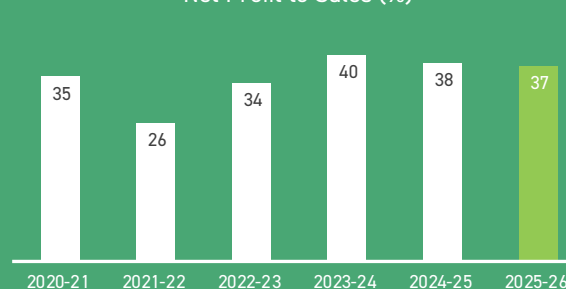
EMPLOYEE PRODUCTIVITY RATIOS

Production per employee	MMscfde	0.32	0.31	0.32	0.28	0.25	0.26
Revenue per employee	Rs million	55.9	77.4	112.97	111.50	95.37	103.86
Staff turnover ratio	%	0.5	0.8	1.1	1.7	1.0	0.8

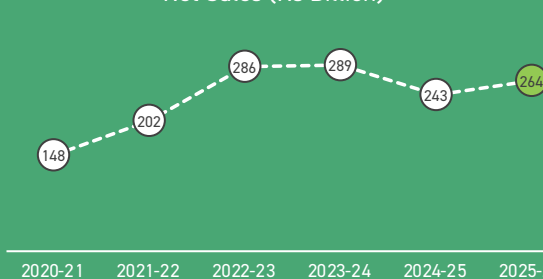
SUMMARY OF STATEMENT OF PROFIT OR LOSS

	RS. MILLION					
Sales - Gross (including Govt. levies)	172,507	235,240	327,050	328,278	277,395	300,781
Sales - Net (excluding Govt. levies)	148,429	202,199	286,480	288,797	242,516	264,015
Profit before Tax	68,582	98,131	165,601	159,782	139,083	136,699
Profit after Tax	52,431	53,546	97,937	114,309	92,027	98,533
EBITDA ¹	87,847	120,223	188,633	183,050	155,567	157,729

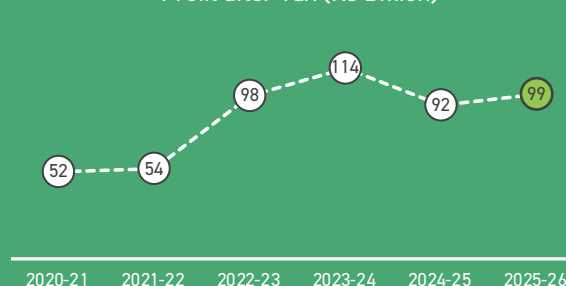
Net Profit to Sales (%)



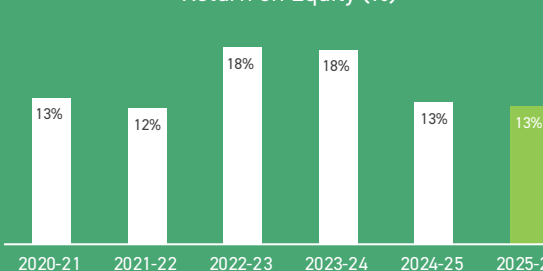
Net Sales (Rs Billion)



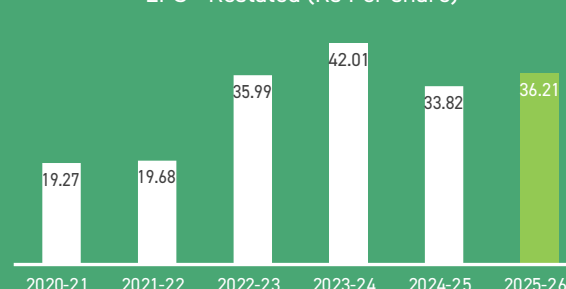
Profit after Tax (Rs Billion)



Return on Equity (%)



EPS - Restated (Rs Per share)



ANALYSIS

- The Company's profit after tax (PAT) increased by over PKR 6 billion, compared to last year, mainly due to higher international crude oil prices and increased sales volumes resulting from production from new wells, easing of gas curtailment on SNGPL's network and higher gas offtakes by GENCO-II from Kandhkot, which together lifted sales revenue by ~PKR 21 billion. This was partly offset by higher operating expenses arising from inflationary pressures and lower other income following the decline in interest rates. The current year's results also include the reversal of Super Tax provision amounting to PKR 8.1 billion relating to prior years following the judgement of the Federal Constitutional Court of Pakistan.
- Return on Equity (ROE) remained broadly in line with the previous year at 12.6% in FY 2025-26 compared to 13.0% in FY 2024-25, as growth in the Company's equity base outpaced the increase in profitability.
- The increase in PAT resulted in a corresponding improvement in earnings per share (EPS), which increased to PKR 36.2 from PKR 33.8 in the previous year, with no change in the number of ordinary shares outstanding during the year.

SIX YEARS' SUMMARY

CORPORATE DISTRIBUTION

		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Dividend - Interim	Rs million	4,081	4,081	2,721	9,523	13,605	16,326
- Final	Rs million	5,442	1,360	4,081	6,802	6,802	16,326
Cash Dividend per share ⁴	Rs	3.50	2.00	2.50	6.00	7.50	12.00
Cash Dividend Payout Ratio ^{4 & 6}	%	18.16	10.16	6.95	14.28	22.18	33.1

SUMMARY OF STATEMENT OF FINANCIAL POSITION

	RS. MILLION	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Share Capital		27,210	27,210	27,210	27,210	27,210	27,210
Reserves		363,318	407,665	513,538	612,364	678,625	752,326
Shareholders' funds		390,528	434,875	540,747	639,573	705,835	779,536
Non - Current Liabilities		59,841	64,759	71,605	71,334	76,443	80,602
Current Assets ⁷		382,035	446,840	594,749	705,349	696,506	745,745
Current Liabilities ⁷		86,515	125,312	177,758	196,541	144,868	164,492
Property, Plant & Equipment		146,584	137,840	135,860	134,020	140,623	157,940
Long Term Investments		7,992	5,976	59,367	67,852	89,669	120,646
Stores and Spares		4,568	5,496	5,929	6,862	8,810	9,674
Trade Debts ⁷		282,285	365,792	513,033	577,586	592,404	623,450
Short term investments		85,012	66,407	62,105	104,767	74,165	95,064
Cash and bank balances		4,243	3,723	6,106	7,074	6,199	7,166

SUMMARY OF STATEMENT OF CASHFLOWS

Cash and Cash equivalents at the beginning of the year		19,726	69,910	32,930	47,757	92,806	62,787
Net Cash generated from operating activities		53,546	41,242	13,096	80,879	22,016	106,733
Net Cash generated from / (used in) investing activities		3,238	(69,124)	5,946	(21,475)	(32,012)	(59,559)
Net Cash used in financing activities		(6,600)	(9,098)	(4,215)	(14,355)	(20,022)	(23,351)
Net change in cash and cash equivalents		50,184	(36,980)	14,827	45,049	(30,018)	23,823
Cash and Cash equivalents at the end of the year		69,910	32,930	47,757	92,806	62,787	86,610
Free Cash Flows		43,418	(14,647)	677	60,888	(12,688)	45,383
Cash flow to capital expenditures		3.96	1.87	0.73	3.30	0.68	2.87

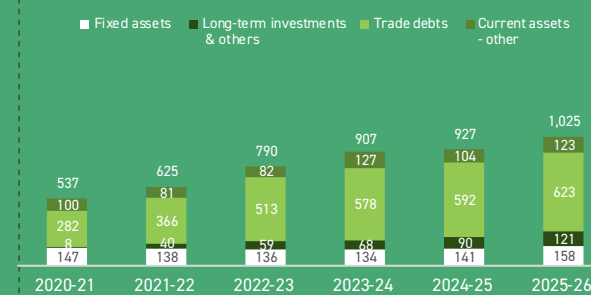
OTHERS

Payments to Government Exchequer	Rs million	72,975	94,569	129,392	155,062	209,072	134,731
Market Capitalisation	Rs million	236,262	183,693	160,918	318,653	463,028	660,162
Spares Inventory as a % of NBV of PPE	%	3.12	3.99	4.36	5.12	6.27	6.13
Realized price	\$/boe	19.4	25.4	25.6	25.9	24.8	26.5
% of Plant availability	%	99.1	99.4	99.7	98.8	99.5	99.4
Maintenance cost as % of operating expenses	%	6.1	6.0	5.5	5.8	6.3	5.8

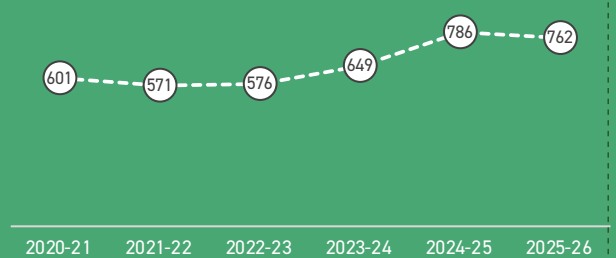
NOTE:

1. EBITDA stands for Earnings before interest, taxes, depreciation, impairment and amortisation.
2. Not applicable in view of the nature of the Company's business.
3. Not applicable as the Company does not have debt besides long-term financing for employees vehicles and lease liabilities for right-of-use asset, which forms a negligible part of its capital structure.
4. Includes declaration of final cash dividend subsequent to year end.
5. Convertible Preference Shares are of insignificant value in the Company's total share capital therefore it has negligible dilution effect on EPS.
6. Price earnings ratio and cash dividend payout ratio have been calculated on basic EPS.
7. In accordance with the guidance issued by ICAP, effect of GDS has been excluded from these line items.

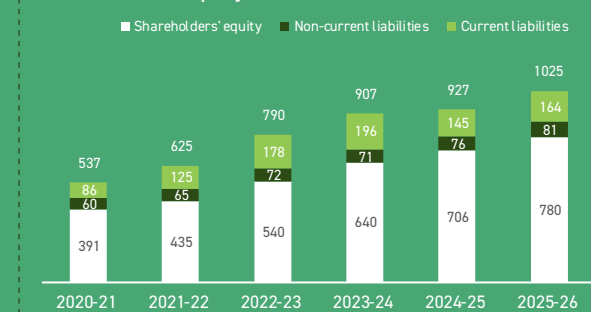
Assets (Rs Billion)



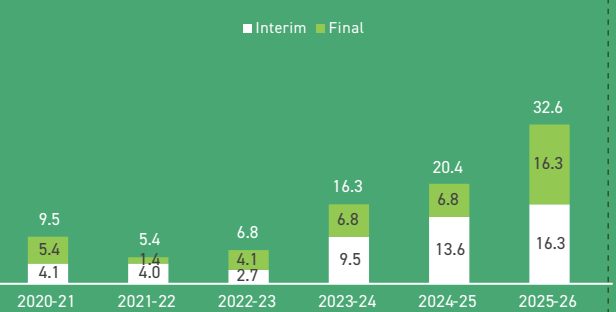
Debtor Days



Equity & Liabilities (Rs Billion)



Dividends Declared (Rs Billion)



ASSETS

Trade debts increased by PKR 31 billion, representing an increase of 5% as compared to last year, primarily attributable to higher international oil prices towards the close of the financial year amid geopolitical developments, together with additional billing following the commencement of production from Baragzai X-1 in the Nashpa Block towards the year end. The collection ratio remained at approximately 91%, while debtor days improved to 762 from 786, as growth in sales outpaced the increase in trade receivables.

Long-term investments increased due to additional equity contributions to associated companies, namely Pakistan Minerals (Private) Limited and Pakistan International Oil Limited. Fixed assets increased primarily due to investments in development projects, production facilities and related infrastructure. Current assets increased, mainly driven by higher short-term investments.

EQUITY & LIABILITIES

Shareholders' equity increased by around 10% over last year, reflecting healthy profitability and earnings. Non-current liabilities increased slightly, mainly due to additional provision for decommissioning obligations and deferred liabilities, partly offset by lower deferred taxation. Current liabilities increased primarily due to higher trade and other payables, mainly on account of incremental provision for windfall levy on oil and condensate relating to Tal block and accrual of lease extension bonus for the Sui gas field.

No defaults occurred on debt repayments during the year.

DIVIDENDS DECLARED

Improved profitability and liquidity enabled the Company to increase shareholder distributions during the year. A final dividend of 60% was declared in addition to three interim dividends aggregating to 60%, taking the total payout to 120% compared to 75% in the previous year. The final dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting.

VERTICAL ANALYSIS

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	(%age)					
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	27.3	22.1	17.2	14.8	15.2	15.4
Intangible assets	-	-	-	-	-	-
Long-term investments	1.5	1.0	7.5	7.5	9.7	11.8
Deposit with GoP for equity stake in Reko Diq	-	5.5	-	-	-	-
Long-term loans	-	-	-	-	-	-
Long-term deposits	-	-	-	-	-	-
Stores and spares	0.9	0.9	0.8	0.8	1.0	0.9
Trade debts	52.6	58.6	64.8	63.7	63.7	60.9
Loans and advances	0.1	0.1	0.1	-	0.1	0.1
Trade deposits and short-term prepayments	0.1	-	0.1	0.1	0.1	0.1
Interest accrued	0.1	-	0.2	0.1	0.1	0.1
Current maturity of long-term loans	-	-	-	-	-	-
Current maturity of long-term deposits	0.2	0.2	0.2	0.2	0.2	0.2
Current maturity of long-term receivables	-	-	-	-	-	-
Other receivables	0.6	0.4	0.4	0.5	1.2	0.5
Short-term investments	15.8	10.6	7.9	11.5	8.0	9.3
Cash and bank balances	0.8	0.6	0.8	0.8	0.7	0.7
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0
Share capital	5.1	4.4	3.4	3.0	2.9	2.7
Reserves	67.7	65.2	65.0	67.5	73.3	73.4
Provision for decommissioning obligations	5.0	5.2	5.3	5.0	5.1	5.0
Long term financing	-	-	-	0.1	0.1	0.1
Lease liabilities	-	-	-	-	-	0.1
Deferred liabilities	0.6	0.5	0.5	0.5	0.6	0.6
Deferred taxation - net	5.6	4.6	3.3	2.3	2.5	2.1
Trade and other payables	12.2	14.0	13.9	13.9	8.6	9.5
Unclaimed dividends	0.1	0.2	0.2	-	-	-
Current maturity of long term financing	-	-	-	-	-	-
Current maturity of lease liabilities	-	0.2	0.1	-	-	-
Taxation - net	3.7	5.7	8.3	7.7	6.9	6.5
Total Shareholders' Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
STATEMENT OF PROFIT OR LOSS						
Sales - Net (excluding Govt. levies)	100.0	100.0	100.0	100.0	100.0	100.0
Expenditures & other income - net	53.8	51.4	42.2	44.7	42.6	48.2
Taxation	10.9	22.1	23.6	15.7	19.4	14.5
Profit after Tax	35.3	26.5	34.2	39.6	38.0	37.3

STATEMENT OF FINANCIAL POSITION

Trade debts remained the largest component of total assets, accounting for 61% compared with 64% last year, as the accumulated circular debt continues to be a challenge despite improved collections during the year. Property, plant and equipment remained broadly stable at 15% of total assets. Short-term investments increased to 9% from 8%, reflecting improved liquidity. Long-term investments increased to nearly 12% from 10%, mainly due to additional equity contributions to Pakistan Minerals (Private) Limited and Pakistan International Oil Limited.

Share capital and reserves remained the principal source of funding, representing approximately 76% of

total assets, broadly in line with last year. Trade and other payables increased to 10% from 9%, mainly due to provision for windfall levy on oil and condensate relating to Tal block and accrual of lease extension bonus for the Sui gas field.

STATEMENT OF PROFIT OR LOSS

Profit after tax represented 37% of net sales in FY 2025-26 compared with 38% last year. Operating expenses increased as a proportion of sales, mainly due to inflationary pressures. This impact was partly offset by the reduction in taxation to 14% of sales from 19%, primarily reflecting the reversal of the Super Tax provision.

HORIZONTAL ANALYSIS

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	(%)					
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	100	94	93	91	96	108
Intangible assets	100	54	27	59	109	75
Long-term investments	100	502	743	849	1,122	1,510
Long-term loans	100	116	135	180	207	249
Long-term deposits	100	100	100	100	100	100
Stores and spares	100	120	130	150	193	212
Trade debts	100	130	182	205	210	221
Loans and advances	100	80	85	61	71	138
Trade deposits and short-term prepayments	100	111	184	277	277	335
Interest accrued	100	51	325	239	220	254
Current maturity of long-term loans	100	123	142	176	217	227
Current maturity of long-term deposits	100	125	140	140	140	140
Current maturity of long-term receivables	100	88	37	-	-	-
Other receivables	100	86	99	161	351	179
Short-term investments	100	78	73	123	87	112
Cash and bank balances	100	88	144	167	146	169
Total Assets	100	116	147	169	173	191
Share capital	100	100	100	100	100	100
Reserves	100	112	141	169	187	207
Provision for decommissioning obligations	100	121	156	170	174	189
Long term financing	-	-	-	100	121	104
Lease liabilities	-	-	-	-	-	100
Deferred liabilities	100	108	117	134	173	204
Deferred taxation - net	100	96	87	68	76	72
Trade and other payables	100	132	167	192	122	148
Unclaimed dividends	100	192	230	60	66	75
Current maturity of long term financing	-	-	-	100	191	225
Current maturity of lease liabilities	100	331,217	260,498	-	-	31,846
Taxation - net	100	179	327	348	320	330
Total Shareholders' Equity and Liabilities	100	116	147	169	173	191
STATEMENT OF PROFIT OR LOSS						
Sales - net (excluding Govt. levies)	100	136	193	195	163	178
Expenditures & other income - net	100	130	151	162	130	159
Taxation	100	276	419	282	291	236
Profit after Tax	100	102	187	218	176	188

STATEMENT OF FINANCIAL POSITION

Long-term investments exceeded 15 times the base year, due to equity contributions in Pakistan Minerals (Private) Limited and Pakistan International Oil Limited. Trade debts stood at over 2.2 times the base year, reflecting the accumulation of circular debt in the gas sector despite improved collections during the year. Stores and spares reached over 2.1 times the base year, reflecting inventory maintained to support operating and development activities. Short-term investments were around 1.1 times the base year, supported by funds generated from operations.

Trade and other payables stood at nearly 1.5 times the base year, mainly due to higher provisions for windfall levy on oil and condensate relating to Tal block and the accrual of lease extension bonus for the Sui gas field. Provision for taxation was around 3.3 times the base

year, partially reflecting the increase in profitability and accrual of provision on sub-judice matters. Share capital and reserves reached approximately 2.1 times the base year, mainly due to the accumulation of retained earnings as dividend payouts have remained suppressed as compared to earnings due circular debt.

STATEMENT OF PROFIT OR LOSS

The Company continued to report strong profitability, with Profit after Tax (PAT) rising to around 1.9 times the base year. Sales revenue improved to approximately 1.8 times the base year mainly due to increase in crude oil price and rupee devaluation. Expenditures (net of other income) increased to about 1.6 times the base year, primarily reflecting the cumulative impact of inflation over the period, together with higher operating and development activities. Overall, growth in profit after tax remained ahead of the increase in expenditure.

QUARTERLY ANALYSIS

	First Quarter ended September 30, 2025	Second Quarter ended December 31, 2025	Third Quarter ended March 31, 2026	Fourth Quarter ended June 30, 2026	Total year ended June 30, 2026
Rs Million					
Revenue - net	56,812	61,190	61,035	84,978	264,015
Profit after Tax	20,088	20,299	20,770	37,376	98,533
Sales volume					
- Gas (MMscf)	40,980	43,108	43,879	45,851	173,818
- Crude Oil/NGL /Condensate (thousand bbls)	902	985	964	1,165	4,016
- LPG (Tonnes)	23,305	24,559	25,088	29,651	102,603

ANALYSIS

The Company's revenue and profitability showed an overall upward trend during the year, with revenue remaining broadly stable in the second and third quarters and increasing significantly in the fourth quarter. The increase in fourth-quarter revenue was primarily attributable to higher sales volumes, supported by reversal of gas curtailment and commencement of production from the Baragzai X-1 discovery, together with higher crude oil prices. Profit after tax broadly followed the revenue trend and was further supported by the reversal of provision for Super Tax amounting to PKR 8.1 billion relating to prior years in the fourth quarter.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

For management reporting purposes, the Company operates as a single reportable segment comprising the exploration, development and production of hydrocarbons and minerals. Mining activities are undertaken through Bolan Mining Enterprises (BME) and Pakistan Minerals (Private) Limited. During the year, the non-E&P business contributed 0.4% to total revenue compared to 1.1% in the previous year, owing to the security situation in the area of operations.

METHODS AND ASSUMPTIONS IN COMPILING INDICATORS

Performance indicators, including key ratios, have been computed using data extracted from the Company's internal records, comprising audited financial statements, production reports and management information systems. Where relevant, external information has been sourced from publicly available market data, including PSX disclosures and analysts' reports.

OUTSTANDING FISCAL PAYMENTS

The following major taxes and duties are outstanding, with further details provided in the financial statements:

- Lease extension bonus in respect of Sui.
- Windfall levy on Tal's oil/condensate – currently under litigation.
- Royalty and windfall levy – calculated based on varying number of days for each development and production lease.
- Federal Excise Duty – pertaining to June 2025.
- Gas Development Surcharge (GDS) – payable upon collection from GENCO-II.
- Other miscellaneous obligations – under the Petroleum Concession Agreements (PCA).

EXPLANATION OF NEGATIVE CHANGE IN PERFORMANCE AGAINST PRIOR YEAR

Negative change in performance has been adequately explained in respective sections including commentary on six years' performance, vertical and horizontal analysis, monitoring of KPIs and quarterly analysis.

ANY SIGNIFICANT CHANGE IN ACCOUNTING POLICIES

There were no material changes in accounting policies, judgements or assumptions.

STATEMENT OF VALUE ADDITION

Gross Revenue (Excise Duty, Sales Tax and Petroleum Levy)
Less: Operating, Exploration and Admin Expenses

Add: Other Income
Less: Other Expenses
Total Value Added

DISTRIBUTED AS FOLLOWS:

Employees Remuneration and Benefits
Federal / Provincial Government as:
Company Taxation
Levies (including Excise Duty, Sales Tax & Petroleum Levy)
Royalties and Other Levies (including Lease Extension Bonus, Windfall Levy)
Workers' Profit Participation Fund
Dividend *

To Shareholders other than the Government as:
Dividend *

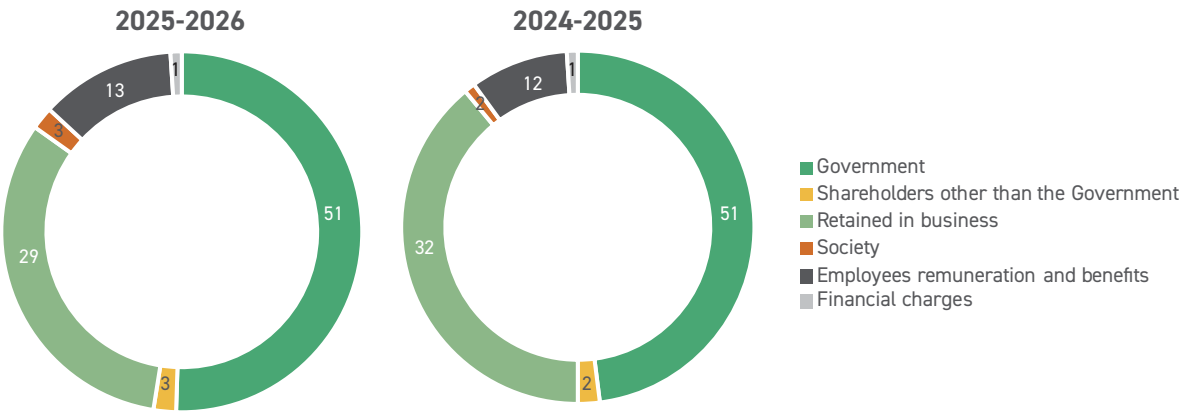
To Society

Retained in Business:
Depreciation and Amortisation
Net Earnings

Financial Charges

* Includes final cash dividend recommended by the Board of Directors subsequent to the year end.

2025-26		2024-25	
Rs million	%	Rs million	%
300,781	103	277,395	101
(20,153)	(7)	(24,214)	(9)
280,628	96	253,181	92
13,143	5	24,169	9
(2,785)	(1)	(3,065)	(1)
290,986	100	274,285	100
38,077	13	32,403	12
38,350	13	47,611	17
36,767	13	34,879	13
43,070	15	36,935	14
6,826	2	6,276	2
24,444	8	13,777	5
149,457	51	139,478	51
8,207	3	6,630	2
8,334	3	4,650	2
19,029	6	17,088	6
65,882	23	71,620	26
84,911	29	88,708	32
2,000	1	2,416	1
290,986	100	274,285	100

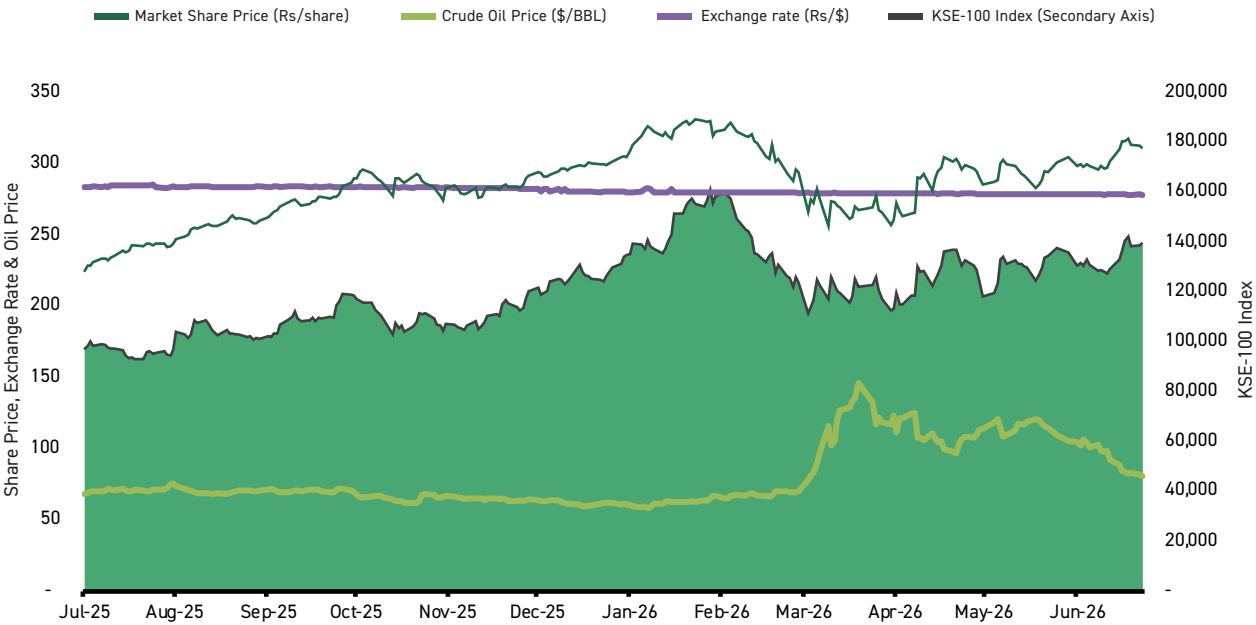


DUPONT ANALYSIS

	2024-25	2025-26
Equity Multiplier	1.3	1.3
Total Assets Turnover	26%	27%
Net Profit Margin	38%	37%
Return on Equity	13%	13%

The slight increase in asset turnover is attributable to higher sales revenue resulting from an increase in crude oil prices and higher sales volumes during the year, with increase in revenue outpacing the increase in underlying assets. The net profit margin decreased slightly due to increase in operating costs due to inflationary effects. The equity multiplier and return on equity remained broadly in line with the previous year.

SENSITIVITY ANALYSIS



The Company's share price continues to exhibit sensitivity to multiple factors, including global crude oil prices and overall stock market performance represented by the KSE-100 index. While the Company's revenues are linked to international oil prices, the impact remains relatively moderate as a major portion of revenue is derived from gas sale. Gas pricing varies on sliding scale and do not move in direct proportion to oil price fluctuations. Notably, the Company's share price outperformed the KSE-100 Index by approximately 2.2% during the year.

During the year, the Company's share price has increased considerably, supported by strong operational performance, sustained customer collections and improved investor sentiment. The overall strength of the KSE-100 Index and relative stability in the exchange rate also provided a favourable market backdrop.

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

NAME OF COMPANY: PAKISTAN PETROLEUM LIMITED
YEAR ENDED: JUNE 30, 2026

The Company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are ten as per the following:
 - Male: Ten (10)
 - Female: None - The nomination of a new female director by the majority shareholder is pending since the sad demise of Ms. Khurshid Bhaimia in October 2024.
- The Composition of the Board is as follows:
 - Independent directors: Five (05)
 - Non-executive directors: Four (04)
 - Executive director: One (01)
 - Female director: None - The nomination of a new female director by the majority shareholder is pending since the sad demise of Ms. Khurshid Bhaimia in October 2024.
- The directors have confirmed that none of them is serving as director of more than seven listed companies, including this Company;
- The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed and approved vision / mission statements as well as Core Values of the Company. The Board has also developed overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval and / or revision is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters taken by the Board / shareholders as per the relevant provisions of the Companies Act, 2017 (the "Act") and relevant subordinate legislation;
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulation of minutes of meetings of the Board;
- The Board has a formal policy on Directors' fee for attending Board / Committee / General Meetings. No remuneration is paid to the directors of the Company, only the directors' fee is paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board and Board Committees. The Annual Report of the Company contains details of the directors' fee paid to individual directors;
- The directors are aware of their duties and strive to discharge them according to the highest standards. At year end, the Company is compliant with the optional requirement of Directors' Training Program stipulated in the Regulations;
- No new appointment of the Company Secretary or the Head of Internal Audit was done during the year. The Board has approved the appointment of CFO including his remuneration and terms and conditions of employment and complied with relevant requirements of the rules;
- The Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before approval of the Board;
- The Board has formed, among others, the following committees, comprising members given below

A) AUDIT COMMITTEE

Mr. Aftab Ahmad	Chairman
Mr. Imtiaz A.H. Laliwala	Member
Mian Imtiazuddin	Member
Mr. Qumar Sarwar Abbasi	Member
Mr. Usman Ahmed Chaudhry	Member

B) NOMINATIONS COMMITTEE

Mr. Abid Sattar	Chairman
Mr. Imtiaz A.H. Laliwala	Member
Mr. Qumar Sarwar Abbasi	Member
Mr. Shakeel Qadir Khan	Member

C) HUMAN RESOURCE COMMITTEE

Mr. Shahab Rizvi	Chairman
Mr. Abid Sattar	Member
Mr. Aftab Ahmad	Member
Mr. Mirza Nasir-ud-Din Mashhood Ahmad	Member
Mr. Mohammad Khalid Abdul Rehman	Member

D) ENTERPRISE RISK COMMITTEE

Mian Imtiazuddin	Chairman
Mr. Aftab Ahmad	Member
Mr. Imtiaz A.H. Laliwala	Member
Mr. Shahab Rizvi	Member
Mr. Shakeel Qadir Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as follows:
- a) Audit Committee: Quarterly;
 - b) Human Resource Committee: Quarterly;
 - c) Nomination Committee: Once; and
 - d) Enterprise Risk Committee: Once during the year;
15. The Board has set up an effective internal audit function which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan; that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and all their partners involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or any director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. Explanation for non-compliance with requirements, other than regulations 3, 6, 8, 27, 32, 33 and 36 are given below:
- a) Regulation No. 7 (Female Director): Nomination of a new female director remained pending from the majority shareholder, after the sad demise of Ms. Khurshid Bhaimia in October 2024.



SHAHAB RIZVI
Chairman, Board of Directors
Date: 14 September 2026

STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

NAME OF COMPANY: PAKISTAN PETROLEUM LIMITED
NAME OF LINE MINISTRY: MINISTRY OF ENERGY (PETROLEUM DIVISION)
FOR THE YEAR ENDED: JUNE 30, 2026

This statement has been drawn in compliance of the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules"). The Rules were issued for the purpose of establishing a framework of good governance for public sector companies, in line with the best practices for public sector governance.

The Company has complied with the provisions of the Rules in the following manner:

- The independent directors meet the criteria of independence, as defined under the Rules.
- The Board has at least one-third of its total members as independent directors. As at 30th June 2026, the Board includes:

CATEGORY	NAMES	DATE OF APPOINTMENT
INDEPENDENT DIRECTORS	i. Mr. Shahab Rizvi ii. Mr. Abid Sattar iii.Mr. Aftab Ahmad iv.Mr. Imtiaz A. H. Laliwala v. Mian Imtiazuddin	23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020
NON-EXECUTIVE DIRECTORS	i. Mr. Mirza Nasir-ud-Din Mashhood Ahmad ii. Mr. Qumar Sarwar Abbasi iii.Mr. Shakeel Qadir Khan iv.Mr. Usman Ahmed Chaudhry	9th January 2026 20th December 2024 4th September 2023 3rd February 2026
EXECUTIVE DIRECTOR	i. Mr. Mohammad Khalid Abdul Rehman	10th January 2026

- The directors have confirmed that none of them is serving as a director of more than five public sector companies and listed companies simultaneously, except their subsidiaries.
- The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of persons for election as Board members under the provisions of the Companies Act (the "Act").
- The Chairman of the Board is performing functions separately from the Chief Executive Officer of the Company.
- The Chairman was elected by the Board of directors.
- The Board evaluated the candidates for the position of Chief Executive Officer on the basis of fit and proper criteria as well as the guidelines specified by the Commission.
- (a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.
(b) The Board has ensured that appropriate steps have been taken to disseminate the Code of Conduct throughout the Company along with its supporting policies and procedures, including posting the same on the company's website www.ppl.com.pk.
(c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.

9. The Board has established a system of sound internal controls, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders in the manner prescribed in the Rules.
10. The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest.
11. The Board has developed and implemented a policy on anti-corruption, as part of the Code of Conduct, to minimize actual or perceived corruption in the Company.
12. The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.
13. The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.
14. The Board has developed a vision and mission statement and corporate strategy of the Company.
15. The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained by the Company.
16. The Company has not delivered any services or sold any goods as a public service obligation and no requests for compensation were submitted to the Federal Government for consideration.
17. The Board has ensured compliance with policy directions requirements received from the Government.
18. (a) The Board has met at least four times during the year.
- (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for the eight Board meetings conducted on 28th August 2025, 10th October 2025, 17th December 2025, 7th January 2026, 9th January 2026, 10th March 2026, 25th March 2026 and 19th May 2026 which were held at short notice due to operational exigencies evident from the agendas and minutes of the respective meetings. Formal waiver of notice was given by the Board of Directors during the subject meetings.
- (c) The minutes of the meetings were appropriately recorded and circulated.
19. The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.
20. The Board has reviewed and approved related party transactions placed before it after recommendation of the Board Audit Committee. A party-wise record of the transactions entered into with the related parties during the year has been maintained by the Company.
21. (a) The Board has approved the statement of profit or loss and the statement of financial position as at the end of the first, second and third quarters of the year as well as the financial year end.
- (b) The Board has prepared half yearly accounts and undertaken limited scope review by the external auditors.
- (c) The Board has placed the annual financial statements on the Company's website.
22. During the year, Board members underwent an orientation course arranged by the Company to apprise them of material developments and information as specified by the Rules.
23. (a) The Board has formed the requisite committees, as specified in the Rules.
- (b) The committees were provided with written terms of reference defining their duties, authority and composition.
- (c) The minutes of meetings of the committees were circulated to all the Board members.
- (d) The committees were chaired by the following non-executive directors:

COMMITTEE	NUMBER OF MEMBERS	NAME OF CHAIR
Audit Committee	Five	Mr. Aftab Ahmad
Enterprise Risk Committee	Five	Mian Imtiazuddin
Human Resource Committee	Five	Mr. Shahab Rizvi
Procurement Committee	Five	Mr. Imtiaz A.H. Laliwala
Nomination Committee	Four	Mr. Abid Sattar

24. No new appointment of the Company Secretary or the Head of Internal Audit was done during the year. The Board has approved the appointment of CFO including his remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.
25. The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.
26. The Company has adopted the International Financial Reporting Standards notified by the Commission in terms of Sub-section (1) of Section 225 of the Act.
27. The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.
28. The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.
29. (a) A formal policy for fixing the remuneration of individual directors has been set in place. No direct remuneration is paid to the directors of the Company. Only the directors' fees are paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board, Board Committees and general meetings.
- (b) The Annual Report of the Company contains details of the directors' fee paid to individual directors.
30. The financial statements of the Company were duly endorsed by the Chief Executive Officer and the Chief Financial Officer before consideration and approval of the Board Audit Committee and the Board.
31. The Board has formed an audit committee, with defined and written terms of reference, and having the following members:

NAME OF MEMBER	CATEGORY	PROFESSIONAL BACKGROUND
MR. AFTAB AHMAD	Independent Director	He is a seasoned professional with around 41 years of experience in finance and accounts, strategic business planning, project management and budgeting and management reporting for Oil and Gas sector and Aviation industry. He is a Chartered Accountant and also holds a Master's degree in Management Sciences along-with bachelor's degree in Mathematics and Economics. He is currently associated with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants, as partner at their Islamabad office.
MR. QUMAR SARWAR ABBASI	Non-Executive Director	He is in Civil Services since 1994 and currently serving as Additional Finance Secretary for Corporate Division, Ministry of Finance. He also served as Additional Secretary (HRM), Corporate Division, Ministry of Finance and Executive Director Operations at CPEC Authority and Senior Joint Secretary at Ministry of Planning, Development and Special Initiatives, Joint Secretary in the Ministry of Finance, Economic Affairs Division and the National Assembly and as Joint Secretary to the Cabinet, World Bank- China Debt Management and Public Accounts Committee. He did MA (Economics) in Development Administration and Management from the Institute for Development Policy and Management, University of Manchester, UK. He also holds MA degree in International Relations from University of Peshawar.
MR. IMTIAZ A.H. LALIWALA	Independent Director	A fellow member of ICAP as well as a member of Chartered Professional Accountants, Ontario, Canada, and has nearly four decades of rich experience with leading chartered accountancy firms at home and abroad. He remained associated with A.F. Ferguson & Co. Chartered Accountants for almost 28 years. Currently, he is serving as an independent director on the Board of Hoechst Pakistan Limited (formerly, Sanofi-Aventis Pakistan Limited) and as a member on the Board of Governors of The Kidney Centre Post Graduate Training Institute. He also served as a member of the Audit Oversight Board during 2019-2022.

NAME OF MEMBER	CATEGORY	PROFESSIONAL BACKGROUND
MIAN IMTIAZUDDIN	Independent Director	He has over 50 years of experience in the Oil and Gas industry in Pakistan and abroad. He holds a B.E degree from Peshawar University.
MR. USMAN AHMED CHAUDHRY	Non-Executive Director	He is a senior civil servant with over 25 years of diverse experience in public administration, governance, and development policy. He was serving as Additional Secretary (Administration), Ministry of Energy, Petroleum Division, Government of Pakistan. He has held several key leadership positions in the Government of Pakistan, including Special Secretary/ Finance Secretary, Government of Punjab, Special Secretary to the Chief Minister Punjab, District Coordination Officer (Attock and Bahawalnagar), and Programme Director, Punjab Resource Management Programme.

The Chief Executive and the Chairman of the Board are not members of the Audit Committee.

32. (a) The Chief Financial Officer, the Chief Internal Auditor and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.
- (b) The audit committee met the external auditors, during the year, in the absence of the chief financial officer, the chief internal auditor and other executives.
- (c) The audit committee met the chief internal auditor and other members of the internal audit function, during the year, in the absence of the chief financial officer and the external auditors.
33. (a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.
- (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.
- (c) The internal audit reports have been provided to the external auditors for their review.
34. The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.
35. The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.
36. Explanation for the Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that material requirements of the Rules have been fully complied with except the following matter:

S.NO	RULE / SUB RULE NO.	REASON FOR NON-COMPLIANCE	FUTURE COURSE OF ACTION
01	3(A)	One casual vacancy that occurred on the Board on 13th October 2024 due to the demise of Ms. Khurshid Bhaimia still exists on the Board due to non-receipt of nomination from the majority shareholder.	The casual vacancy could not be filled in within the prescribed period of 90 days due to non-receipt of nomination from the Majority Shareholder. A new female member of the Board shall be elected in the election of Directors scheduled soon.



MOHAMMAD KHALID ABDUL REHMAN
Managing Director & Chief Executive Officer
Date: 14 September 2026



SHAHAB RIZVI
Chairman, Board of Directors



KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Petroleum Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statements of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein after referred to as 'Codes') prepared by the Board of Directors of Pakistan Petroleum Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of Listed Companies (Code of Corporate Governance) Regulations, 2019 and provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review whether the Statements of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Codes.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 30 June 2026.

Further we highlight below instances of non-compliances with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in Statements of Compliances.

Paragraph / Section

Sr. No	Reference	Description
01	As reflected in paragraph 18(a) of the Statement of Compliance with the Listed	Nomination of a new female director is pending from the majority shareholder, after the sad



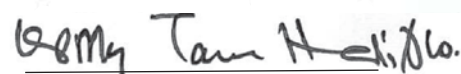
KPMG Taseer Hadi & Co.

	Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations"), Regulation 7, read with Section 154(1) of the Companies Act, 2017, mandates that every Public Interest Company, including listed entities, shall ensure the appointment of at least one female director on its Board.	demise of Ms. Khurshid Bhaimia in October 2024.
02	As reflected in paragraph 36(01) of the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013, and in accordance with the requirements of Rule 3A(2), every Public Sector Company is required to ensure the timely filling of any casual vacancy on the Board within ninety (90) days from the date such vacancy arises.	One casual vacancy that occurred on the Board on 13 October 2024 due to the demise of Ms. Khurshid Bhaimia still exists on the Board due to non-receipt of nomination from the majority shareholder.

30 September 2026

Islamabad

UDIN: CR202610245kgP4IRjlc


KPMG Taseer Hadi & Co.
Chartered Accountants

REPORT OF THE BOARD AUDIT COMMITTEE

Dear Shareholders,

It gives us immense pleasure to present the annual Audit Committee Report, which aims to provide insight into the key activities of the Board Audit Committee (BAC) conducted during the Financial Year (FY) ended in 2026.

COMPOSITION AND MEETINGS

The BAC comprises of five (05) directors, out of which three (03) members, including the Chairman, are Independent Non-Executive directors, whereas the remaining two (02) are Non-Executive directors. The Chairman of the BAC has relevant financial / accounting background.

During the FY ended 30th June 2026, the BAC met seven (07) times. The composition and number of meetings attended are as follows:

SR. NO.	NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
1.	Mr. Aftab Ahmad	Chairman	7
2.	Mr. Imtiaz A.H. Laliwala	Member	7
3.	Mian Imtiazuddin	Member	7
4.	Mr. Kumar Sarwar Abbasi	Member	7
5.	Mr. Zafar Abbas	Member	4
6.	Mr. Usman Ahmed Chaudhry *	Member	3

* Appointed as a BAC member w.e.f. 3rd February 2026, in place of Mr. Zafar Abbas.

KEY RESPONSIBILITIES AND ACTIVITIES

Key responsibilities of the BAC include providing assistance to the Board in fulfilling its oversight responsibilities over financial reporting, the effectiveness of risk management and control environment and related governance and compliance matters, overseeing the Whistle Blowing program, and monitoring the qualifications, expertise, resources, and independence of both the Internal and External Auditors. The performance of internal audit is assessed on a continuous basis, while that of External Auditors is assessed at least on an annual basis. The BAC is also responsible for making recommendation to the Board on the appointment of the External Auditors.

During FY ended 2026, BAC discharged its responsibilities and carried out its duties as set out in the Terms of Reference (ToRs) duly approved by the Board. Key activities undertaken by the BAC include the following:

1. Reviewed the interim and annual financial statements prior to the approval by the Board. The BAC believes that the non-financial information contained in the Annual Report, which is disclosed in the form of ratios, trends, graphs, analyses, explanatory notes, statements, etc provides necessary information to shareholders to assess the Company's position, its performance and future prospects.
2. Reviewed related party transactions entered into by the Company on a quarterly basis, including a comprehensive questionnaire completed by the Management in support thereof confirming that such transactions are compliant with the applicable laws.
3. Reviewed and approved the annual internal audit plan for effective implementation.
4. Reviewed the Management letter / Internal Control Report issued by the External Auditors in connection with the audit of financial statements and management responses thereto for ensuring that necessary steps have been taken to address the issues.

5. PPL's Whistle Blowing Policy provides a platform for its stakeholders to raise legitimate concerns and ensures that the complaints are handled fairly and transparently, protecting the complainant against any victimization. During the year, the Company further strengthened its Whistle Blowing Policy by ensuring that only those anonymous complaints are investigated which are supported by credible and corroborative evidence. No complaints were received under PPL's Whistle Blowing Policy during FY ended 2026. However, 15 other complaints were received and investigated by Internal Audit department and its outcome was presented to BAC.
6. Letters of Representation (LoR) from various Management functions was obtained with a focus to improve and strengthen the overall control environment, fill the gaps identified, and align the overall governance with industry best practices.
7. The BAC also reviewed the status of suspended / shut-in exploratory wells classified under Capital Work in Progress (CWIP) and periodically advised the management to determine its future potential for necessary impairment decision, if any.
8. The BAC reviewed the progress report of the Legal Department on significant pending litigation cases and inquiries by external agencies. The BAC also reviewed and approved departmental guidelines governing the engagement of advocates and law firms, thereby strengthening the internal control framework and enhancing transparency, consistency and governance in the selection of legal service providers.
9. Chairman of the Board Audit Committee also ensured his presence at the company's annual general meeting to respond to queries of the concerned stakeholders relating to the Audit Committee's activities undertaken during the year.
10. The BAC continuously monitored the status of receivables from customers and advised management to adopt diligent follow-up measures, with the objective of ensuring timely recovery of overdue amounts and strengthening the Company's liquidity and working capital position.
11. The BAC also reviewed significant audit observations raised by Internal Audit and ensured that the corresponding recommendations were implemented in a timely manner, thereby strengthening internal controls, improving compliance, and reinforcing sound governance practices across the organisation.
12. The BAC also advised the management to introduce a comprehensive Bid Evaluation and Criteria Development Procedures to further strengthen the governance and internal controls during contractor evaluation processes thereby promoting transparency, consistency and objectivity in procurement decisions.
13. The BAC directed management to undertake a benchmarking exercise against peer companies to evaluate leading industry practices relating to the composition, roles, responsibilities, and chairmanship of Procurement Committees. Based on the outcome of the exercise, management implemented enhancements to the composition of the Procurement Committee to further strengthen governance, oversight and decision-making effectiveness. The BAC also advised management to benchmark SAP IT related controls with other E&P sector companies, identify gaps and take appropriate measures to address the identified weaknesses and strengthen the overall control environment.
14. The BAC also reviewed the procedure for Corporate Social Media Management and provided strategic oversight to strengthen governance, enhance brand protection, and ensure appropriate controls over the Company's digital communications and social media engagement.

INTERNAL AUDIT

The Company has an Internal Audit Department, which is an independent and objective assurance function aimed at improving the Company's overall internal control framework. The Internal Audit function assists in the maintenance of a systematic and disciplined approach to evaluate and improve the design and effectiveness of the Company's risk management, control, and governance processes.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee and reports functionally to the BAC, with administrative reporting to the CEO. The Internal Audit Charter outlines the regulatory requirement relating to independence and all other rights, duties, and responsibilities of the Internal Audit function. The performance of the Head of Internal Audit is jointly assessed by the Chairman of the Board Audit Committee and the CEO.

The Head of Internal Audit serves as the secretary to the Committee and convenes all its meetings. The CFO attends the meeting by invitation, and the External Auditors attend the meetings on as required basis, usually where the Committee considers half-yearly and annual financial statements of the company.

The BAC has ensured that the Company's Internal Audit Function is equipped with staff having the necessary skill sets and professional qualification, enabling them to discharge their duties diligently. The staff include Chartered Accountants, Chartered Management Accountants, Certified Internal Auditors, Certified Information System Auditors and other similar professional qualification holders. The expertise within the Internal Audit Function at the end of FY 2026 comprises of Audit, Finance, and I.T. related professionals with extensive experience of the E&P industry. In addition to this, specialized independent technical resources from within the organization are also utilized on a need basis on technical assignments.

BAC took a keen interest in the scope and extent of the Internal Audit function and provided complete support to the function to enable it to achieve its objectives in an effective manner. The BAC monitored the work of the Internal Audit Department and also reviewed how effectively and timely the management implemented the recommendations made by Internal Audit.

In this regard, the following key steps were performed:

1. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system. Internal Audit Reports were also provided for the review of both Commercial and External Auditors.
2. Monitored progress of the Annual Internal Audit plan and deliberated on key recommendations having operational and internal control implications. BAC also reviewed significant Audit Observations highlighted by Internal Audit and ensured that timely requisite actions were taken by the management. BAC involved the highest level of management in the implementation process and assigned firm deadlines for all pending actions.
3. In compliance with the BAC's directives, Internal Audit also carried out certain special audits, including Complaints investigations received during the year and submitted its recommendations to the Management for implementation / necessary actions.

EXTERNAL AUDITORS

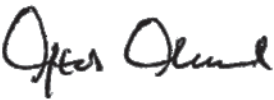
1. BAC recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, BAC evaluates the performance and independence of the Company's External Auditor.
2. External auditors, M/s. KPMG Taseer Hadi & Co. Chartered Accountants, have completed their audit of the Company's Financial Statements, the Consolidated Financial Statements, the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Statement of Compliance with Public Sector Companies (Corporate Governance) Rules 2013 for the FY ended 30th June 2026.
3. Being eligible for appointment / re-appointment, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, offered themselves for appointment / re-appointment as External Auditors of the Company for the FY ending 30th June 2027. External Auditors also apprised the BAC of the Firm's planned separation from KPMG's Global Network. After deliberations, BAC has recommended their appointment / re-appointment, as External Auditors of the Company for the year ending 30th June 2027.
4. The External Auditors have been allowed direct access to the BAC, and the effectiveness, independence, and objectivity of the Auditors have thereby been ensured. The Auditors have also attended the General Meetings of the Company held during the year.
5. A separate Policy governing additional services, including permitted non-audit services obtained from External Auditors, is in place, which is approved by the Board, and is designed to safeguard External Auditors objectivity and independence and includes rules relating to the hiring of additional services and stipulates which services require prior approval of the BAC. The Committee reviewed the scope of work and fee of all services obtained by Management from the Company's External Auditors in addition to the audit of its financial statements.

- 6. The BAC met two (02) times with the External Auditors during the year to discuss matters relating to the statutory audit of PPL and to obtain their views on the overall business environment, including going concern assumptions and overall effectiveness of internal controls over financial reporting. The BAC also received a detailed presentation from External Auditors on key audit and accounting matters, including future implications of the sustainability reporting framework.
- 7. The BAC also ensured that External Auditors have access to all the Company's records and personnel, which they require to conduct their work in an independent and efficient manner.

Furthermore, in accordance with the requirements of the Public Sector Companies [Corporate Governance] Rules, 2013 and the Listed Companies [Code of Corporate Governance] Regulations, 2019, the evaluation of performance of the Board and its Committees is carried out through third party i.e. Pakistan Institute of Corporate Governance [PICG], an accredited institution by SECP. The evaluation exercise is undertaken on an annual basis to enhance effectiveness and better understanding of the roles and responsibilities of the Board.

Looking ahead to 2027, BAC's key priorities will include maintaining a strong culture of risk management across the Company, effectiveness of internal controls, assessing the effect of changes in legislative and regulatory requirements such as State-Owned Enterprises (Governance and Operating) Act, 2023 (the SOE Act) and operationalization of Pakistan Sovereign Wealth Fund Act, implications of sustainability reporting standards and key diversification initiatives from internal control and reporting perspective.

We trust you will find this report useful in understanding key activities of the BAC undertaken during the year and would welcome any comments from our shareholders in this regard.



AFTAB AHMAD
CHAIRMAN - BOARD AUDIT COMMITTEE

KARACHI
14TH SEPTEMBER 2026

UNCONSOLIDATED FINANCIAL STATEMENTS



KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Petroleum Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Pakistan Petroleum Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2026, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



KPMG Taseer Hadi & Co.

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Recoverability of overdue trade debts ultimately due from the Government of Pakistan Refer notes 2.7(j), 3.9, 3.11 and 10 to the unconsolidated financial statements. As at 30 June 2026, trade debts included an overdue amount of Rs. 573,086 million, net of Gas Development Surcharge (GDS), ultimately due from the Government of Pakistan in respect of circular debt. The Government of Pakistan remains committed to, and continues to pursue, a satisfactory settlement of trade debts arising from circular debt. However, progress towards settlement has been slower than expected, resulting in the continued accumulation of the Company's trade debts. Management considers these amounts to be fully recoverable on the basis that the Government of Pakistan has assumed responsibility for the settlement of inter-corporate circular debt in the energy sector. We considered this matter to be a key audit matter due to the significance of the amounts involved and the significant judgments made by management in assessing the recoverability of these trade debts.	Our audit procedures in respect of overdue trade debts ultimately due from the Government in respect of circular debt, amongst others, included the following: - obtaining an understanding of management's process and controls for monitoring, ageing and assessing the recoverability of overdue trade debts; - inspecting relevant correspondence with the customers and government authorities, and minutes of meetings of the Board of Directors and the Board Audit Committee, and carrying out discussions with management to understand the status of settlement efforts and evaluate the reasonableness of basis of management's assessment of recoverability; - testing, on a sample basis, the accuracy of the ageing classification of trade debts by agreeing the balances to underlying invoices and other relevant supporting documentation; - obtaining direct confirmations from customers and testing the related reconciliations in cases where differences were identified; - evaluating the reasonableness of management's assessment of the recoverability of overdue trade debts ultimately due from the Government of Pakistan in respect of circular debt, considering the settlement history, subsequent receipts, relevant correspondence and other available evidence; and - assessing the adequacy of the related disclosures, including those relating to significant judgments, in accordance with the accounting and reporting standards applicable in Pakistan.

2 Recognition of revenue / income Refer notes 3.20 and 26 to the unconsolidated financial statements. The Company is engaged in the production and sale of crude oil, condensate, natural gas liquids, natural gas, liquefied petroleum gas and barytes. During the year ended 30 June 2026, the Company recognized revenue of Rs. 264,014 million from the sale of these products. Transaction prices for crude oil, condensate, natural gas liquids and natural gas are determined in accordance with the relevant customer agreements, applicable petroleum policies, decisions of the Economic Coordination Committee of the Cabinet, Petroleum Concession Agreements and notifications issued by government authorities, as applicable. Prices of liquefied petroleum gas are approved by the appropriate authority within the Company. Adjustments arising from revisions to sales prices are recognized when the revised prices are agreed with customers and/or approved by the Government of Pakistan. The Company is contractually entitled to charge late payment surcharge where payments from customers are delayed beyond the agreed credit terms. However, due to uncertainties relating to its recoverability, late payment surcharge is recognized only upon receipt. We considered revenue recognition to be a key audit matter due to the significance of the amounts, the volume and complexity of the underlying arrangements, the judgment involved in determining and finalizing the applicable sales prices, and the inherent risk of material misstatement in revenue recognition.	Our audit procedures to assess the recognition of revenue / income, amongst others, include the following: ▪ obtaining an understanding of the Company's revenue recognition process and evaluating the design and implementation of relevant controls, including testing their operating effectiveness; ▪ assessing whether the Company's accounting policies for revenue recognition were in compliance with the requirements of the accounting and reporting standards applicable in Pakistan; ▪ inspecting, on a sample basis, customer agreements and evaluating whether revenue was recognized in accordance with their agreed terms, relevant applicable petroleum policies, Petroleum Concession Agreements and recognition conform with the accounting policies of the Company for revenue recognition; ▪ testing, on a sample basis, sales transactions by agreeing the recorded revenue with invoices, and where applicable with refinery acknowledgements or joint meter readings and other relevant supporting documentation; ▪ agreeing, on a sample basis, the prices applied for natural gas to notifications issued by the Oil and Gas Regulatory Authority (OGRA) and those applied for liquefied petroleum gas to price ceilings notified by OGRA and approvals by the appropriate authority within the Company and as agreed with LPG customers; ▪ recalculating, on a sample basis, the prices applied for crude oil, condensate, natural gas liquids and natural gas as stated in the relevant petroleum policies, customer agreements, decisions of the Economic Coordination Committee of the Cabinet and Petroleum Concession Agreements, as applicable; ▪ testing, on a sample basis, sales transactions recorded before and after the reporting date to
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	assess whether revenue was recognized in the appropriate accounting period; ▪ testing journal entries relating to revenue recognition by selecting entries that met specified risk-based criteria and agreeing them to underlying documentation and accounting records; ▪ assessing reasonableness of management's judgment relating to recoverability of late payment surcharge from customers; and ▪ assessing the adequacy of the related disclosures including those relating to significant judgments, in the unconsolidated financial statements in accordance with the accounting and reporting standards applicable in Pakistan.
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Information Other than the Unconsolidated and Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises of Chairman's Review, Directors' Report and key performance indicators included in the Company's annual report for the year ended June 30, 2026 but does not include the unconsolidated and consolidated financial statements and our auditors' reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going



KPMG Taseer Hadi & Co.

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



KPMG Taseer Hadi & Co.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.


KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
30 September 2026

UDIN: AR202610245QxCTrg4R2

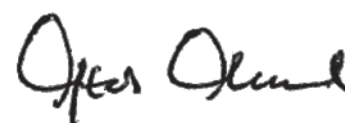
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	June 30 2026	June 30 2025
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	157,940,247	140,623,374
Intangible assets	5	158,029	230,736
Long - term investments	6	120,646,220	89,668,809
Long - term loans	7	132,230	109,875
Long - term deposits	8	7,676	7,676
		278,884,402	230,640,470
CURRENT ASSETS			
Stores and spares	9	9,673,915	8,810,449
Trade debts	10	623,449,738	592,404,145
Loans and advances	11	963,230	494,140
Trade deposits and short - term prepayments	12	863,703	714,130
Interest accrued	13	1,305,419	1,132,569
Current maturity of long - term loans	7	51,513	49,194
Current maturity of long - term deposits	8	1,683,750	1,683,750
Other receivables	14	5,523,935	10,853,548
Short - term investments	15	95,063,805	74,164,807
Cash and bank balances	16	7,166,285	6,199,269
		745,745,293	696,506,001
TOTAL ASSETS		1,024,629,695	927,146,471
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	27,209,836	27,209,836
Reserves	18	752,325,673	678,625,474
		779,535,509	705,835,310
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	19	50,781,570	46,986,236
Long - term financing	20	1,177,255	1,369,419
Lease liabilities	21	883,083	-
Deferred liabilities	22	6,298,858	5,327,482
Deferred taxation - net	23	21,461,606	22,759,977
		80,602,372	76,443,114
CURRENT LIABILITIES			
Trade and other payables	24	97,600,786	80,180,687
Unclaimed dividends		391,315	344,992
Current maturity of long - term financing	20	291,885	247,970
Current maturity of lease liabilities	21	137,894	-
Taxation - net		66,069,934	64,094,398
		164,491,814	144,868,047
TOTAL LIABILITIES		245,094,186	221,311,161
TOTAL EQUITY AND LIABILITIES		1,024,629,695	927,146,471
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

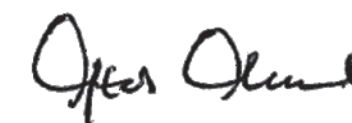
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
(Rupees in thousand)			
Revenue from contracts with customers	26	264,014,554	242,516,363
Operating expenses	27	(60,938,260)	(53,783,482)
Royalties and other levies	28	(43,070,236)	(36,934,911)
		(104,008,496)	(90,718,393)
Gross profit		160,006,058	151,797,970
Exploration expenses	29	(11,104,585)	(15,682,554)
Administrative expenses	30	(7,978,834)	(6,679,739)
Finance costs	32	(2,000,468)	(2,415,754)
Share of loss of associates - net of taxation	6.4 & 6.5	(764,239)	(344,450)
Other charges	33	(14,601,148)	(11,761,503)
		123,556,784	114,913,970
Other income	34	13,142,523	24,168,549
Profit before taxation		136,699,307	139,082,519
Taxation	35	(38,166,009)	(47,055,069)
Profit after taxation		98,533,298	92,027,450
Basic and diluted earnings per share (Rs.)	41	36.21	33.82

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30,2026

Note	2026	2025
	(Rupees in thousand)	
Profit after taxation	98,533,298	92,027,450
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss (net of tax):		
Remeasurement loss on defined benefit plans - net	31 (920,295)	(1,555,836)
Items that may be reclassified to profit or loss (net of tax):		
Exchange differences on translation of foreign associate (Pakistan International Oil Limited)	(307,948)	245,001
Share of exchange differences on translation of foreign operation of the associate {Pakistan Minerals (Private) Limited}	(476,554)	(4,047,360)
Other comprehensive income / (loss)	(1,704,797)	(5,358,195)
Total comprehensive income for the year	96,828,501	86,669,255

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30,2026

Note	2026	2025
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	283,963,274	265,565,788
Receipts of other income	2,010,118	2,693,395
Payment to suppliers / service providers and employees	(54,119,067)	(47,214,797)
Payment of indirect taxes and government levies including royalties	(87,884,092)	(144,660,480)
Income tax paid - net	(37,014,089)	(54,001,008)
Payment of decommissioning obligation	(31,643)	(139,180)
Finance costs paid	(166,963)	(203,894)
Long-term loans - net	(24,674)	(23,381)
Net cash from operating activities	106,732,864	22,016,443
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(37,166,219)	(32,340,518)
Proceeds from disposal of property, plant and equipment	441,790	842,055
Acquisition of short - term investments	(84,608,645)	(88,184,822)
Proceeds from sale / encashment of short - term investments	85,957,912	90,034,892
Equity investment in PIOL	(4,194,750)	(7,001,250)
Equity investment in PMPL	(28,592,903)	(12,677,999)
Finance income received	8,604,054	17,315,852
Net cash used in investing activities	(59,558,761)	(32,011,790)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long - term financing	180,314	556,433
Repayments of long - term financing	(328,563)	(205,329)
Payment of lease liabilities	(121,080)	-
Dividends paid	(23,081,979)	(20,373,961)
Net cash used in financing activities	(23,351,308)	(20,022,857)
Net increase / (decrease) in cash and cash equivalents	23,822,795	(30,018,204)
Cash and cash equivalents at the beginning of the year	62,787,344	92,805,548
Cash and cash equivalents at the end of the year	86,610,139	62,787,344

39

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30,2026

	Subscribed and paid-up share capital		Capital reserve	Revenue & other reserves	Total reserves	Total
	Ordinary	Convertible preference	(Note -18)			
----- Rupees in thousand -----						
Balance as at June 30, 2024	27,209,732	104	1,428	612,362,120	612,363,548	639,573,384
Total comprehensive income for the year						
Profit after taxation	-	-	-	92,027,450	92,027,450	92,027,450
Other comprehensive income / (loss) for the year ended June 30, 2025, net of tax	-	-	-	(5,358,195)	(5,358,195)	(5,358,195)
Total comprehensive income for the year ended June 30, 2025	-	-	-	86,669,255	86,669,255	86,669,255
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2024 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Second interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Third interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(2,720,973)	(2,720,973)	(2,720,973)
- Convertible preference shareholders						
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(21)	(21)	(21)
Second interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(10)	(10)	(10)
Total transactions with owners	-	-	-	(20,407,329)	(20,407,329)	(20,407,329)
Balance as at June 30, 2025	27,209,732	104	1,428	678,624,046	678,625,474	705,835,310
Total comprehensive income for the year						
Profit after taxation	-	-	-	98,533,298	98,533,298	98,533,298
Other comprehensive income / (loss) for the year ended June 30, 2026, net of tax	-	-	-	(1,704,797)	(1,704,797)	(1,704,797)
Total comprehensive income for the year ended June 30, 2026	-	-	-	96,828,501	96,828,501	96,828,501
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2025 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
First interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Second interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Third interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
- Convertible preference shareholders						
First interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(21)	(21)	(21)
Second interim dividend for the year ended June 30, 2026 @ 10%	-	-	-	(10)	(10)	(10)
Total transactions with owners	-	-	-	(23,128,302)	(23,128,302)	(23,128,302)
Balance as at June 30, 2026	27,209,732	104	1,428	752,324,245	752,325,673	779,535,509

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30,2026

1. LEGAL STATUS AND OPERATIONS
- 1.1

Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950. The Company's main objectives are conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.
- 1.2

These unconsolidated financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. As of the date of statement of financial position, the Company has the following wholly owned subsidiaries:

a) PPL Europe E&P Limited (PPLE)

b) PPL Asia E&P B.V. (PPLA)

c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC)
- 1.3

The Sui Development and Production Lease (D&PL) expired on May 31, 2025. Pursuant to a letter dated October 29, 2024, issued by the competent authority, the D&PL was granted for the Sui Gas Field, covering an area of 455.80 square kilometers, situated in District Dera Bugti, Balochistan, Pakistan. The lease was granted for an initial term of ten (10) years, effective from June 1, 2015, to May 31, 2025, in accordance with Rule 30A of the Pakistan Onshore Petroleum (Exploration and Production) Rules, 2013 (the “Rules”). Under the Rules, the D&PL is eligible for further extension, provided that commercial production continues. Accordingly, an application for extension of the said D&PL for a further period of fifteen (15) years, effective from June 1, 2025, to May 31, 2040, was submitted to the competent authority on April 16, 2025. On June 26, 2026, the competent authority, through letter No. EXPL-8(4) (PPL-SUI)/2024, granted an extension of the Sui D&PL for a period of two (2) years, effective from June 1, 2025, to May 31, 2027. Discussions are ongoing with the competent authority for grant of the lease for the remaining period.
- 1.4

The Adhi Mining Lease expired on November 12, 2024. During the year, the competent authority through letter No. DGP(I)5(36)/84-Vol-III dated June 30, 2026, granted an approval for D&PL over Adhi Field, covering an area of 212.86 square kilometers, situated in Districts Rawalpindi and Chakwal, Punjab, Pakistan. The lease was granted for an initial term of twelve (12) years, effective from November 13, 2024, to November 12, 2036, in accordance with Rule 30A of Pakistan Onshore Petroleum (Exploration & Production) Rules, 2013.
- 1.5

The Pakistan Sovereign Wealth Fund Act, 2023 became effective during the year ended June 30, 2024. Under the said Act, the GoP’s shareholding in the Company has been transferred, by operation of law, to the Pakistan Sovereign Wealth Fund (PSWF). The Company is awaiting directives from the GoP regarding the necessary corporate actions to formally record this transfer. Further, in accordance with the Act, both the PSWF and the State - Owned Enterprises majority owned by the PSWF are exempt from the provisions of the State - Owned Enterprises (Governance and Operations) Act, 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019, partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due or ultimately due from the GoP. The said S.R.O states that requirements contained in IFRS 9 with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. This exemption has subsequently been extended through various S.R.Os by SECP, the latest being S.R.O 25(I)/2026 dated January 6, 2026, extending the exemption granted from application of ECL method under IFRS 9 on financial assets due or ultimately due from GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due or ultimately due from the GoP in consequence of circular debt, in these unconsolidated financial statements. Further, in relation to financial assets due from parties other than GoP, the Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 10.5 to these unconsolidated financial statements).

2.1.3 Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

- Financial assets at fair value through profit or loss have been measured at fair value.
- Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional currency.

2.4 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2025 but are considered not to be relevant or do not have any significant effect on these unconsolidated financial statements.

2.5 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2026 and have not been early adopted by the Company:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

- Annual Improvements to IFRS Accounting Standards – Amendments to:
 - IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows

Major amendments are introduced to IFRS 9, which are summarized as follows address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Adoption of IFRS 18

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027.

IFRS 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. It has introduced three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

2.6 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust held 7.35% shareholding of the Company. The Trust was created for the purpose of empowerment of employees of state-owned entities.

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) was issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court (SHC).

Pursuant to the aforesaid judgment, the entire shareholding of 200,057,318 ordinary shares of the Company held by the Trust has been transferred back to the Government of Pakistan (GoP) on June 24, 2026. Consequently, the GoP's direct shareholding in the Company has increased from 67.51% to 74.86%.

The winding-up activities are in progress. During the year, the accumulated dividend amount along with interest earned thereon of Rs 1,344.38 million (net of tax) have been repatriated back to the Federal Government.

2.7 Significant accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these unconsolidated financial statements.

a) Property, plant and equipment and intangibles

The Company reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

d) Estimation of proved hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of proved reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Company is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geological, reservoir or production data, (2) new geological, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the unconsolidated financial statements for assets amortised on unit-of-production basis.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their useful lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Company’s operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Company revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value as disclosed in note 19. The present value is calculated using real discount rate of 3.97% (2025: 3.89%) per annum. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 ‘Changes in Existing Decommissioning, Restoration and Similar Liabilities’.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been lower by	1,468
Property, plant and equipment would have been lower by	1,308
Amortisation / write-off charge would have been lower by	160
Profit after tax would have been higher by	116

f) Joint arrangements

The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these unconsolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits

earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Company after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Company.

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

j) Impairment of financial assets

- Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)

The Company uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due or ultimately due from the Government of Pakistan (GoP) for the

financial years ending on or before December 31, 2026. Accordingly, the Company reviews the recoverability of its trade debts and other receivables that are due or ultimately due from the GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Company has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Company's receivables is slower than the contractual terms primarily because circular debt is a macro-economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Company's assessment of objective evidence of impairment with respect to overdue amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

k) Stores and spares

The Company reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Company conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

b) Lease liability and Right-Of-Use Asset (ROUA)

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value, are recognised as an expense in the statement of profit or loss when incurred.

3.2 Exploration and evaluation assets

The Company applies the "Successful Efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful Efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Company has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

3.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 3.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purpose is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.4 Depreciation and amortisation

a) Property, plant and equipment

Depreciation and amortisation on all field based immovable assets are charged on unit-of-production basis. Whereas, all movable assets i.e. furniture, fittings & equipment, computers & allied equipment and vehicles are depreciated on straight-line basis at the rates specified in note 4.1 to these unconsolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

b) Intangible assets

Amortisation on intangible assets is charged over their useful life on straight-line basis at the rates stated in note 5.1 to these unconsolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

3.5 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company has control over any entity if all conditions below are satisfied:

- it has power over the investee entity;
- it has exposure, rights to variable returns from its involvement in investee entity; and
- it has ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of an impairment loss on subsidiary is recognised as it arises provided the increased carrying value does not exceed cost.

The profits and losses of the subsidiaries are carried forward in the financial statements of the subsidiaries and not dealt within or for the purpose of these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries.

Gain or loss on sale of investments in the subsidiaries is included in profit or loss for the period.

3.6 Investment in associated companies

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these unconsolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Company's interest in that associate are recognised only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 3.7 below.

3.7 Impairment of non-financial assets and investment in subsidiaries & associated companies

The Company assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.8 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

3.9 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Interest accrued on financial assets measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purpose of IFRS 9.

ii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Company.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 2.1.2 to these unconsolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2026.

The Company assesses the recoverability of its financial assets if there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- Financial assets covered under IFRS 9

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- Financial assets covered under IAS 39

The SECP through S.R.O 985(I)/2019 dated September 02, 2019, has partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due or ultimately

due from the GoP. The said S.R.O states that requirements contained in IFRS 9 with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. This exemption has been extended through various S.R.Os by SECP, the latest being S.R.O 25(I)/2026 dated January 6, 2026, extending the exemption granted from application of ECL method under IFRS 9 on financial assets due or ultimately due from the GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. In accordance with the exemption granted by SECP, ECL has not been recognised on such financial assets due or ultimately due from the GoP (i.e. SNGPL, SSGCL and GENCO-II) in these unconsolidated financial statements.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial asset carried at amortised cost, the amount of impairment loss recognised is the difference between the carrying amount and present value of estimated cash flows, discounted at effective interest rate.

b) Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Interest accrued on financial liabilities measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purpose of IFRS 9.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) Offsetting of financial instruments

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.10 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

3.11 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain a significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

3.12 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3.13 Decommissioning obligation and its provision

The activities of the Company normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Company has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next seventeen years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

3.14 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Company maintains / operates the following benefit plans:

i. **Approved pension and gratuity schemes**

The Company operates approved funded pension and gratuity schemes, separately, for its management and non-management permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. **Post retirement medical benefits**

The Company provides post-retirement medical benefits to its management and non-management staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. **Leave preparatory to retirement**

The Company accrues entitlement to leave preparatory to retirement of its management staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2026 based on the 'Projected Unit Credit Actuarial Cost Method'.

b) **Defined contribution plan**

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates recognised provident fund schemes, separately, for its management and non-management permanent staff as per rules of service. Equal monthly contributions are made by the Company and the employees to the respective funds at the rate of 4.35% (management staff) and 8% (non-management staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Company also operates defined contribution pension fund schemes (Conventional and Shariah) for its management staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of management staff to the relevant funds.

3.15 **Compensated absences**

The Company provides for compensated absences in respect of management and non-management staff, in accordance with the rules of the Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2026.

3.16 **Provisions**

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

3.17 **Earnings per share**

The Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.18 **Taxation**

Tax for the year comprises of current and deferred tax, which is recognised in the profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

The Institute of Chartered Accountants of Pakistan (ICAP) issued application guidance on the accounting treatment of minimum and final taxes through Circular No. 07/2024, dated May 15, 2024 ("the Guidance"). According to the Guidance, minimum taxes that are non-recoverable and exceed the normal tax liability, as well as taxes under the final tax regime, fall outside the scope of IAS 12 Income Taxes and as such should be accounted for under IFRIC 21 Levies / IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Accordingly, in line with the Guidance, the Company has recognised final tax / levy on income from mutual funds as Levy (note 33) instead of classifying as income tax.

a) **Current taxation**

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

3.19 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortised cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.20 Revenue recognition

Revenue from sale of hydrocarbons, barytes and iron ore (the Products) is recognised at a point in time when the Company satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price, which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP. The normal credit terms with customers vary from 30 to 45 days.

Revenue from sale of the products in which the Company has an interest with other joint operations partners is recognised commensurate with the Company's working interest and the terms of the relevant agreements.

3.21 Other income and finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Income on financial assets at amortised cost is calculated using the effective interest method and is recognised in statement of profit or loss.

The Company recognises interest, if any, on delayed payments from customers on receipt basis. Similarly, no provision is being made for the interest payable to GoP on late payment of Gas Development Surcharge (GDS) in accordance with the directives of the Price Determining Authority, Ministry of Energy (Petroleum Division).

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation, financial charges for lease liabilities and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

3.22 Joint arrangements

Joint arrangements are arrangements in which the Company has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Company classifies a joint arrangement as joint operations when the Company has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Company classifies a joint arrangement as a joint venture when the Company has rights to the net assets of the arrangement.

The Company has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

3.23 Foreign currency transactions, translation and operations

a) Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

b) Foreign operations

The transactions of foreign operation are translated at the rate of exchange prevailing on the date of transactions. All monetary and non-monetary assets and liabilities of foreign operation are translated into Pakistani Rupees at the exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognised in other comprehensive income and accumulated as a separate reserve in equity until the disposal of foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognised.

3.24 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the unconsolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these unconsolidated financial statements.

3.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 4.1
Capital work-in-progress - note 4.4

	June 30 2026	June 30, 2025
	(Rupees in thousand)	
	98,050,906	87,769,826
	59,889,341	52,853,548
	157,940,247	140,623,374

4.1 Operating assets

	Owned assets												ROUA	
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (Note - 4.5)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Vehicles*	Development and production assets	Decommissioning cost	Sub total	Building	Total
(Rupees in thousand)														
As at July 01, 2024														
Cost	111,138	1,336,908	3,206,753	5,085	104,212,130	1,596,204	17,122,296	1,622,867	2,210,671	138,225,686	34,159,147	303,808,885	-	303,808,885
Accumulated depreciation / amortisation	-	-	(2,327,535)	(4,274)	(75,749,194)	(964,361)	(12,645,431)	(1,408,190)	(818,900)	(97,452,047)	(23,064,122)	(214,434,054)	-	(214,434,054)
Net Book Value (NBV)	111,138	1,336,908	879,218	811	28,462,936	631,843	4,476,865	214,677	1,391,771	40,773,639	11,095,025	89,374,831	-	89,374,831
Year ended June 30, 2025														
Additions (at cost) / adjustments	77,995	(9,052)	278,147	1,500	4,298,858	137,061	778,614	369,669	636,724	9,975,182	(1,092,536)	15,452,162	-	15,452,162
Disposals (at NBV)	-	-	-	-	(2,754)	(402)	-	(215)	(13,834)	-	-	(17,205)	-	(17,205)
Depreciation / amortisation charge	-	-	(115,009)	(171)	(5,198,653)	(101,798)	(893,697)	(106,249)	(315,461)	(9,425,787)	(883,137)	(17,039,962)	-	(17,039,962)
NBV	189,133	1,327,856	1,042,356	2,140	27,560,387	666,704	4,361,782	477,882	1,699,200	41,323,034	9,119,352	87,769,826	-	87,769,826
As at July 01, 2025														
Cost	189,133	1,327,856	3,476,278	6,585	108,253,840	1,714,263	17,867,694	1,964,510	2,826,685	148,226,273	33,066,610	318,919,727	-	318,919,727
Accumulated depreciation / amortisation	-	-	(2,433,922)	(4,445)	(80,693,453)	(1,047,559)	(13,505,912)	(1,486,628)	(1,127,485)	(106,903,239)	(23,947,258)	(231,149,901)	-	(231,149,901)
NBV	189,133	1,327,856	1,042,356	2,140	27,560,387	666,704	4,361,782	477,882	1,699,200	41,323,034	9,119,352	87,769,826	-	87,769,826
Year ended June 30, 2026														
Additions (at cost) / adjustments	-	-	295,268	-	5,340,614	165,133	2,816,871	791,444	221,751	16,674,998	1,915,211	28,221,290	1,073,578	29,294,868
Disposals (at NBV)	-	-	-	-	(2,847)	-	-	(1,034)	(72,474)	-	-	(76,355)	-	(76,355)
Depreciation / amortisation charge	-	-	(111,329)	(209)	(4,697,114)	(110,497)	(1,135,191)	(287,193)	(349,558)	(10,562,901)	(1,567,825)	(18,821,817)	(115,616)	(18,937,433)
NBV	189,133	1,327,856	1,226,295	1,931	28,201,040	721,340	6,043,462	981,099	1,498,919	47,435,131	9,466,738	97,092,944	957,962	98,050,906
As at June 30, 2026														
Cost	189,133	1,327,856	3,816,391	6,585	113,156,361	1,885,716	20,949,382	2,693,743	2,930,435	164,901,271	34,981,821	346,838,694	1,073,578	347,912,272
Accumulated depreciation / amortisation	-	-	(2,590,096)	(4,654)	(84,955,321)	(1,164,376)	(14,905,920)	(1,712,644)	(1,431,516)	(117,466,140)	(25,515,083)	(249,745,750)	(115,616)	(249,861,366)
NBV	189,133	1,327,856	1,226,295	1,931	28,201,040	721,340	6,043,462	981,099	1,498,919	47,435,131	9,466,738	97,092,944	957,962	98,050,906
Rate of depreciation / amortisation (%)			5	5	**	10	UoP	50, 33 & 25	20	UoP	UoP		18	
* Represents light and heavy vehicles														
** Amortisation on unit of production basis except for assets located at Head Office (HO) & Bolan Mining Enterprises (BME) which are amortised at 10%.														

4.2 Summary of significant assets

The following assets have significant operational value to the Company:

Particulars	June 30, 2026		June 30, 2025	
	Cost	NBV	Cost	NBV
	------(Rupees in thousand)-----			
Head Office				
Land for Head Office Building	1,315,076	1,315,076	1,315,076	1,315,076
Sui Field				
SML / SUL Compression and High Pressure Casings	5,638,919	-	5,638,919	-
Booster Compression Project - SML	2,891,124	662,827	2,891,124	776,171
Revamping of SML Compressors	5,587,210	3,424,503	5,570,448	3,993,336
Adhi Field				
LPG / NGL Plant III	4,653,217	1,054,258	4,653,217	1,278,048
Kandhkot Field				
Gas Compression Station	10,327,881	1,439,651	10,327,881	1,608,758
Hala Field				
Gas Processing Facility (GPF)	1,257,051	1,860	1,257,051	6,483
Gambat South Field				
Gas Processing Facility (GPF) II	10,842,068	4,150,684	10,842,068	4,577,894
GPF IV (Phase I & II)	4,340,257	2,361,061	4,340,257	2,603,466
GPF IV Compression	1,200,339	882,179	1,200,339	972,717
Dhok Sultan Field				
Oil Handling Facility	1,706,200	319,238	1,706,200	428,569
Sawan Field				
Front End Compression	3,302,258	14,099	3,302,969	21,240
Other Plant and Machinery	1,811,767	-	1,811,767	-
Tal Field				
Makori Central Processing Facility (CPF)	6,991,613	305,795	6,991,613	443,268
CPF Manzalai	3,157,148	20,918	3,157,148	30,322
Makori East Secondary Compression	2,016,940	1,485,452	-	-
Nashpa Field				
Nashpa LPG Plant	5,828,370	1,352,227	5,828,370	1,730,769
Wellhead Compression Project	1,188,301	254,767	1,188,301	326,087
Latif Field				
Reception / Tie-in Facility	1,165,465	6,096	1,165,465	9,409
Kirthar Field				
Kirthar Compression Project	1,329,866	678,695	1,330,210	856,078

4.3 Cost and accumulated depreciation include:

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	Cost		Accumulated depreciation	
	----- (Rupees in thousand) -----			
Share in Company operated joint operations	38,824,988	36,542,673	24,017,077	22,062,574
Share in partner operated joint operations - note 4.3.1	53,926,108	49,425,030	44,383,281	41,934,457
	92,751,096	85,967,703	68,400,358	63,997,031

- 4.3.1 The assets pertaining to partner operated joint operations belong to various fields and are not in possession of the Company.
- 4.3.2 The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Company.
- 4.3.3 Vehicles amounting to Rs 1,375 million (2025: Rs 1,564 million) are kept as collateral with non-banking financial institutions, as disclosed in note 20 to these unconsolidated financial statements.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
4.4 Capital work-in-progress		
Plant, machinery, fittings and pipelines	15,355,011	12,722,370
Exploration and evaluation (E&E) assets	19,921,492	20,908,084
Development and production (D&P) assets	7,171,324	5,544,969
Lands, buildings and civil constructions	156,878	191,670
Advances to suppliers	661,613	611,849
Capital stores for drilling and development	16,595,855	13,065,592
- Net reversal / (charge) of impairment	27,168	(190,986)
	16,623,023	12,874,606
	59,889,341	52,853,548

4.4.1 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E assets	D&P assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Advances to suppliers	Total
	------(Rupees in thousand)-----						
Balance as at June 30, 2024	10,911,395	13,613,161	7,359,929	74,650	11,976,939	709,064	44,645,138
Capital expenditure incurred during the year (net) - note 4.4.2	8,031,743	18,827,182	4,598,674	395,822	1,088,653	(97,215)	32,844,859
Impairment of capital stores	-	-	-	-	(190,986)	-	(190,986)
Cost of dry wells during the year	-	(7,508,897)	-	-	-	-	(7,508,897)
Transferred to operating assets	(6,220,768)	(4,023,362)	(6,413,634)	(278,802)	-	-	(16,936,566)
Balance as at June 30, 2025	12,722,370	20,908,084	5,544,969	191,670	12,874,606	611,849	52,853,548
Capital expenditure incurred during the year (net) - note 4.4.2	11,986,283	15,800,081	6,006,540	1,320,579	3,721,249	49,764	38,884,496
Reversal of impairment of capital stores	-	-	-	-	27,168	-	27,168
Cost of dry wells during the year	-	(3,974,565)	-	-	-	-	(3,974,565)
Transferred to operating assets	(9,353,642)	(12,812,108)	(4,380,185)	(1,355,371)	-	-	(27,901,306)
Balance as at June 30, 2026	15,355,011	19,921,492	7,171,324	156,878	16,623,023	661,613	59,889,341

- 4.4.2 Amounts under capital stores for drilling and development and advances to suppliers are net of consumption during the year.
- 4.5 Plant and machinery includes major spare parts and standby equipment having cost of Rs 97.263 million (2025: Rs 101.618 million).
- 4.6 None of the assets disposed of during the year have a book value of more than Rs 0.5 million except the following:

Asset description	Mode of disposal	Relationship	Particulars of Buyer	Cost	Net Book Value	Proceeds	Gain / (Loss)
------(Rupees in thousand)-----							
Plant and Machinery	Tender	Joint Operation Partner	UEPL	114,478	1,054	280,620	279,566
	Sale	Joint Operation	Gambat South	7,553	1,793	1,793	-
Vehicle	Insurance Claim	Employee	Abdul Karim Bugti	4,300	3,683	3,683	-
			Mohammad Adnan Khan	4,298	3,383	3,383	-
			Ali Ahmed Khawaja	4,929	3,517	3,517	-
			Syed Muniruddin	4,929	3,546	3,546	-
			Shahzad Sultan	4,850	3,541	3,541	-
			Syed Shahab-Uddin	4,298	3,370	3,370	-
			Muhammad Ishaq Khan	4,665	3,704	3,704	-
			Agha Nadeem Durrani	4,316	3,376	3,376	-
			Kazim Ali	4,930	3,865	3,865	-
			Bilal Inayat	4,300	3,376	3,376	-
Vehicles	Company policy	Employees / Ex-employees	Muhammad Naufil Gazdar	8,559	6,624	6,624	-
			Kishore Kumar Panjwani	4,298	3,043	3,043	-
			Nida Haris	4,298	3,275	3,275	-
			Aleem Haider	4,300	3,994	3,994	-
			Muhammad Talha Anwer	4,298	3,769	3,856	87
			Naeem Ul Hussain	4,301	3,378	3,378	-
			Sikandar Ali Memon	8,696	6,190	6,190	-
			Sikandar Ali Memon	4,797	3,442	3,442	-
			Muhammad Adeel Iqbal	4,298	3,398	3,398	-

- 4.7 Particulars of immovable property in the name of the Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land	
Sui Field	2,488.71
Kandhkot Field	168.78
Mazarani Field	172.32
Khewali Pump Station (KPS)	14.84
Leasehold Land	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	777.02
Adhi Field	114.78
KPS	209.61

4.8 Particulars of the Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location (Province / Emirate)	Plants
1.	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road P.O. Box 3942. Karachi-75530	Sindh	Not applicable
2.	Islamabad Office	20th Floor, Meezan Tower Jinnah Avenue, Sector G-8/3 Islamabad	Islamabad	Not applicable
3.	PIOL Office	34th Floor, Al Maqam Tower Regus ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
4.	PMPL Office	Petroleum House, 5th Floor, Ataturk Avenue, G-5/2, Islamabad	Islamabad	Not applicable
5.	Sui Gas Field	Sui, Dera Bugti	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Dehydration Plant
6.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
7.	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
8.	Gambat South Fields	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility -II 3) Gas Processing Facility -IV
9.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
10.	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
11.	Hala Fields	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
12.	Dhok Sultan	District, Attock	Punjab	Oil Handling Facility
13.	Shah Bandar	District, Sujawal	Sindh	Third Party Processing Facility
14.	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

- 4.9 The depreciation / amortisation charge has been allocated to:
Operating expenses
Administrative expenses

Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)	
18,185,728	16,618,741
751,705	421,221
18,937,433	17,039,962
June 30, 2026	June 30, 2025
(Rupees in thousand)	

5. INTANGIBLE ASSETS

Computer software including ERP system - note 5.1
Intangible assets under development

152,930	230,736
5,099	-
158,029	230,736

5.1 Computer software including ERP system

	ERP System	Computer software	Total
	----- (Rupees in thousand) -----		
As at July 01, 2024			
Cost	450,870	1,697,133	2,148,003
Accumulated amortisation	(445,009)	(1,602,711)	(2,047,720)
NBV	5,861	94,422	100,283
Year ended June 30, 2025			
Additions (at cost)	-	178,920	178,920
Amortisation charge - note 30	(2,344)	(46,123)	(48,467)
NBV	3,517	227,219	230,736
As at July 01, 2025			
Cost	378,866	1,791,863	2,170,729
Accumulated amortisation	(375,349)	(1,564,644)	(1,939,993)
NBV	3,517	227,219	230,736
Year ended June 30, 2026			
Additions (at cost)	-	13,615	13,615
Amortisation charge - note 30	(2,344)	(89,077)	(91,421)
NBV	1,173	151,757	152,930
As at June 30, 2026			
Cost	378,866	1,805,478	2,184,344
Accumulated amortisation	(377,693)	(1,653,721)	(2,031,414)
NBV	1,173	151,757	152,930
Rate of amortisation (%)	20	33	
	June 30 2026	June 30, 2025	
	(Rupees in thousand)		

6. LONG-TERM INVESTMENTS

Investments in related parties

- Wholly owned subsidiaries

PPPFTC - note 6.1	1	1
PPL E (net of impairment) - note 6.2	3,798,094	3,798,094
PPLA (net of impairment) - note 6.3	3,211,033	3,211,033
	7,009,128	7,009,128

- Associates

Unquoted companies

- Pakistan International Oil Limited (PIOL) - note 6.4 Equity held: 25% No. of shares: 10,000,000 (2025: 8,500,000) of USD 10/- each	23,385,227	19,893,941
- Pakistan Minerals (Private) Limited (PMPL) - note 6.5 Equity held: 33.33% No. of shares: 516,420,680 (2025: 516,420,680) of Rs 10/-	90,251,865	62,765,740
	120,646,220	89,668,809

6.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Company, was incorporated in Pakistan as a private limited company on November 07, 1955. PPPFTC is engaged in administrating the trusts formed for the benefits of the employees of the Company. PPPFTC has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2026. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

6.2 PPL Europe E&P Limited (PPL E)

6.2.1 The Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited (MND), a company incorporated in England and Wales. Subsequent to the acquisition, the name of MND was changed to PPL Europe E&P Limited (PPL E). The Company holds 38,793,216 ordinary shares of £1 each, representing 100% of the share capital as of the date of statement of financial position. The investment amounts to USD 13.660 million as at June 30, 2026.

PPL E's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. Brief details are as follows:

Blocks / Fields	Working Interest
Barkhan	50%
Ziarat	40%
Harnai	40%
Yemen - Block 3	21.28%
Sawan	7.89%

6.2.2 This investment is stated net of accumulated impairment losses of Rs 11,866 million (2025: Rs 11,866 million).

6.3 PPL Asia E&P B.V. (PPLA)

6.3.1 On July 22, 2013, the Company established a subsidiary, PPL Asia E&P B.V. (PPLA), a company incorporated in Amsterdam, Kingdom of Netherlands, with issued share capital of 1,000,000 ordinary shares of USD 100 each which are allotted, called up and paid by USD 85.3 per ordinary share. The Company holds 100% of the share capital as of the date of statement of financial position.

PPLA's main objective is exploration and production of oil and natural gas resources, and is pursuing new business opportunities in line with its strategic objectives.

6.3.2 The accumulated impairment loss on the investment amounts to Rs 6,590 million (2025: Rs 6,590 million).

6.4 Pakistan International Oil Limited (PIOL)

Offshore Block 5 was awarded to a consortium comprising the Company and three other major Pakistani E&P companies. For the purpose of participating in the concession, the consortium incorporated Pakistan International Oil Limited (PIOL) in Abu Dhabi on July 15, 2021, with each consortium member holding a 25% equity interest in PIOL. Besides the Company, the consortium comprises Oil and Gas Development Company Limited (OGDCL), Mari Energies Limited (MEL) and Government Holdings (Private) Limited (GHPL). The registered address of PIOL is 34th Floor, Al Maqam Tower, Regus ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. Offshore Block 5 covers an area of 6,223 square kilometres and is located approximately 100 kilometres north-east of the Emirate of Abu Dhabi. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. Further, the Company entered into a Shareholders' Agreement with the consortium partners, under which the Company committed to invest up to USD 100 million in PIOL over a period of five years from the date of the initial investment. During the year, the Company made an additional investment of USD 15 million, bringing its cumulative investment in PIOL to USD 100 million, representing the full amount contemplated under the Shareholders' Agreement.

During FY 2024-25, the Field Development Plan for three pre-existing discoveries within Offshore Block 5 was approved, and a Production Concession Agreement (PCA) was entered into with the Supreme Council for Financial and Economic Affairs (SCFEA) and ADNOC. Under the PCA, PIOL holds a 40% participating interest while ADNOC holds the remaining 60% interest.

Financial information of PIOL is summarised below, which is based on the audited financial statements of the associate for the year ended December 31, 2025, adjusted for the transactions and events up to June 30, 2026 based on unaudited financial statements.

	June 30, 2026	June 30, 2025
(Rupees in thousand)		
Investment in Associate		
Opening carrying value	19,893,941	12,265,444
Cost of investment	4,194,750	7,001,250
Company's share of total comprehensive income / (loss) for the year	(292,866)	300,579
Foreign exchange differences on translation of foreign associate	(410,598)	326,668
Closing carrying value of investment	23,385,227	19,893,941
Summarised statement of financial position		
Non-current assets	33,704,377	34,602,744
Current assets	63,049,724	54,841,662
Non-current liabilities	(946,449)	(734,361)
Current liabilities	(2,266,743)	(9,134,281)
Net assets	93,540,909	79,575,764
Company's percentage shareholding in the associate	25%	25%
Company's share in carrying value of net assets	23,385,227	19,893,941
Summarised statement of comprehensive income		
Total comprehensive income / (loss) for the year	(1,171,466)	1,202,316
Company's share of total comprehensive income / (loss) for the year (25%)	(292,866)	300,579

6.5 Pakistan Minerals (Private) Limited (PMPL)

The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with collective representation of the Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

Financial information of PMPL is summarised below, which is based on the unaudited financial statements of the associate for the year ended June 30, 2026.

	June 30, 2026	June 30, 2025
(Rupees in thousand)		
Investment in Associate		
Opening Carrying Value	62,765,740	51,788,810
Cost of investment	28,592,903	12,677,999
Company's share of loss for the year	(471,373)	(645,029)
Company's share of other comprehensive loss for the year	(635,405)	(1,056,040)
Closing carrying value of investment	90,251,865	62,765,740
Summarised statement of financial position		
Non-current assets	274,963,034	205,792,601
Current assets	10,343,917	195,430
Non-current liabilities	(13,772,280)	(16,970,053)
Current liabilities	(228,789)	(184,999)
Net assets	271,305,882	188,832,979
Company's percentage shareholding in the associate	33.33%	33.33%
Company's share in carrying value of net assets	90,426,250	62,944,326
Others - exchange rate differences in equity contribution	(174,385)	(178,586)
Company's share in carrying value of net assets	90,251,865	62,765,740
Summarised statement of comprehensive income		
Loss for the year	(1,414,259)	(1,935,281)
Company's share of loss for the year (33.33%)	(471,373)	(645,029)
Other comprehensive income / (loss) for the year	(1,906,407)	(3,168,437)
Company's share of other comprehensive income / (loss) for the year (33.33%)	(635,405)	(1,056,040)
Total comprehensive income / (loss) for the year	(3,320,666)	(5,103,717)
Company's share of total comprehensive income / (loss) for the year (33.33%)	(1,106,778)	(1,701,069)

Subsequent to the year end, the Company has made further equity contribution amounting to Rs 3,582 million in PMPL.

7. LONG-TERM LOANS
Unsecured and considered good
Long-term loans - staff - note 7.1

- Management staff - note 7.2	12,793	16,628
- Other employees	170,950	142,441
	183,743	159,069
Less: Current maturities		
- Management staff	(5,073)	(6,196)
- Other employees	(46,440)	(42,998)
	(51,513)	(49,194)
	132,230	109,875

7.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Company in accordance with the Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2025: 1% to 10%) per annum.

7.2 Reconciliation of the carrying amount of long-term loans to management staff

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Balance as at July 01	16,628	18,213
Disbursements	2,750	6,880
Repayments / adjustments	(6,585)	(8,465)
Balance as at June 30	12,793	16,628

The maximum aggregate amount of loans due from the management staff at the end of any month during the year was Rs 16.066 million (2025: Rs 19.295 million).

	June 30, 2026	June 30, 2025
8. LONG-TERM DEPOSITS		
Cash margin:		
- For guarantee to International Bank of Yemen - note 8.1	1,683,750	1,683,750
- Others	7,676	7,676
	1,691,426	1,691,426
Less: Current maturity of long-term deposits	(1,683,750)	(1,683,750)
	7,676	7,676

8.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (the Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited (the Bank) against cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there has been extensive correspondence among the Operator, the Ministry of Yemen and the Company. The Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

The Company has initiated legal proceedings by filing a suit in the Honourable SHC against the Bank under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001, seeking release of the SBL. On January 15, 2026 the Bank submitted application for the leave to defend and on January 22, 2026 the Company has filed replication against leave to defend. The last hearing was held on March 24, 2026 and the matter has since been adjourned by the Honourable SHC and next date of hearing is yet to be fixed by the office of the court.

9. STORES AND SPARES

Stores and spares	10,158,807	9,226,454
Less: Provision for obsolete / slow moving stores and spares - note 9.1	(484,892)	(416,005)
	<u>9,673,915</u>	<u>8,810,449</u>

9.1 Reconciliation of provision for obsolete / slow moving stores and spares:

Balance as at July 01	416,005	368,614
Provision for the year - note 33	68,887	47,391
Balance as at June 30	484,892	416,005

10. TRADE DEBTS

Unsecured and considered good

Related parties (note 10.1)

Central Power Generation Company Limited (GENCO-II) - note 10.4	2,865,104	2,992,574
Sui Northern Gas Pipelines Limited (SNGPL)	267,028,162	267,617,084
Sui Southern Gas Company Limited (SSGCL)	328,539,625	309,748,195
Pakistan Refinery Limited (PRL)	-	54,417
Pak-Arab Refinery Limited (PARCO)	4,402,548	532,367
ENAR Petroleum Refining Facility (EPRF)	334,871	224,471
Oil & Gas Development Company Limited (OGDCL)	4,543	115,556
	603,174,853	581,284,664

Non-related parties

Attock Refinery Limited (ARL)	20,080,463	10,302,589
National Refinery Limited (NRL)	110,356	565,549
Others	84,066	251,343
	20,274,885	11,119,481
	623,449,738	592,404,145

Unsecured and considered doubtful

Non-related party

Cnergyico Pk Limited (CENERGY) - note 10.5	253,002	253,002
Less: Provision for doubtful debts	(253,002)	(253,002)
	-	-
	623,449,738	592,404,145

- 10.1** Maximum aggregate amount outstanding at any time during the year with respect to month end balance due from related parties, is as follows:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
GENCO-II	7,053,843	6,397,362
SNGPL	274,208,979	268,153,280
SSGCL	328,539,625	309,748,195
PARCO	4,402,548	1,485,354
PRL	29,929	190,028
EPRF	481,387	350,053
OGDCL	17,786	228,617
	614,734,097	586,552,889

- 10.2** The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired	50,363,986	31,694,602
Past due but not impaired:		
Related parties		
- within 90 days	33,147,320	30,934,149
- 91 to 180 days	40,474,786	38,448,119
- over 180 days	498,281,934	489,775,894
	571,904,040	559,158,162
Non-related parties		
- within 90 days	307,001	644,139
- 91 to 180 days	727	1,700
- over 180 days	873,984	905,542
	1,181,712	1,551,381
	623,449,738	592,404,145

- 10.3** Trade debts include overdue amount of Rs 571,817 million (2025: Rs 559,043 million) receivable from the state controlled companies and Rs 1,269 million (2025: Rs 1,666 million) overdue receivable from refineries and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.1.2 to these unconsolidated financial statements, SECP has deferred the applicability of ECL model for the financial years ending on or before December 31, 2026 on financial assets due or ultimately due from the GoP in consequence of the circular debt.

Specific provision has been created against receivable from CNERGY as a result of disputes disclosed in note 10.5.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Company considers the overdue amounts to be fully recoverable and therefore, no provision for doubtful debts has been made in these unconsolidated financial statements, except for provision against receivable from CNERGY.

- 10.4** As per the guidance for "Accounting of Gas Infrastructure Development Cess (GIDC)" issued by ICAP dated January 19, 2021, the gas companies should consider the timing of recognition of liabilities (with corresponding assets), where the obligation of the gas companies is to pay the collected amounts to the Federal Government on receipt basis and not at the time of billing to the gas consumers. Due to the similar nature and characteristics of Gas Development Surcharge (GDS), the Company has adopted the same accounting treatment for GDS as well. Accordingly, trade debts do not include GDS amounting to Rs 79,459 million (2025: Rs 81,594 million) as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has been billed to GENCO-II but has not been received by the Company as at the date of statement of financial position.

- 10.5** The Company had filed a suit in the Honourable SHC against CNERGY for recovery of overdue amount. In addition, the Company filed a complaint against the officials of CNERGY on account of the willful default before the National Accountability Bureau (NAB). On the Company's complaint, NAB filed a reference against the officials of CNERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CNERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Company, which was allowed by the Accountability Court on October 24, 2020. The Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CNERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Company has filed a constitutional petition against the NAB for recovery of the withheld amount. The Honourable SHC vide order dated November 12, 2025 directed NAB to reimburse withheld principal amount within ninety days. Subsequently, NAB has filed a Civil Petition for 'Leave to Appeal' before the Honourable SCP. The Company will take appropriate legal action and will duly contest the said petition before the Honourable SCP once the notice is received. For late payment surcharge amount, the Company's civil suit against CNERGY is pending before the district courts of Karachi after transfer of the case from the Honourable SHC.

11. LOANS AND ADVANCES

Unsecured and considered good

Loans and advances to staff	157,212	128,012
Advances to suppliers and others	223,863	150,923
Advance payment of cash calls to joint operations - note 36	582,155	215,205
	963,230	494,140

12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits	268,806	399,290
Prepayments	594,897	314,840
	863,703	714,130

13. INTEREST ACCRUED

Interest receivable on:		
- Short-term investments	898,520	889,448
- Bank deposits	406,899	243,121
	1,305,419	1,132,569

14. OTHER RECEIVABLES

Receivable from related parties:		
SNGPL for Sui field services	50,206	37,632
SSGCL for Sui field services	24,205	11,503
PPL	88,394	-
PIOL	95,038	189,044
PMPL	57,489	-
Staff retirement benefit plans	32,926	17,265
Current accounts with joint operations - note 36	1,971,725	1,273,655
Workers' Profits Participation Fund (WPPF) - note 14.1	323,933	224,011
Sales tax - net	2,517,947	8,677,060
Others - note 14.2	362,072	423,378
	5,523,935	10,853,548

		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
14.1 WPPF			
	Balance as at July 01	224,011	872,390
	Allocation for the year - note 33	(6,826,067)	(6,275,989)
	Net amount paid during the year	6,925,989	5,627,610
	Balance as at June 30	323,933	224,011
14.2	It includes receivable from related party MEL amounting to Rs 12.76 million (2025: Rs 10.92 million) with respect to the payment made by the Company on its behalf for expenses related to Future Minerals Forum 2026.		
		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
15. SHORT-TERM INVESTMENTS			
	At amortised cost		
	- Local currency term deposits with banks - note 15.1	40,147,500	3,127,500
	- Foreign currency term deposits with banks - note 15.2	38,272,192	39,434,580
	- Local currency treasury bills - note 15.3	16,644,113	31,602,727
		95,063,805	74,164,807
15.1	These carry profit ranging from 9.25% to 12.31% (2025: 9.00% to 16.00%) per annum and are due to mature latest by March 2027.		
15.2	These represent foreign currency term deposits with banks amounting to USD 137.645 million (2025: USD 139.050 million) having effective interest rate ranging from 5.31% to 7.07% (2025: 5.30% to 6.80%) per annum and are due to mature latest by December 2026.		
15.3	These carry profit ranging from 11.60% to 11.75% (2025: 11.02% to 11.83%) per annum and are due to mature latest by December 2026. These bills were issued by the GoP and sold through State Bank of Pakistan. Further, as disclosed in note 20.1.2, T-Bills with carrying value of Rs 700.58 million (face value Rs 740.00 million) are pledged as collateral with Pak Oman Investment Company Limited.		
		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
16. CASH AND BANK BALANCES			
	At banks		
	- Saving accounts		
	Local currency - note 16.1	6,413,691	5,406,983
	Foreign currency - note 16.2	360,128	445,662
		6,773,819	5,852,645
	- Current accounts (local currency)	391,666	345,342
	Cash in hand	800	1,282
		7,166,285	6,199,269
16.1	These carry profit at the rate ranging from 2.47% to 11.25% (2025: 2.78% to 19.15%) per annum.		
16.2	These carry profit at the rate ranging from 0.01% to 1.75% (2025: 0.01% to 2.00%) per annum.		

		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
17. SHARE CAPITAL			
	Authorised		
	3,500,000,000 (2025: 3,500,000,000) ordinary shares of Rs 10 each	35,000,000	35,000,000
	26,510 (2025: 26,510) convertible preference shares of Rs 10 each	265	265
		35,000,265	35,000,265
	Issued		
	2,721,162,657 (2025: 2,721,162,657) ordinary shares of Rs 10 each - note 17.2	27,211,626	27,211,626
	10,418 (2025: 10,418) convertible preference shares of Rs 10 each - note 17.3	104	104
		27,211,730	27,211,730
	Subscribed and paid-up		
	683,078,299 (2025: 683,078,299) ordinary shares of Rs 10 each for cash - note 17.2	6,830,783	6,830,783
	2,035,144,811 (2025: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	20,351,449	20,351,449
	2,750,000 (2025: 2,750,000) ordinary shares of Rs 10 each for consideration other than cash under an Agreement for Sale of Assets dated March 27, 1952 with Burmah Oil Company Limited	27,500	27,500
		27,209,732	27,209,732
	9,344 (2025: 9,344) convertible preference shares of Rs 10 each for cash - note 17.3	93	93
	1,074 (2025: 1,074) convertible preference shares of Rs 10 each issued as bonus shares	11	11
		27,209,836	27,209,836
17.1 Movement in subscribed and paid-up share capital			
	There is no movement in subscribed and paid-up share capital. These fully paid ordinary shares carry one vote per share and right to dividend.		
17.2 Issued, subscribed and paid-up capital			
	During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2025: 189,547) shares remained unsubscribed.		
	In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e.102,875,500 ordinary shares) of the Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Presently, the shareholding of the GoP in the Company stands at 74.86% of the paid-up ordinary share capital.		

17.3 Convertible preference shares

In accordance with article 3(iv) of the Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Company Secretary by the holders of such convertible preference shares to that effect. During the year, there is no conversion of convertible preference shares into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Company do not carry any fixed return.

18. RESERVES**Capital reserve - note 18.1****Revenue and other reserves**

- General and contingency reserve - note 18.2
- Insurance reserve - note 18.3
- Assets acquisition reserve - note 18.4
- Dividend equalisation reserve - note 18.5
- Foreign currency translation reserve - note 18.6
- Share of foreign currency translation reserve of the associated company - note 18.7
- Unappropriated profit

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
	1,428	1,428
	69,761	69,761
	34,021,894	34,021,894
	23,751,980	23,751,980
	2,535,354	2,535,354
	1,295,665	1,603,613
	8,497,406	8,973,960
	682,152,185	607,667,484
	752,324,245	678,624,046
	752,325,673	678,625,474

18.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

18.2 General and contingency reserve

The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Company only for the purpose specified in the 1982 GPA.

18.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Company has built-up an insurance reserve for self-insurance cover against these risks.

The Company has arranged terrorism cover from the international market up to the limit of liability of USD 100 million (Rs 27,805 million) for single occurrence, as well as, annual aggregate.

18.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

18.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Company established a dividend equalisation reserve to maintain dividend declarations.

18.6 Foreign currency translation reserve

This represents accumulated balance of effect of translation of a foreign operation into Pakistani Rupees as disclosed in note 3.23 (b).

18.7 Share of foreign currency translation reserve of the associated company

This represents accumulated balance of effect of share of translation of a foreign operation into Pakistani Rupees of the associated company.

19. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Balance at beginning of the year	46,986,236	45,656,616
- Provision during the year	593,473	709,093
- Revision due to change in estimates - note 2.7(e)	1,467,856	(1,412,628)
- Adjustment / payment during the year	(31,643)	(185,363)
- Unwinding of discount - note 32	1,765,648	2,218,518
Balance at end of the year	50,781,570	46,986,236

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Wells		
Share in operated assets	28,449,802	24,927,679
Share in partner operated assets	10,823,750	10,343,773
Production facilities		
Share in operated assets	9,560,390	9,907,176
Share in partner operated assets	1,947,628	1,807,608
	50,781,570	46,986,236

20. LONG - TERM FINANCING

	June 30, 2026	June 30, 2025
From Non-Banking Financial Institutions - Secured - note 20.1	1,469,140	1,617,389
Current maturity of long - term financing	(291,885)	(247,970)
	1,177,255	1,369,419

20.1 Non-Banking Financial Institutions - Secured						Balance as at	
		Number of installments	Maximum Maturity Date	Markup profit rate per annum	Monthly installment amount	June 30, 2026	June 30, 2025
						Rupees in thousand	
First Habib Modaraba	20.1.1	35-59 monthly	May 20, 2031	3 Months Kibor +	21,348	808,584	868,945
Pak Oman Investment Company Limited	20.1.2	35-52 monthly	October 31, 2030	(from 0.84 to 0.94%)	16,226	660,556	748,444
						1,469,140	1,617,389

20.1.1 This loan is obtained under a Shariah compliant arrangement and secured against the Company's vehicles.

20.1.2 This loan is secured against the Company's vehicles. Additionally, a collateral in the form of government securities is held in an Investment Portfolio Services account with Pak Oman Investment Company Limited.

20.1.3 These loans have been obtained to provide car facility to employees of the Company as per the rules of service.

June 30, 2026	June 30, 2025
(Rupees in thousand)	

20.2 Reconciliation of long term financing

Opening at beginning of the year	1,617,389	1,266,285
Loans obtained during the year	180,314	556,433
Loans repaid during the year	(328,563)	(205,329)
	(148,249)	351,104
Balance at end of the year	1,469,140	1,617,389

21. LEASE LIABILITIES

Present value of minimum lease payments - note 21.1
Less: current maturity

1,020,977	-
(137,894)	-
883,083	-

21.1 During the year, the Company recognised an office building as a ROUA and corresponding lease liability in respect of leased assets under contractual lease arrangements. The lease liability was measured at the present value of future lease payments using the borrowing rate of 12.64% per annum. The ROUA is being depreciated over the lease term, while the lease liability is subsequently measured using the effective interest method in accordance with IFRS 16 Leases.

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	Minimum lease payments		Financial charges		Present value of minimum lease payments	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
(Rupees in thousand)						
Year ended June 30,						
2027	254,268	-	116,374	-	137,894	-
2028	279,695	-	97,679	-	182,016	-
2029	307,664	-	73,281	-	234,383	-
2030	338,431	-	42,125	-	296,306	-
2031	177,273	-	6,895	-	170,378	-
Total	1,357,331	-	336,354	-	1,020,977	-

21.2 Lease rental payments for the year ended June 30, 2026, amount to Rs 121.08 million

June 30, 2026	June 30, 2025
(Rupees in thousand)	

22. DEFERRED LIABILITIES

Post - retirement medical benefits - note 31.2.1
Leave preparatory to retirement - note 31.3

5,158,321	4,093,530
1,140,537	1,233,952
6,298,858	5,327,482

23. DEFERRED TAXATION - NET

(Deductible) / taxable temporary differences on:

Exploration expenditure	(1,733,675)	(1,785,175)
Deferred liabilities	(2,183,324)	(2,077,718)
Provision for windfall levy on oil / condensate	(22,545,776)	(22,690,452)
Provision for doubtful debts	(126,501)	(126,501)
Provision for obsolete / slow moving stores	(189,108)	(162,242)
Decommissioning cost	5,552,272	8,064,807
Accelerated tax depreciation allowances	3,636,830	2,866,305
Exploratory wells cost	10,012,184	10,719,775
Development and production expenditure	27,995,722	26,042,653
Others	1,042,982	1,908,525
	21,461,606	22,759,977

23.1 During the year, the change in deferred taxation has been recognised in profit or loss, except for the deferred tax impact of Rs 400.04 million (2025: 'Nil') on account of remeasurement of defined benefit plans, Rs 102.65 million (2025: Rs 81.67 million) on account of exchange differences on translation of foreign associate and Rs 158.85 million (2025: Rs 2,991.32 million) on account of share of exchange differences on translation of foreign operation of the associate, which have been recognised in other comprehensive income.

June 30, 2026	June 30, 2025
(Rupees in thousand)	

24. TRADE AND OTHER PAYABLES

Creditors
Accrued liabilities
Accrued mark-up / profit on long - term financing
Security deposits / advances from customers - note 24.2
Retention money
Royalties
Lease extension bonus - Sui gas field
Current accounts with joint operations - note 36
Staff retirement benefit funds - note 31.1.2
Provision for windfall levy on oil / condensate - note 25.1.5
Federal excise duty
Others

383,963	1,290,452
14,382,463	13,621,482
4,731	5,353
2,258,770	1,052,480
258,768	192,942
5,718,377	4,082,879
5,912,815	374,226
18,836,591	17,368,824
6,601,824	5,636,492
42,944,286	36,304,674
34,663	9,612
263,535	241,271
97,600,786	80,180,687

24.1 As disclosed in note 10.4, trade and other payables do not include GDS amounting to Rs 79,459 million (2025: Rs 81,594 million) as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has not been paid to GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

24.2 This includes advances received from customers which will be recognised as revenue when the performance obligation is satisfied.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Sales tax

The Company has received various orders from the tax authorities, raising demand of Rs 1,082 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Company is contesting the matter before different appellate fora.

25.1.2 Income tax

To date, the tax authorities have amended the assessments of the Company for tax years 2003 to 2025, raising an aggregate demand of Rs 150,612 million. These demands primarily relate to rate issue, depletion allowance on account of gathering and processing charges, windfall levy, the Company's share of profit of Bolan Mining Enterprises, super tax and taxation of Late Payment Surcharge (LPS). The Company has paid or adjusted an amount of Rs 55,985 million out of the said aggregate demands under protest.

The outstanding demands pertain to tax years 2003 to 2009, which has been stayed by the Honourable Sindh High Court (SHC), super tax on agreement areas for tax years 2022 to 2024 and LPS for tax years 2020 till 2024. The appeals in respect of the assessments made by the tax authorities were filed before the following appellate fora.

Tax Year	Appellate Forum
2013, 2014, 2021, 2023 & 2024	Islamabad High Court (IHC)
2003 to 2012	Sindh High Court (SHC)
2019 to 2023	Appellate Tribunal Inland Revenue (ATIR)
2020 and 2022 till 2024	Alternate Dispute resolution Committee (ADRC)
2015 to 2018	Supreme Court of Pakistan (SCP)
2020 to 2025	Commissioner Inland Revenue Appeals

The Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, as a matter of abundant caution, the Company has continued to provide for tax liabilities primarily in respect of tax rates, super tax, as well as other issues in its books of accounts. In the event that the appeals on these matters are decided in favour of the Company, an amount of Rs 72,561 million. will be credited to the profit or loss for that year.

The aggregate tax demand issued by tax authorities mentioned above includes orders received during the year, which are disclosed below.

- i) During the year, the tax authorities have amended the assessment orders for tax years 2020 to 2024 treating unrecorded LPS on overdue receivables from the Company's customers as taxable income, raising an aggregate tax demand of Rs 75,097 million. The said LPS does not meet the income recognition criteria under IFRS 15, Company's accounting policy and accounting treatment is in line with the industry practice. The Company filed an application in ADRC. Subsequent to the year end, the ADRC through majority has decided the case against the Company by upholding the demands raised by tax authorities for tax years 2021 till 2024 amounting to Rs 59,073 million. The decision for tax year 2020 is pending adjudication. The Company is in the process of filing appeal at Federal Constitutional Court of Pakistan (FCC) or SCP. Based on the advice of its legal counsel, the Company is confident that it has sound grounds to contest the matter, accordingly no provision has been made in these unconsolidated financial statements.
- ii) Through the Finance Act, 2023, amendments were introduced in the law whereby state-owned enterprises are mandatorily required to file an application before the ADRC instead of availing the normal appellate mechanism. The Company has challenged the vires of these amendments before the Honourable IHC, where the matter is currently pending adjudication.
- iii) Return of income for the tax year 2025 was amended during the year raising tax demand of Rs. 4,081 million primarily on account of rate issue, provision for windfall levy and depletion allowance on account of gathering and processing charges. Further, the tax authorities has also passed assessment orders for tax years 2020 to 2024 in pursuance of further amendment of assessment / audit proceedings resulting in aggregate tax demand of Rs. 2,984 million on account of disallowance of depletion allowance relating to gathering and processing charges and other issues. The said tax demands were paid by the Company under protest. Being aggrieved, the Company has filed appeals before the relevant appellate fora.

- iv) During the year, the tax authorities issued show cause notices for Rs 38,443 million for tax years 2020 to 2024, contending that the Company's income from the Sui field is taxable under the normal provisions of the Ordinance rather than under the Fifth Schedule to the Ordinance, by disputing the effective date of execution of the Petroleum Concession Agreement (PCA). The Company has challenged these notices before the Honourable SHC through a Constitutional Petition, and the Honourable SHC, through an interim order, has suspended the operation of the said notices.
- v) During the year, the FCC while deciding the constitutional petitions on super tax has held that section 4B and 4C of the ITO will only apply to income of E&P companies if it does not result in exceeding the aggregate rate of tax provided in Fifth Schedule of ITO and respective PCAs. Subsequently, the tax authorities have issued amended assessment orders for tax years 2022 till 2024 raising aggregate tax demand of Rs 18,053 million. The Company considers the demands to be unreasonable and has filed application before ADRC which is pending adjudication.

25.1.3 Sindh Workers' Welfare Fund

The Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Company.

SRB passed an order dated November 24, 2023, requiring the Company to deposit Rs 2,061 million in SWWF account for the year ended June 30, 2022. The Company filed an appeal against the aforesaid SRB order before Commissioner Appeals, SRB and filed a constitutional petition challenging the recovery notice before the Honourable SHC. The Honourable SHC was pleased to pass restraining order against SRB from taking any coercive action against the Company.

Further, SRB has issued notice dated January 02, 2024 for initiating proceedings on show-cause notice dated November 05, 2018 for the year ended June 30, 2017. The Company, through its external legal counsel has submitted written reply and the matter is pending adjudication.

Furthermore, SRB has issued a show cause notice dated March 12, 2024 for the payment of SWWF for the year ended June 30, 2023 demanding SWWF contribution along with penalties and surcharges. On June 12, 2024, SRB issued an order demanding the Company to pay Rs 3,478 million. The Company filed an appeal before Commissioner Appeals, SRB and filed a constitutional petition against the recovery notice. Accordingly, stay was granted by the Honourable SHC.

The Company has challenged the applicability of the SWWF Act, 2014 asserting that the Company is governed by federal law. Further, the Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Company, therefore, no provision has been made in these unconsolidated financial statements.

During the last year, the Honourable SHC has disposed of Suit No.1030 of 2016, in which the Company had challenged the demand for Sindh Workers' Welfare Fund (SWWF) by the Sindh Revenue Board (SRB) on the grounds of being a trans-provincial entity. The Honourable SHC relied on the Council of Common Interests (CCI) decision (CCI.14/1/2019), which affirmed that Workers' Welfare Fund (WWF) and the Employees' Old-Age Benefits Institution (EOBI) shall remain under federal jurisdiction until a mutually agreed mechanism is established, SRB has filed Civil Petition for Leave to Appeal (CPLA) against the said order which is pending adjudication. The Company will take appropriate legal action and will duly contest the said petition once the notice is received.

25.1.4 Sindh Workers' Profit Participation Fund

The Company received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained an interim stay. Further, in view of the potential exposure involved, the Company, on the advice of the legal counsel, has also obtained an interim stay from the Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

SRB issued a notice to the Company on February 21, 2024, demanding payment of leftover amount of Workers' Profit Participation Fund (WPPF) for the year ended June 30, 2023. The Company argued that being a trans-provincial entity, it falls under the ambit of the Companies Profit (Worker's Participation) Act, 1968, and is not obligated to make WPPF payments to SRB but rather to the Federal Government. The Company also received notices from the Federal Board of Revenue (FBR) and the Ministry of Overseas Pakistanis and Human Resources Development claiming the payment of the said amount. The Company sought clarification from FBR on the appropriate authority for payment, and FBR affirmed its authority through order dated March 22, 2024. Consequently, the Company filed a lawsuit seeking declaration and permanent injunction against notice issued by SRB and the Ministry of Overseas Pakistanis and Human Resources Development, aiming to clarify the authority responsible to collect the WPPF amount. The Honourable SHC granted interim relief to the Company on April 16, 2024, restraining any adverse actions against the Company by the defendants.

25.1.5 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

- i) Windfall Levy is applicable on exploration and production of natural gas only;
- ii) Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and
- iii) There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate (WLO) retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Company is presently entitled and receiving under the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Most of the petitioners have already advanced final arguments before the Court. The stay order already granted remains in effect. The case was last fixed for hearing on July 13, 2026, and the matter is now pending adjudication.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2026, on the completion of the process laid down in the law and in line with the Company's accounting policy following the revised prices notified from time to time.

The WLO if also applicable on oil / condensate will amount to approximately Rs 60,741 million (2025: Rs 54,371 million) for the period up to June 30, 2026. As mentioned above, the Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Company's legal contention and as a matter of abundant caution, the Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2026 amounts to Rs 42,945 million (2025: Rs 36,305 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 64,826 million (2025: Rs 53,608 million) and Rs 34,550 million (2025: Rs 24,249 million), respectively.

25.1.6 Contingencies of Investee Companies

In the context of PPLE, the tax authorities have amended the assessments for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the Honourable IHC or deleted / remanded back by the CIR-(A), the appeal effect of which is pending before the tax authorities.

Further, the tax authorities have amended the assessment of PPLE for the tax years 2015 to 2020, raising an aggregate demand of Rs 667 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed). PPLE has obtained stay orders in respect of remaining demand from CIR (A) / ATIR.

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue and decommissioning cost which amounts to Rs 743 million for the tax years 2004 to 2023.

25.1.7 Other contingencies

- (a) The Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Company's share of encashment was credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Company in which it has filed a number of claims against the Company. The Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

- (b) The Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,322.200 million (2025: Rs 2,957.110 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Company and, accordingly, no provision has been made in these unconsolidated financial statements.

- (c) The Company has provided parent company guarantee to the GoP in respect of PPLe's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

- (d) The Company has provided parent company guarantees (corporate guarantees) jointly and severally with the other consortium members to ADNOC and the Supreme Council for Financial and Economic Affairs, Abu Dhabi, UAE, guaranteeing PIOL's obligations under the concession documents. In addition, to mitigate the exposure arising from such joint and several liability, each consortium member has provided Shareholders' Protection Guarantees (corporate guarantees) in favour of PIOL and the other consortium members, covering its respective share of the obligations under the concession documents.

25.2 Commitments

- 25.2.1** Total commitments for capital expenditure (net share) as at June 30, 2026 are Rs 6,809 million (2025: Rs 1,117 million). Further, total amount outstanding under letters of credit (net share) as at June 30, 2026 is Rs 2,076 million (2025: Rs 2,058 million).

- 25.2.2** With respect to PMPL (note 6.5), the Company had earlier entered into a Joint Venture Agreement with the stakeholders, under which the Company had committed to invest a total amount of up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. During the year, the shareholders of the Company have approved to increase the investment amount to USD 715 million to be adjusted for actual inflation and financing costs, of which USD 167 million has been invested. In addition, the Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Company has provided a several corporate guarantee to fund the obligations of the Company under the Definitive Agreements.

During the year, Barrick Mining Corporation (BMC), the Operator, announced that it was reviewing all aspects of the Reko Diq project including the security situation in the region. On April 2, 2026, BMC announced that following the preliminary findings of the review, BMC considers it necessary to slow the development activity and extend the project review. This review is ongoing and will assess in a comprehensive manner the capital requirements, project financing, project scope and timeline. It is anticipated by BMC that there could be changes to the estimated capital cost and timeline of the project.

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sales
Federal excise duty
Sales tax
Petroleum Levy
Discounts (barytes)

Local sales - net
Export sales - note 26.1

Product wise break-up of sales is as follows:

Natural gas
Federal excise duty
Sales tax

Gas supplied to Sui villages - note 27
Federal excise duty
Sales tax

Internal consumption of gas
Federal excise duty
Sales tax

Crude oil / Natural gas liquids / Condensate

LPG
Federal excise duty
Sales tax
Petroleum Levy

Barytes & Iron ore
Sales tax
Discounts

- 26.1** Break up of export sales is as follows:

Barytes
Crude oil / condensate

Year ended
June 30, 2026

Year ended
June 30, 2025

(Rupees in thousand)

Local sales	300,118,847	275,005,889
Federal excise duty	(1,246,657)	(1,239,734)
Sales tax	(35,039,023)	(33,155,732)
Petroleum Levy	(479,284)	(453,413)
Discounts (barytes)	(1,849)	(29,732)
	(36,766,813)	(34,878,611)
Local sales - net	263,352,034	240,127,278
Export sales - note 26.1	662,520	2,389,085
	264,014,554	242,516,363
Product wise break-up of sales is as follows:		
Natural gas	187,343,818	181,086,681
Federal excise duty	(1,217,627)	(1,209,751)
Sales tax	(31,545,245)	(29,705,739)
	(32,762,872)	(30,915,490)
	154,580,946	150,171,191
Gas supplied to Sui villages - note 27	1,471,840	1,602,148
Federal excise duty	(13,710)	(14,978)
Sales tax	(224,518)	(244,395)
	(238,228)	(259,373)
	1,233,612	1,342,775
Internal consumption of gas	708,133	722,361
Federal excise duty	(6,594)	(6,750)
Sales tax	(107,991)	(110,165)
	(114,585)	(116,915)
	593,548	605,446
Crude oil / Natural gas liquids / Condensate	89,788,073	71,341,103
LPG	20,411,267	19,974,023
Federal excise duty	(8,726)	(8,255)
Sales tax	(3,123,353)	(3,051,766)
Petroleum Levy	(479,284)	(453,413)
	(3,611,363)	(3,513,434)
	16,799,904	16,460,589
Barytes & Iron ore	1,058,236	2,668,658
Sales tax	(37,916)	(43,667)
Discounts	(1,849)	(29,732)
	(39,765)	(73,399)
	1,018,471	2,595,259
	264,014,554	242,516,363

Barytes	639,253	2,352,664
Crude oil / condensate	23,267	36,421
	662,520	2,389,085

27. OPERATING EXPENSES

	Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)		
Salaries, wages, welfare and other benefits - note 30.1	20,187,680	16,528,689
Operators' personnel	4,061,576	3,937,097
Depreciation	6,055,002	6,309,817
Amortisation of decommissioning assets - note 4.1	1,567,825	883,137
Amortisation of D&P assets - note 4.1	10,562,901	9,425,787
Plant operations	6,904,951	6,003,098
Well interventions	1,343,456	1,603,670
Field services	3,942,382	3,280,989
Crude oil and barytes transportation	1,159,571	1,265,442
Travelling and conveyance	857,793	729,547
Training and development	124,063	120,636
PCA overheads	613,765	441,552
Insurance expenses	1,015,393	1,064,990
Free supply of gas to Sui villages - note 26	1,471,840	1,602,148
Social welfare / community development	1,070,062	586,883
	60,938,260	53,783,482

28. ROYALTIES AND OTHER LEVIES

Royalties and others	32,449,465	27,817,584
Lease extension bonus	5,538,589	5,791,450
Windfall levy	5,082,182	3,325,877
	43,070,236	36,934,911

29. EXPLORATION EXPENSES

Dry and abandoned wells	3,974,565	7,508,897
Other exploration expenditures - note 29.1	7,130,020	8,173,657
	11,104,585	15,682,554

- 29.1** Exploration expenses are net of Rs 2,089 million, Rs 850 million and Rs 234 million on account of farm-out of working interest in Kuhan, Indus C and Margand blocks, respectively. As the recoveries of past costs exceeded the exploration expenses incurred on the respective blocks, the excess amount of Rs 1,365 million has been recognised as other income as disclosed in note 34.3.

30. ADMINISTRATIVE EXPENSES

	Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)		
Salaries, wages, welfare and other benefits - note 30.1	12,470,153	10,750,005
Amortisation of intangible assets - note 5.1	91,421	48,467
Depreciation of ROUA and HO assets	751,705	421,221
Rent, rates and taxes	412,219	382,681
Utilities and communication	151,993	159,384
Travelling and conveyance	227,127	215,384
Training and development	148,489	122,122
Insurance expenses	76,561	66,153
Repairs, maintenance and supplies	1,441,084	1,279,880
Professional services	361,599	295,343
Auditors' remuneration - note 30.2	20,479	17,518
Donations and sponsorships - note 30.3 & 30.4	220,752	250,677
Contract services	234,572	209,154
Compliance and regulatory expenses	159,745	78,599
Advertisement, publicity and public relations	109,581	134,721
Other expenses	118,024	88,411
	16,995,504	14,519,720
Allocation to capital and operating expenditure	(9,016,670)	(7,839,981)
	7,978,834	6,679,739

- 30.1** This includes expenditure in respect of provident fund, pension fund, gratuity fund and post-retirement medical benefits amounting to Rs 546.588 million, Rs 1,472.065 million, Rs 526.574 million and Rs 568.764 million, respectively (2025: Rs 428.861 million, Rs 1,015.322 million, Rs 398.354 million and Rs 481.831 million, respectively).

30.2 Auditors' remuneration

	Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)		
Annual audit fee		
- unconsolidated	8,188	7,120
- consolidated	1,502	1,306
Limited review, special certifications and professional services	7,632	6,320
Out of pocket expenses and others	3,157	2,772
	20,479	17,518

- 30.3** Party wise details of donations in excess of 10 percent of the Company's total amount of donations are given below:

	Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)		
Name of Donees / Party		
NED University of Engineering and Technology, Karachi	17,200	-
Al-Shifa Trust Eye Hospital, Sukkur	10,000	10,000
Behbud Association of Pakistan	10,000	10,000
Tehzibul Akhlaq Trust	2,625	10,500
University of Engineering, Lahore	-	12,600

- 30.4** There are no donations in which the directors of the Company are interested.

31. STAFF RETIREMENT BENEFITS**31.1 Funded post retirement pension and gratuity schemes**

As mentioned in note 3.14 to these unconsolidated financial statements, the Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Company appoints the trustees. All trustees are employees of the Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

31.1.1 Fair value of plan assets and the present value of obligations

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	------(Rupees in thousand)-----					
Present value of defined benefit obligations - note 31.1.6	17,835,580	2,113,173	10,285,133	3,932,929	34,166,815	30,706,000
Fair value of plan assets - note 31.1.5	(19,323,133)	(1,403,328)	(5,409,791)	(1,428,739)	(27,564,991)	(25,069,508)
Liability / (asset) recognised in the statement of financial position	(1,487,553)	709,845	4,875,342	2,504,190	6,601,824	5,636,492

31.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	------(Rupees in thousand)-----					
Balances as on July 01	(1,041,043)	685,516	3,998,686	1,993,333	5,636,492	4,508,498
Charge for the year - note 31.1.3	343,557	165,704	690,914	360,870	1,561,045	1,413,676
Payments during the year	(609,598)	(156,353)	(304,360)	(128,527)	(1,198,838)	(897,175)
Amount recognised in Other Comprehensive Income (OCI) for the year – note 31.1.4	(180,469)	14,978	490,102	278,514	603,125	611,493
Balances as on June 30	(1,487,553)	709,845	4,875,342	2,504,190	6,601,824	5,636,492

31.1.3 Amounts recognised in profit or loss

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	------(Rupees in thousand)-----					
Current service cost	459,270	89,508	220,073	124,664	893,515	768,522
Interest cost on defined benefit obligation	1,870,761	224,899	1,046,480	402,640	3,544,780	3,737,508
Interest income on plan assets	(1,986,474)	(148,703)	(575,639)	(166,434)	(2,877,250)	(3,092,354)
Charge for the year recognised in profit or loss	343,557	165,704	690,914	360,870	1,561,045	1,413,676
Actual return on plan assets	2,465,067	182,060	770,730	239,387	3,657,244	4,601,487

31.1.4 Remeasurement recognised in other comprehensive income

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	------(Rupees in thousand)-----					
Actuarial (gain) / loss on obligation	298,124	48,335	685,193	351,467	1,383,119	2,120,625
Actuarial (gain) / loss on assets	(478,593)	(33,357)	(195,091)	(72,953)	(779,994)	(1,509,132)
Total remeasurements	(180,469)	14,978	490,102	278,514	603,125	611,493

31.1.5 Changes in fair value of plan assets

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	------(Rupees in thousand)-----					
Fair value of plan assets at beginning of the year *	17,103,463	1,276,548	5,137,080	1,552,417	25,069,508	21,340,256
Interest income on plan assets	1,986,474	148,703	575,639	166,434	2,877,250	3,092,354
Transferred to defined contribution pension fund	-	-	(37,203)	-	(37,203)	(21,818)
Contributions / adjustments by the Company	609,598	156,353	304,360	128,527	1,198,838	897,175
Benefits paid	(854,995)	(211,633)	(765,176)	(491,592)	(2,323,396)	(1,747,591)
Amount recognised in OCI for the year	478,593	33,357	195,091	72,953	779,994	1,509,132
Fair value of plan assets at the end of the year *	19,323,133	1,403,328	5,409,791	1,428,739	27,564,991	25,069,508

* This represents unaudited fair value of plan assets.

31.1.6 Changes in present value of pension and gratuity obligations

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	------(Rupees in thousand)-----					
Present value of obligations at beginning of the year	16,062,420	1,962,064	9,135,766	3,545,750	30,706,000	25,848,754
Current service cost	459,270	89,508	220,073	124,664	893,515	768,522
Interest cost	1,870,761	224,899	1,046,480	402,640	3,544,780	3,737,508
Transferred to defined contribution pension fund	-	-	(37,203)	-	(37,203)	(21,818)
Benefits paid	(854,995)	(211,633)	(765,176)	(491,592)	(2,323,396)	(1,747,591)
Amount recognised in OCI	298,124	48,335	685,193	351,467	1,383,119	2,120,625
Present value of obligations at the end of the year	17,835,580	2,113,173	10,285,133	3,932,929	34,166,815	30,706,000

31.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return %	Executive		Non-Executive		Executive		Non-Executive	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
		June 30, 2026				June 30, 2025			
Pension Fund									
Government securities	8.00 - 14.00	8,838,123	46	2,254,524	42	9,646,658	56	3,444,530	67
Shares / mutual funds	-	2,861,732	15	825,877	15	1,986,872	12	709,101	14
Sukuk	13.15	1,689	-	1,689	-	-	-	-	-
Term finance certificates	12.28 - 13.89	60,272	-	-	-	59,691	-	-	-
National savings certificates	13.01	2,156,148	11	719,668	13	2,006,533	12	669,774	13
Cash and bank deposits	6.58 - 11.90	5,405,169	28	1,608,033	30	3,403,709	20	313,675	6
Total		19,323,133	100	5,409,791	100	17,103,463	100	5,137,080	100
Gratuity Fund									
Government securities	8.00 - 14.00	433,473	31	575,510	41	645,088	50	872,471	56
Shares	-	194,069	14	249,417	17	168,517	13	233,528	15
Sukuk	13.15	1,013	-	1,351	-	-	-	-	-
Term finance certificates	13.89	19,992	1	24,990	2	19,972	2	24,965	2
National savings certificates	13.01	281,901	20	227,588	16	262,386	21	211,846	14
Cash and bank deposits	6.58 - 11.90	472,880	34	349,883	24	180,585	14	209,607	13
Total		1,403,328	100	1,428,739	100	1,276,548	100	1,552,417	100

31.1.8 Sensitivity analysis

	June 30, 2026				June 30, 2025			
	Executive		Non-Executive		Executive		Non-Executive	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
------(Rupees in thousand)-----								
Pension								
Salary rate sensitivity	803,884	(725,261)	313,213	(286,446)	755,251	(678,335)	342,045	(312,227)
Pension rate sensitivity	1,436,747	(1,234,500)	544,362	(464,532)	1,310,558	(1,125,436)	484,490	(413,187)
Discount rate sensitivity	(1,904,398)	2,317,817	(890,951)	1,061,901	(1,750,766)	2,136,578	(782,245)	931,960
Gratuity								
Salary rate sensitivity	143,613	(128,633)	134,480	(123,225)	132,840	(119,056)	151,502	(138,831)
Discount rate sensitivity	(136,196)	154,973	(206,470)	230,475	(126,061)	143,358	(181,598)	202,324

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

31.1.9 Maturity profile of the defined benefit obligations

	June 30, 2026			
	Executive		Non-Executive	
	Pension	Gratuity	Pension	Gratuity
------(Rupees in thousand)-----				
Weighted average duration (years)	10.68	6.99	8.66	5.98
------(Rupees in thousand)-----				
Distribution of timing of benefit payments (time in years)				
1	908,214	246,974	730,090	489,554
2	1,267,434	221,530	817,351	537,159
3	1,173,409	243,807	1,363,663	911,640
4	1,278,743	276,173	1,197,263	730,256
5	1,470,750	249,328	1,083,031	601,531
6-10	9,337,808	1,407,059	5,994,707	2,655,306

31.1.10 The Company expects to contribute Rs 1,772.235 million (2025: Rs 1,074.626 million) to the pension and gratuity funds in the next financial year.

31.2 Unfunded post-retirement medical benefits

31.2.1 The Company provides free medical facilities to its management and non-management retired employees, as mentioned in note 3.14 to these unconsolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2026, results of which are as follows:

	June 30, 2026	June 30, 2025
(Rupees in thousand)		
Present value of defined benefit obligations - notes 22 and 31.2.4	5,158,321	4,093,530
31.2.2 Movement in the liability recognised in the statement of financial position is as follows:		
Balance as at July 01	4,093,530	2,864,822
Charge for the year - notes 30.1 & 31.2.3	568,764	481,830
Payments during the year	(221,185)	(197,465)
Amounts recognised in OCI	717,212	944,343
Balance as at June 30	5,158,321	4,093,530

31.2.3 Amounts recognised in profit or loss

Current service cost	91,517	63,511
Interest cost	477,247	418,319
	568,764	481,830
June 30, 2026		
June 30, 2025		
(Rupees in thousand)		

31.2.4 Changes in present value of post-retirement medical obligations

Balance as at July 01	4,093,530	2,864,822
Current service cost	91,517	63,511
Interest cost	477,247	418,319
Benefits paid	(221,185)	(197,465)
Amounts recognised in OCI	717,212	944,343
Balance as at June 30	5,158,321	4,093,530
1% increase		
1% decrease		
(Rupees in thousand)		

31.2.5 Sensitivity analysis

Medical cost trend rate sensitivity	607,095	(515,145)
Discount rate sensitivity	(617,053)	762,173

31.2.6 The Company expects to contribute Rs 709.504 million (2025: Rs 568.764 million) to the unfunded post-retirement medical benefits in the next financial year.

31.2.7 The weighted average duration of the defined benefit obligation works out to 11.76 years (2025: 11.98 years) in respect of management and 12.25 years (2025: 12.42 years) in respect of non-management retired employees.

31.3 Leave preparatory to retirement

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Balance as at July 01	1,233,952	1,252,784
Reversal for the year	(83,326)	(10,648)
	1,150,626	1,242,136
Payments / adjustments during the year	(10,089)	(8,184)
Balance as at June 30 - note 22	1,140,537	1,233,952

31.4 Principal actuarial assumptions

	Per annum	
	June 30, 2026	June 30, 2025
- discount rate	11.75%	11.75%
- expected rate of increase in salaries	11.75%	11.75%
- expected rate of increase in pension	7.75%	7.75%
- expected rate of escalation in medical cost	8.75%	8.75%
- death rate / mortality rate	SLIC (2001-05)	

31.5 Description of the risks to the Company

The defined benefit plans expose the Company to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

Discount rate risk - The risk that the decrease in discount rate will increase the plan liabilities.

32. FINANCE COSTS

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Unwinding of discount on decommissioning obligation - note 19	1,765,648	2,218,518
Mark-up / profit on long-term financing	166,035	197,236
Financial charges for lease liabilities	68,479	-
Others	306	-
	2,000,468	2,415,754

33. OTHER CHARGES

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
WPPF charge - note 14.1	6,826,067	6,275,989
Provision for windfall levy on oil / condensate - note 25.1.5	6,639,612	4,483,737
Exchange loss on foreign currency (net)	909,682	207,644
Charge of provision for obsolete / slow moving stores and spares - note 9.1	68,887	47,391
(Reversal) / write off / impairment of property, plant and equipment - note 4.4	(27,168)	190,986
Levy - notes 3.18 & 35.2	184,068	555,756
	14,601,148	11,761,503

34. OTHER INCOME

Income from financial assets		
Income on loans and bank deposits	818,471	1,687,967
Income on local currency term deposits	708,479	721,504
Income on foreign currency term deposits	2,386,848	2,754,422
Income from investment in treasury bills	4,126,836	9,834,643
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	736,270	2,223,024
	8,776,904	17,221,560
Income from assets other than financial assets		
Rental income on assets	3,345	3,869
Gain on disposal of property, plant and equipment (net)	365,435	749,976
Insurance claim - note 34.1	162,052	2,863,701
Liquidated damages recovered from contractors - note 34.2	2,241,674	22,378
Reversal of impairment loss on investment in PPLA	-	3,211,033
Others - note 34.3	1,593,113	96,032
	4,365,619	6,946,989
	13,142,523	24,168,549

34.1 The Company has received USD 0.046 million (Rs. 12.817 million) {(2025: USD 10.178 million (Rs. 2,846.027 million))} against the Tal Block insurance claim and recognised the income accordingly.

34.2 This includes an amount of Rs 1,990 million recognised pursuant to settlement agreement reached with the EPCC contractors for projects in Gambat South and Adhi fields.

34.3 This includes an amount of Rs 1,365.29 million (2025: 'Nil') relating to farm-out of working interest in Kuhan, Indus C and Margand blocks, exceeding the cost recovery as disclosed in note 29.1.

35. TAXATION

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Current		
- for the year	46,377,883	48,001,649
- for prior years (net) - note 35.1	(7,572,326)	(210,221)
	38,805,557	47,791,428
Deferred	(639,548)	(736,359)
	38,166,009	47,055,069

35.1 During the year, the FCC announced its decision via short order on January 27, 2026 and detailed order issued on April 09, 2026, regarding the constitutional challenges to Super Tax levied under section 4B and 4C of the ITO. In its decision, the FCC held that, in respect of Exploration and Production (E&P) Companies, application of Section 4B and 4C by virtue of Rule 4AA and 4AB of the Fifth Schedule (the schedule) will not apply to the petroleum income arising to E&P Companies if its application results in exceeding the aggregate rate of taxes provided in the Schedule and their respective PCAs. Based on its assessment of impact of the decision of the FCC on these unconsolidated financial statements, the Company has reversed the tax provision amounting to Rs 8,104 million for prior years.

35.2 Reconciliation of current tax expense charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Current tax liability for the year as per applicable tax laws	46,561,951	48,557,405
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(46,377,883)	(48,001,649)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 - note 33	(184,068)	(555,756)
Difference	-	-

35.3 The aggregate of final tax and income tax amounting to Rs 46,561.951 million (2025: Rs 48,557.405 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

35.4 Relationship between accounting profit and taxation

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Accounting profit for the year before taxation	136,699,307	139,082,519
Tax on accounting profit at applicable rate of 42.61% (2025: 41.28%)	58,253,589	57,410,128
Tax effect of:		
- Depletion allowance	(17,014,215)	(15,801,353)
- Royalty allowed for tax purposes	(4,326,884)	(4,421,340)
- Impairment loss	-	(931,200)
- Unwinding of discount on decommissioning obligation	792,159	1,036,384
- Tax effect relating to prior years	(7,572,326)	(210,221)
- Decommissioning cost	(1,362,069)	643,353
- Tax effects of rate other than contracts	6,276,650	9,930,094
- Change in deferred taxation	2,787,024	-
- Others	332,081	(600,776)
	38,166,009	47,055,069
Effective tax rate	27.92%	33.83%

36. Details of Exploration, Production and Mining Areas / Fields

The areas in which the Company has working interest are as follows:

Name of Field	Operator	Percentage of the Company's working interest as at June 30, 2026	Net Balance (Payable) / Receivable June 30, 2026	Net Balance (Payable) / Receivable June 30, 2025
------(Rupees in thousand)-----				
Producing Fields				
1 Adhi	PPL	39.00	(325,297)	(1,535,906)
2 Dhok Sultan - note 36.1	PPL	75.00	(79,770)	(438,563)
3 Gambat South	PPL	65.00	(2,026,533)	(1,472,317)
4 Hala	PPL	65.00	(97,780)	(63,480)
5 Kandhkot	PPL	100.00	-	-
6 Kandhkot East (Chachar)	PPL	75.00	17,957	11,730
7 Mazarani	PPL	87.50	115,287	86,307
8 Shah Bandar - note 36.2	PPL	63.00	(2,221,259)	(441,359)
9 Sui	PPL	100.00	-	-
10 Block 22	PEL	35.53	(259,494)	(191,580)
11 Digri	UEPL	25.00	(15,379)	(76,180)
12 Ghauri (Dharian EWT Phase)	MEL	35.00	(1,317,617)	(46,947)
13 Kirthar	POGC	30.00	(923,415)	(1,083,292)
14 Kotri North (EWT Phase)	UEPL	40.00	(332,686)	(762,473)
15 Latif	UEP-BETA	33.30	(42,242)	(251,652)
16 Miano	UEP-BETA	15.16	(412,273)	(303,616)
17 Nashpa	OGDCL	28.55	(783,907)	(2,113,670)
18 Qadirpur	OGDCL	7.00	(357,373)	(269,376)
19 Sawan	UEP-BETA	26.18	(152,191)	(573,153)
20 Tal	MOL	27.76	(3,034,846)	(2,256,989)
Exploration Blocks				
1 Block 2969-8 (Barkhan)	PPL	50.00	5,901	53
2 Block 2566-6 (Bela West)	PPL	58.50	27,492	54,387
3 Block 3371-15 (Dhok Sultan) - note 36.3	PPL	75.00	-	-
4 Block 2568-18 (Gambat South) - note 36.3	PPL	65.00	-	-
5 Block 2568-13 (Hala) - note 36.3	PPL	65.00	-	-
6 Block 3372-23 (Hisal)	PPL	62.50	(632)	(221,295)
7 Block 2866-2 (Kalat)	PPL	100.00	37,354	4,979
8 Block 2763-3 (Kharan)	PPL	100.00	4,672	4,481
9 Block 2764-4 (Kharan-East)	PPL	100.00	(12,322)	(24,219)
10 Block 2766-1 (Khuzdar)	PPL	100.00	60,482	(720,481)
11 Block 2866-4 (Margand) - note 36.4	PPL	97.50	404,141	(19,705)
12 Block 3069-10 (Musakhel)	PPL	37.20	113,245	(66,084)
13 Block 2668-9 (Naushahro Firoz)	PPL	100.00	(69,415)	(57,925)
14 Block 2864-2 (Naushervani)	PPL	97.50	18,997	12,459
15 Block 3073-5 (Punjab)	PPL	47.50	(4,123)	(12,647)
16 Block 2467-16 (Shah Bandar) - note 36.3	PPL	63.00	-	-
17 Block 2468-10 (Sirani)	PPL	75.00	(1,389,994)	(529,996)
18 Block 2768-13 (Sorah)	PPL	100.00	(457,090)	(38,351)
19 Block 3070-13 (Baska)	PPL	82.50	43,567	(18,672)
20 Block 2869-15 (Sui North)	PPL	47.50	(13,607)	98,078
21 Block 2866-15 (Kalat West)	PPL	47.50	18,955	13,097
22 Block 3273-3 (Ghauri) - note 36.3	MEL	35.00	-	-
23 Block 2866-3 (Khuzdar North)	OGDCL	25.00	(28,720)	(20,333)
24 Block 2667-7 (Kirthar) - note 36.3	POGC	30.00	-	-
25 Block 2568-21 (Kotri North) - note 36.3	UEPL	40.00	-	-
26 Block 2867-5 (Kuhan)	UEP-BETA	35.00	(1,385,854)	(2,084,509)
27 Block 2669-3 (Latif) note 36.3	UEP-BETA	33.30	-	-
28 Block 3370-10 (Nashpa) - note 36.3	OGDCL	30.00	-	-
29 Block 3070-16 (Pezu)	OGDCL	30.00	(15,931)	(15,226)
30 Block 3072-8 (Shakarganj West)	OGDCL	50.00	(40,064)	(48,453)
31 Block 3069-9 (Suleiman)	OGDCL	47.50	(163,887)	(85,770)
32 Block 3370-3 (Tal) - note 36.3	MOL	30.00	-	-
33 Block 2967-5 (Mach)	MEL	28.50	(8,152)	(5,193)
34 Block 2867-6 (Dadhar)	MEL	28.50	(10,942)	(7,252)
35 Block 3168-2 (Shaigalu)	PPL	38.00	477	25,694
36 Block 3068-8 (South Pishin) - note 36.5	MEL	33.25	(21,706)	(16,288)
37 Block 3067-8 (Lugai)	OGDCL	30.00	(17,979)	(17,987)
38 Block 3167-3 (Tanishpa)	OGDCL	34.125	(15,623)	(17,667)
39 Block 2667-12 (Baran)	POGC	31.00	(823,300)	(161,326)
40 Block 2668-25 (Gambat-II)	PPL	70.00	21,895	23,518
41 Block 2666-1 (Saruna West)	POL	30.00	(7,425)	(2,087)
42 EL 207 (Chagai)	DEW	49.00	(199,306)	(143,792)
43 Block 3269-2 (Miran) - note 36.6	OGDCL	10.00	298	-
44 Block 2865-5 (Kalat South) - note 36.7	PPL	40.00	-	-
45 Block 2966-3 (Ziarat North) - note 36.8	MEL	24.87	(5,734)	-
Offshore Blocks				
46 Block 2366-7 (Indus-C) - note 36.9	TPOC	35.00	(177,779)	(10,627)
47 Block 2366-8 (Kochi Creek) - note 36.10	PPL	40.00	-	-
48 Block 2466-9 (Gharo Creek) - note 36.10	PPL	40.00	-	-
49 Block 2366-9 (Behr) - note 36.10	MEL	30.00	(763)	-
50 Block 2267-3 (Zarrar) - note 36.10	MEL	24.00	(610)	-
51 Block 2366-11 (Offshore Deep D) - note 36.10	MEL	30.00	(763)	-
52 Block 2466-10 (Bin Qasim South) - note 36.10	OGDCL	24.00	(610)	-
53 Block 2367-6 (Keti Bandar) - note 36.10	OGDCL	24.00	(610)	-
54 Block 2465-5 (Sapat Bandar) - note 36.10	PGEL	23.00	(585)	-
Other areas - note 36.11			82,157	11,691

- 36.1** On December 17, 2025, D&PL was granted over Dhok Sultan X-1 with effect from November 25, 2025.
- 36.2** Subsequent to year end, the competent authority through letter No. EXPL - 8(3) PPL - JHIM EAST / 2025 -0001 dated August 28, 2026, has granted an approval for D&PL over Jhim East X-1 and Pateji X-1 discoveries for a period of six years with effect from July 24, 2025, in accordance with Rule 30(2) of Pakistan Onshore Petroleum (Exploration & Production) Rules, 2013.
- 36.3** The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "Producing Field", since the balances are settled on a net basis.
- 36.4** On February 06, 2026, Deed of Assignment was signed to transfer the Company's 2.5% working interest to Balochistan Energy Company Limited (BECL).
- 36.5** On May 04, 2026, Deed of Assignment was signed to assign 2.5% working interest to GHPL and BECL each in the South Pishin Block. Consequently, the Company's working interest has been revised to 33.25%.
- 36.6** On November 12, 2025, Deed of Assignment was signed to farm-in 10% working interest of Khyber Pakhtunkhwa Oil & Gas Company Limited with effect from May 07, 2024.
- 36.7** On February 26, 2026, Petroleum Concession Agreement was executed to award working interest along with operatorship of the block to the Company.
- 36.8** On December 02, 2025, Petroleum Concession Agreement was executed to award working interest in the block as partner operated.
- 36.9** The Deed of Assignment was signed on December 02, 2025 under which the Company assigned 25% Participating Interest (PI) and operatorship to TPOC, and 20% PI each to Oil & Gas Development Company Limited and Mari Energies Limited.
- 36.10** On May 20, 2026, Production Sharing Agreements were executed for award of eight offshore exploration blocks including two operated blocks viz Kochi Creek and Ghara Creek and six partner operated blocks viz Behr, Zarrar, Offshore Deep D, Bin Qasim South, Keti Bandar and Sapat Bandar.
- 36.11** This mainly includes amounts receivable / (payable) under the various blocks against which the Company has applied to the GoP for relinquishment or partial relinquishment with retention of discovery areas (Hab and Kotri ELs).
- 36.12** During the year, the Company has received the offer letter for grant of EL - 331, subject to fulfilment of certain conditions.
- 36.13** The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Company and transactions with the Joint Operations.

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets as per statement of financial position

- At amortised cost

Long-term loans	183,743	159,069
Long-term deposits	1,691,426	1,691,426
Trade debts	623,449,738	592,404,145
Loans and advances	739,367	343,217
Trade deposits	268,806	399,290
Interest accrued	1,305,419	1,132,569
Other receivables	2,682,055	1,952,477
Short-term investments	95,063,805	74,164,807
Cash and bank balances	7,166,285	6,199,269

Total financial assets

Non-financial assets

Total assets

Financial liabilities as per statement of financial position

- Financial liabilities measured at amortised cost

Long term financing	1,469,140	1,617,389
Trade and other payables	42,990,645	39,409,296
Unclaimed dividends	391,315	344,992

Total financial liabilities

Non-financial liabilities

Total liabilities

37.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an orderly transaction at the measurement date under current market conditions. The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.7(j).

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations are subject to various financial risks, including market risks arising from changes in interest rates, foreign currency exchange rates, and commodity prices, as well as credit and liquidity risks associated with its financial assets and liabilities. Except for investments measured at amortized cost, which are carried at amortized value, the carrying amounts of financial assets and liabilities approximate their respective fair values. There were no changes to the Company's financial risk management objectives, policies, or processes during the year ended June 30, 2026.

Financial risks arising from evolving market conditions and the Company's strategic and operational decisions are identified, assessed, and managed in line with established policies, procedures, and the risk management framework, within the parameters of the approved risk appetite.

June 30, 2026	June 30, 2025
(Rupees in thousand)	

a) Market risk

Market risk represents the potential for adverse movements in the fair value or future cash flows of financial instruments arising from changes in interest rates, foreign currency exchange rates, and market prices. Such movements can directly affect the Company's earnings, cash flows, and the carrying value of its financial assets and liabilities.

The Company's market risk management framework aims to safeguard financial performance by identifying, assessing, and monitoring exposures on a continuous basis. Wherever applicable, appropriate hedging strategies, diversification of financial assets, and other mitigation techniques are employed to manage these risks within the approved parameters. The overarching objective is to maintain exposures at prudent levels while seeking to optimise risk-adjusted returns on financial instruments.

i) Interest rate risk

Interest rate risk is the potential for changes in the fair value or future cash flows of financial instruments due to movements in market interest rates. The Company mitigates this risk by actively monitoring and managing the duration profile of its fixed-rate investments, placements, and loans/borrowings.

ii) Currency risk

Currency risk is the risk that fluctuations in foreign exchange rates may have an impact on the Company's revenues, foreign procurement costs, or the carrying value of its financial instruments. The Company's currency risk management objective is to identify, manage, and control such exposures within acceptable parameters, while seeking to optimise returns on financial instruments. The favourable impact of exchange rate movements on the Company's revenues and assets has outweighed the adverse effect on its liabilities, resulting in an overall positive net impact.

Exposure to foreign currency risk

The Company's exposure to currency risk mainly comprises:

	June 30, 2026	June 30, 2025
	(US Dollars)	
Investments at amortised cost	137,644,999	139,050,000
Cash and bank balances	1,295,192	1,571,446
Trade and other payables	(1,926,687)	(1,941,478)
	137,013,504	138,679,968

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2026	2025	2026	2025
	(Rupees)			
USD 1	280.66	279.57	278.05	283.60

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Foreign currency financial assets	138,940	(138,940)
Foreign currency financial liabilities	(1,927)	1,927

iii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in market prices, other than those arising from currency or interest rate movements.

The Company does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

b) Credit risk

Credit risk is the potential for financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations.

The Company is exposed to credit risk through its operating activities and certain investing activities. For reporting purposes, these exposures are classified under the following categories:

i) Counterparties

The Company conducts transactions with the following major types of counterparties:

Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Company's customers are made on the basis of agreements approved by the GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Company subject to maximum price notified by Oil and Gas Regulatory Authority (OGRA).

The Company establishes an allowance for impairment that represents its estimate of losses incurred in respect of trade debts that are due or ultimately due from the GoP till June 30, 2026 as per policy disclosed in note 3.9 to these unconsolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Company is actively pursuing for recovery of trade debts and the Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 2.1.2 is not material and accordingly has not been included in these unconsolidated financial statements.

Bank and investments

The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Company currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counterparties have reasonably high credit ratings.

ii) Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Long-term loans	183,743	159,069
Long-term deposits	1,691,426	1,691,426
Trade debts	623,449,738	592,404,145
Loans	157,212	128,012
Trade deposits	268,806	399,290
Interest accrued	1,305,419	1,132,569
Other receivables	2,682,055	1,952,477
Short-term investments	95,063,805	74,164,807
Bank balances	7,165,485	6,197,987
	731,967,689	678,229,782

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 3.9 to these unconsolidated financial statements. As at the reporting date, the Company envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Trade debts		
Customers with defaults in past one year which have not yet been recovered	50,363,986	31,694,602
Short-term investments		
AAA	61,614,741	47,271,507
AA	33,449,064	26,893,300
	95,063,805	74,164,807
Cash at banks		
AAA	4,216,138	4,272,988
AA	2,949,347	1,924,999
	7,165,485	6,197,987

The Company's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 598,433 million of the trade debts as at June 30, 2026 (2025: Rs 580,358 million).

The ageing of trade debts at the reporting date is provided in note 10.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Natural Gas	598,432,891	580,469,485
Crude oil / Natural gas liquids / Condensate	24,938,184	11,696,418
Other operating revenue	78,663	238,242
	623,449,738	592,404,145

c) Capital risk management

Capital management aims to safeguard the Company's ability to operate as a going concern, preserve capital within the established risk appetite, and protect long-term value creation for shareholders while delivering benefits to other stakeholders. A strong and stable capital base is maintained to support the sustained growth and strategic development of the Company's businesses. Any potential capital losses exceeding the Company's risk appetite are deemed significant and are subject to rigorous assessment and mitigation measures.

The Company manages its capital structure—comprising shareholders' equity and reserves—by closely monitoring return on net assets and adjusting the structure in response to changing economic conditions. Such adjustments may include modifying dividend distributions to shareholders, issuing new equity, or other capital measures as deemed appropriate. During the year, there were no changes to the Company's approach to capital management, and the Company remained free from externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk is the risk that an enterprise will be unable to meet its financial obligations as they fall due, owing to insufficient cash resources or an inability to raise funds on acceptable terms. Such a situation may have an adverse impact on the Company's operations, investment activities, or financial position.

The Company manages this risk through robust cash flow forecasting, effective working capital management, and access to diverse funding sources. Its cash management and planning policies are designed to ensure that sufficient liquidity is available to meet operational needs, service debt obligations (if any), and fund new business opportunities, while maintaining an adequate liquidity buffer in line with the approved guidelines.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in thousand)					
Long term financing	-	69,635	222,250	1,177,255	-	1,469,140
Lease liabilities	-	-	254,268	1,103,063	-	1,357,331
Trade and other payables	13,425,746	27,922,409	1,642,490	-	-	42,990,645
Unclaimed dividend	391,315	-	-	-	-	391,315
Year ended June 30, 2026	13,817,061	27,992,044	2,119,008	2,280,318	-	46,208,431
Long term financing	-	59,032	188,938	1,369,419	-	1,617,389
Trade and other payables	9,666,976	24,729,954	5,012,366	-	-	39,409,296
Unclaimed dividend	344,992	-	-	-	-	344,992
Year ended June 30, 2025	10,011,968	24,788,986	5,201,304	1,369,419	-	41,371,677

e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.7(j).

39. CASH AND CASH EQUIVALENTS

Short-term highly liquid investments - note 39.1
Cash and bank balances - note 16

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
	79,443,854	56,588,075
	7,166,285	6,199,269
	86,610,139	62,787,344

39.1 Short-term investments as disclosed in note 15 amount to Rs 95,064 million (2025: Rs 74,165 million). However, certain investments which were not considered highly liquid, comprising foreign currency term deposits amounting to Rs 10,427 million (2025: Rs 14,407 million), local currency term deposits amounting to Rs 93 million (2025: Rs 93 million) and T-bills amounting to Rs 5,100 million (2025: Rs 3,077 million), have not been classified as cash and cash equivalents.

40. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	Chief Executives		Executives	
	Year ended June 30, 2026	Year ended June 30, 2025	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)			
Managerial remuneration	69,606	99,733	14,517,459	11,011,617
Housing, conveyance and utilities	1,115	-	1,145,040	646,994
Retirement benefits	4,142	-	2,122,542	1,677,189
Bonus	28,189	12,000	8,505,534	5,028,968
Medical and leave passage	1,185	781	1,705,705	1,339,962
Leave encashment / Leave fare assistance	-	-	213,043	93,583
	104,237	112,514	28,209,323	19,798,313
Number, including those who worked for part of the year	3	1	1,559	1,447

40.1 Aggregate amount charged in these unconsolidated financial statements in respect of fees paid to eleven non-executive directors, on account of attending board, board committee and general meetings, was Rs 83.325 million (2025: Rs 47.700 million to twelve non-executive directors).

40.2 The employees of the Company have the option to avail car facility as per the rules of service of the Company.

41. EARNINGS PER SHARE**41.1 Basic earnings per share**

	Year ended June 30, 2026	Year ended June 30, 2025
Profit after taxation (Rs '000)	98,533,298	92,027,450
Dividend on convertible preference shares (Rs '000)	(31)	(31)
Profit attributable to ordinary shareholders (Rs '000)	98,533,267	92,027,419
Weighted average number of ordinary shares in issue	2,720,973,109	2,720,973,109
Basic earnings per share (Rs)	36.21	33.82

41.2 Diluted earnings per share

	Year ended June 30, 2026	Year ended June 30, 2025
Profit after taxation (Rs '000)	98,533,298	92,027,450
Weighted average number of ordinary shares in issue	2,720,973,109	2,720,973,109
Adjustment for conversion of convertible preference shares	10,418	10,418
Weighted average number of ordinary shares for diluted earnings per share	2,720,983,527	2,720,983,527
Diluted earnings per share (Rs)	36.21	33.82

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by the GoP which are not material, hence not disclosed in these unconsolidated financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Transactions		
State controlled entities - note 42.2		
Sales of hydrocarbons / barytes (including Government Levies)		
GENCO-II	19,739,761	18,373,295
SSGCL	101,103,584	102,029,263
SNGPL	58,335,008	56,890,907
EPRF	2,366,174	1,636,830
OGDCL	12,628	203,177
	181,557,155	179,133,472
Associated Companies - note 42.2		
Sales of crude oil / condensate to PARCO	7,958,094	4,338,836
Sales of crude oil / condensate to PRL	13,315	196,199
Payment to PARCO Gunvor Limited (PGL)	70,412	59,414
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	12,175	29,328
Equity contribution in PIOL	4,194,750	7,001,250
Equity contribution in PMPL	28,592,903	12,677,999
Purchase of medicines from Hoechst Pakistan Limited (HPL)	-	5,454
Service fee (G&A overheads) charged to PIOL	87,475	491,264
Payment of employees cost on secondment to PIOL	368,893	350,721
Payment to MEL against gas processing and services received	2,033,600	340,616
Payment to The Kidney Center Post Graduate Training Institute (TKC)	18,270	9,979
Sale of capital stores and spares to OGDCL	76,735	291,510
Sale of capital stores and spares to MEL	-	1,948
Joint Operations (JOs)		
Payments of cash calls to JOs	52,347,051	47,474,417
Expenditures incurred by JOs	53,416,587	49,740,783
Income from rental of assets to JOs	3,345	3,869
Purchase of goods from BME (net)	81,970	201,352
Reimbursement of employee cost on secondment to BME	87,042	26,594

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Other related parties - note 42.2		
Dividends paid to the GoP	15,613,342	13,776,477
Dividends paid to trust under BESOS	1,700,487	1,500,430
Dividends paid to post-retirement benefits and contributory funds	4,570	7,517
Transactions with post-retirement benefits and contributory funds	See notes 30.1 & 31	
Remuneration to key management personnel	See note 40	
Payment to PPL Welfare Trust for CSR activities	24,500	42,520
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	259,900	234,825
Payment of rental to Karachi Port Trust (KPT)	3,497	7,570
Payment of insurance premium to National Insurance Company Limited (NICL)	1,458,902	1,206,830
Insurance claim received from NICL	162,052	2,863,701
Fuel purchased from Pakistan State Oil Company Limited (PSO)	592,979	807,989
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	104,111	115,104
Interest income earned on deposits with National Bank of Pakistan (NBP)	809,833	1,669,686
Dividend income / gain on mutual funds investment with NBP Fund Management Limited (NBP Funds)	-	523,608
Dividend income / gain on mutual funds investment with National Investment Trust Limited (NIT)	-	342,148
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	-	3,132
	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Balances		
State controlled entities - note 42.2		
Trade debts and other receivables	See notes 10 & 14	
Subsidiaries		
Investment and receivable balances from subsidiaries	See note 6 & 14	
Deposit of bank guarantee on behalf of PPLE - Block 29, Yemen	1,683,750	1,683,750
Associated Companies		
Investment and receivable balances from PIOL & PMPL	See note 6 & 14	
Joint Operations (JOs)		
Amounts receivable from / payable to JOs partners	See notes 11, 14 & 24	
Other related parties - note 42.2		
Deposits with NBP	14,140,257	3,495,581

42.1 Gas sales are made to various state controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Company pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

42.2 Following are the related parties with whom the Company has entered into transactions during the year excluding the GoP, wholly owned subsidiaries, associates, joint operations, staff retirement benefit funds / trusts and employees, details of which have already been disclosed in these unconsolidated financial statements.

S.No.	Company Name	Basis of Relationship as at June 30, 2026
1.	OGDCL	GOP is common shareholder / Common Directorship
2.	GHPL	GOP is common shareholder / Common Directorship
3.	PARCO	GOP is common shareholder / Common Directorship
4.	SSGCL	GOP is common shareholder / Common Directorship
5.	PSO	GOP is common shareholder / Common Directorship
6.	MEL	GOP is common shareholder / Common Directorship
7.	SNGPL	GOP is common shareholder / Common Directorship
8.	NICL	GOP is common shareholder / Common Directorship
9.	GENCO - II	GOP is common shareholder
10.	PIDC	GOP is common shareholder
11.	KPT	GOP is common shareholder
12.	PGL	GOP is common shareholder
13.	NBP	GOP is common shareholder
14.	NBP Funds	GOP is common shareholder
15.	NIT	GOP is common shareholder
16.	PIACL	GOP is common shareholder
17.	PRL	GOP is common shareholder
18.	EPRF	GOP is common shareholder
19.	EPSL	GOP is common shareholder
20.	PIP	Common Directorship
21.	HPL	Common Directorship
22.	TKC	Common Directorship

43. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	June 30, 2026	June 30, 2025
		(Rupees in thousand)	
Disclosures Required in relations to the Unconsolidated Statement of Financial Position - Liability Side:			
(i) Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	20.1	808,584	868,945
(ii) Interest or mark-up accrued on any conventional loan or advance		-	-
(iii) Profit accrued on shariah compliant long - term financing	24	4,731	5,353
Disclosures Required in relation to the Unconsolidated Statement of Financial Position - Asset Side:			
(iv) Long-term and short-term Shariah compliant Investments	6	120,646,220	89,668,809
(v) Shariah-compliant bank deposits, bank balances and Term Deposit Receipts (TDRs)		361,374	991,836
		Year ended June 30, 2026	Year ended June 30, 2025
		(Rupees in thousand)	
Disclosures Required in relation to the Unconsolidated Statement of Profit or loss:			
(vi) Revenue earned from a Shariah-compliant business segment	26	264,014,554	242,516,363
(vii) Break-up of: Late payments		141,788	-
Liquidated damages	34	2,241,674	22,378
(viii) Gain / (loss) or dividend earned on Shariah compliant investments		Not Applicable	Not Applicable
Share of (loss) /profit from Shariah-compliant associates	6.4 & 6.5	(764,239)	(344,450)
(ix) Profit earned from Shariah-compliant bank deposits, bank balances or TDRs		284,384	74,620
(x) Exchange (loss incurred) / gain earned from actual currency	33	(909,682)	(207,644)
(xi) Exchange gains earned using conventional derivative financial instruments		Not Applicable	Not Applicable
(xii) Profit paid on Islamic mode of financing		95,903	131,188
(xiii) Total Interest earned on any conventional loan or advance		7,777	6,650
(xiv) Source and detailed breakup of other income:	34		
Shariah compliant - Other Income			
Income on loans and bank deposits		149,461	9,127
Income on local currency term deposits		134,923	65,493
Rental income on assets		3,345	3,869
Gain on disposal of property, plant and equipment (net)		365,435	749,976
Reversal of impairment loss on investment on PPLA		-	3,211,033
Miscellaneous income		1,451,325	96,032
Non-Shariah compliant - Other Income			
Income on loans and bank deposits		669,010	1,678,840
Income on local currency term deposits		573,556	656,011
Income on foreign currency term deposits		2,386,848	2,754,422
Income from investment in treasury bills		4,126,836	9,834,643
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)		736,270	2,223,024
Insurance claim		162,052	2,863,701
Miscellaneous Income			
Liquidated damages		2,241,674	22,378
Late payment surcharge		141,788	-
		13,142,523	24,168,549
Other Disclosure Requirements			
(xv) Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.		Arrangement	
Faysal Bank Limited		Bank Deposit	
Meezan Bank Limited		Bank Deposit	
Dubai Islamic Bank Limited		Bank Deposit	
First Habib Modaraba		Financing	

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. exploration, development and production of oil, gas, barytes and iron ore. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

The operating interests of the Company are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these unconsolidated financial statements relate to the Company's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall gross revenue.

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
SSGCL	101,103,584	102,029,263
SNGPL	58,335,008	56,890,907
ARL	77,528,558	62,639,812
	236,967,150	221,559,982
	June 30, 2026	June 30, 2025
	2,449	2,488
	93	55
	2,542	2,543
	2,453	2,519
	79	51
	2,532	2,570

45. GENERAL
45.1 Number of employees

Total number of employees at the end of the year were as follows:
- Regular
- Contractual

Average number of employees during the year were as follows:
- Regular
- Contractual

45.2 Capacity and production

Product	Unit	Actual production for the year (The Company's share)	
		June 30, 2026	June 30, 2025
Natural gas	MMscf	208,787	204,853
Crude oil / NGL / Condensate	Thousand Barrels	4,077	3,692
LPG	M. Ton	103,528	97,067
Barytes & Iron Ore	M. Ton	85,078	83,149

Due to the nature of operations of the Company, installed capacity of the above products is not relevant.

45.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

46. SUBSEQUENT / NON-ADJUSTING EVENT

46.1 The Board of Directors in its meeting held on September 14, 2026 has recommended final cash dividend @ 60% amounting to Rs 16,325.839 million (2025: @ 25% amounting to Rs 6,802.433 million) on paid-up value of ordinary share capital, which will be put forward for the shareholders' approval in the Annual General Meeting scheduled to be held on October 27, 2026.

47. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 14, 2026 by the Board of Directors of the Company.


Chief Financial Officer


Director


Chief Executive Officer

CONSOLIDATED
FINANCIAL STATEMENTS



KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building, Blue Area
Islamabad, Pakistan
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Petroleum Limited

Opinion

We have audited the annexed consolidated financial statements of Pakistan Petroleum Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Recoverability of overdue trade debts ultimately due from the Government of Pakistan Refer notes 3.7(j), 4.8, 4.10 and 11 to the consolidated financial statements.	Our audit procedures in respect of overdue trade debts ultimately due from the Government in respect of circular debt, amongst others, included the following:



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	As at 30 June 2026, trade debts included an overdue amount of Rs. 573,309 million, net of Gas Development Surcharge (GDS), ultimately due from the Government of Pakistan in respect of circular debt. The Government of Pakistan remains committed to, and continues to pursue, a satisfactory settlement of trade debts arising from circular debt. However, progress towards settlement has been slower than expected, resulting in the continued accumulation of the Group's trade debts. Management considers these amounts to be fully recoverable on the basis that the Government of Pakistan has assumed responsibility for the settlement of inter-corporate circular debt in the energy sector. We considered this matter to be a key audit matter due to the significance of the amounts involved and the significant judgments made by management in assessing the recoverability of these trade debts.	- obtaining an understanding of management's process and controls for monitoring, ageing and assessing the recoverability of overdue trade debts; - inspecting relevant correspondence with the customers and government authorities, and minutes of meetings of the Board of Directors and the Board Audit Committee, and carrying out discussions with management to understand the status of settlement efforts and evaluate the reasonableness of basis of management's assessment of recoverability; - testing, on a sample basis, the accuracy of the ageing classification of trade debts by agreeing the balances to underlying invoices and other relevant supporting documentation; - obtaining direct confirmations from customers and testing the related reconciliations in cases where differences were identified; - evaluating the reasonableness of management's assessment of the recoverability of overdue trade debts ultimately due from the Government of Pakistan in respect of circular debt, considering the settlement history, subsequent receipts, relevant correspondence and other available evidence; and - assessing the adequacy of the related disclosures, including those relating to significant judgments, in the consolidated financial statements in accordance with the accounting and reporting standards applicable in Pakistan.
2	Recognition of revenue / income Refer notes 4.19 and 27 to the consolidated financial statements. The Group is engaged in the production and sale of crude oil, condensate, natural gas liquids, natural gas, liquefied petroleum gas and barytes. During the year ended 30 June 2026, the Company recognized revenue of Rs. 266,306 million from the sale of these products.	Our audit procedures to assess the recognition of revenue / income, amongst others, include the following: - obtaining an understanding of the Group's revenue recognition process and evaluating the design and implementation of relevant controls, including testing their operating effectiveness; - assessing whether the Group's accounting policies for revenue recognition were in

Transaction prices for crude oil, condensate, natural gas liquids and natural gas are determined in accordance with the relevant customer agreements, applicable petroleum policies, decisions of the Economic Coordination Committee of the Cabinet, Petroleum Concession Agreements and notifications issued by government authorities, as applicable. Prices of liquefied petroleum gas are approved by the appropriate authority within the Group. Adjustments arising from revisions to sales prices are recognized when the revised prices are agreed with customers and/or approved by the Government of Pakistan. The Group is contractually entitled to charge late payment surcharge where payments from customers are delayed beyond the agreed credit terms. However, due to uncertainties relating to its recoverability, late payment surcharge is recognized only upon receipt. We considered revenue recognition to be a key audit matter due to the significance of the amounts, the volume and complexity of the underlying arrangements, the judgment involved in determining and finalizing the applicable sales prices, and the inherent risk of material misstatement in revenue recognition.	compliance with the requirements of the accounting and reporting standards applicable in Pakistan; ▪ inspecting, on a sample basis, customer agreements and evaluating whether revenue was recognized in accordance with their agreed terms, relevant applicable petroleum policies, Petroleum Concession Agreements and recognition conform with the accounting policies of the Group for revenue recognition; ▪ testing, on a sample basis, sales transactions by agreeing the recorded revenue with invoices, and where applicable with refinery acknowledgements or joint meter readings and other relevant supporting documentation; ▪ agreeing, on a sample basis, the prices applied for natural gas to notifications issued by the Oil and Gas Regulatory Authority (OGRA) and those applied for liquefied petroleum gas to price ceilings notified by OGRA and approvals by the appropriate authority within the Group and as agreed with LPG customers; ▪ recalculating, on a sample basis, the prices applied for crude oil, condensate, natural gas liquids and natural gas as stated in the relevant petroleum policies, customer agreements, decisions of the Economic Coordination Committee of the Cabinet and Petroleum Concession Agreements, as applicable; ▪ testing, on a sample basis, sales transactions recorded before and after the reporting date to assess whether revenue was recognized in the appropriate accounting period; ▪ testing journal entries relating to revenue recognition by selecting entries that met specified risk-based criteria and agreeing them to underlying documentation and accounting records; ▪ assessing reasonableness of management's judgment relating to recoverability of late payment surcharge from customers; and
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	▪ assessing the adequacy of the related disclosures including those relating to significant judgments, in the consolidated financial statements in accordance with the accounting and reporting standards applicable in Pakistan.
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Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises of Chairman's Review, Directors' Report and key performance indicators included in the annual report for the year ended June 30, 2026 but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter



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should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

Muhammad Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
30 September 2026

UDIN: AR2026102452TLtvAm6g

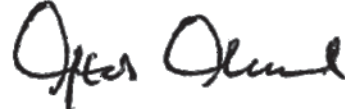
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	June 30 2026 (Rupees in thousand)	June 30 2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	160,323,340	144,399,761
Intangible assets	6	158,029	230,736
Long - term investments	7	113,637,093	82,659,682
Long - term loans	8	132,230	109,875
Long - term deposits	9	7,676	7,676
		274,258,368	227,407,730
CURRENT ASSETS			
Stores and spares	10	9,974,110	8,810,449
Trade debts	11	623,827,153	592,813,351
Loans and advances	12	963,230	494,140
Trade deposits and short - term prepayments	13	863,703	714,130
Interest accrued	14	1,314,902	1,167,684
Current maturity of long - term loans	8	51,513	49,194
Current maturity of long - term deposits	9	1,683,750	1,683,750
Other receivables	15	5,731,664	11,148,492
Short - term investments	16	99,321,137	78,740,173
Cash and bank balances	17	7,270,018	6,364,518
		751,001,180	701,985,881
TOTAL ASSETS		1,025,259,548	929,393,611
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	18	27,209,836	27,209,836
Reserves	19	750,554,820	677,813,647
		777,764,656	705,023,483
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation	20	51,725,855	47,959,847
Long - term financing	21	1,177,255	1,369,419
Lease liabilities	22	883,083	-
Deferred liabilities	23	6,298,858	5,327,482
Deferred taxation - net	24	21,461,606	22,759,977
		81,546,657	77,416,725
CURRENT LIABILITIES			
Trade and other payables	25	98,988,394	82,227,253
Unclaimed dividends		391,315	344,992
Current maturity of long - term financing	21	291,885	247,970
Current maturity of lease liabilities	22	137,894	-
Taxation - net		66,138,747	64,133,188
		165,948,235	146,953,403
TOTAL LIABILITIES		247,494,892	224,370,128
TOTAL EQUITY AND LIABILITIES		1,025,259,548	929,393,611
CONTINGENCIES AND COMMITMENTS			
	26		

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30,2026

	Note	2026 (Rupees in thousand)	2025
Revenue from contracts with customers			
	27	266,305,532	244,977,029
Operating expenses	28	(62,317,573)	(54,700,741)
Royalties and other levies	29	(43,831,274)	(37,662,995)
		(106,148,847)	(92,363,736)
Gross profit		160,156,685	152,613,293
Exploration expenses	30	(12,069,114)	(18,544,855)
Administrative expenses	31	(8,152,735)	(6,795,024)
Finance costs	33	(2,070,148)	(2,483,379)
Share of loss of associates - net of taxation	7.2 & 7.3	(764,239)	(344,450)
Other charges	34	(14,572,996)	(11,763,047)
		122,527,453	112,682,538
Other income	35	13,362,147	24,185,533
Profit before taxation		135,889,600	136,868,071
Taxation	36	(38,208,509)	(46,918,730)
Profit after taxation		97,681,091	89,949,341
Basic and diluted earnings per share (Rs.)			
	42	35.90	33.06

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30,2026

	Note	2026	2025
		(Rupees in thousand)	
Profit after taxation		97,681,091	89,949,341
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss (net of tax):			
Remeasurement loss on defined benefit plans - net	32	(920,295)	(1,555,836)
Items that may be reclassified to profit or loss (net of tax):			
Exchange differences on translation of subsidiaries & foreign associate (Pakistan International Oil Limited)		(414,767)	352,811
Share of exchange differences on translation of foreign operation of the associate (Pakistan Minerals (Private) Limited}		(476,554)	(4,047,360)
Other comprehensive income / (loss)		(1,811,616)	(5,250,385)
Total comprehensive income for the year		95,869,475	84,698,956

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30,2026

	Note	2026	2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		286,341,850	268,071,735
Receipts of other income		2,010,118	2,693,395
Payment to suppliers / service providers and employees		(56,002,559)	(48,558,555)
Payment of indirect taxes and government levies including royalties		(88,748,229)	(145,505,641)
Income tax paid - net		(37,027,922)	(54,028,492)
Payment of decommissioning obligation		(31,643)	(139,180)
Finance costs paid		(166,963)	(203,894)
Long-term loans - net		(24,674)	(23,381)
Net cash from operating activities		106,349,978	22,305,987
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(37,317,606)	(33,047,051)
Proceeds from disposal of property, plant and equipment		441,790	842,055
Acquisition of short - term investments		(84,608,645)	(87,891,274)
Proceeds from sale / encashment of short - term investments		85,957,912	90,034,892
Equity investment in PIOL		(4,194,750)	(7,001,250)
Equity investment in PMPL		(28,592,903)	(12,677,999)
Finance income received		8,848,858	17,652,077
Net cash used in investing activities		(59,465,344)	(32,088,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long - term financing		180,314	556,433
Repayments of long - term financing		(328,563)	(205,329)
Payment of lease liabilities		(121,080)	-
Dividends paid		(23,081,979)	(20,373,961)
Net cash used in financing activities		(23,351,308)	(20,022,857)
Net increase / (decrease) in cash and cash equivalents		23,533,326	(29,805,420)
Cash and cash equivalents at the beginning of the year		67,527,957	97,245,752
Effect of exchange rate changes on cash and cash equivalents		(90,079)	87,625
Cash and cash equivalents at the end of the year	40	90,971,204	67,527,957

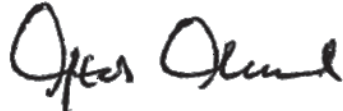
The annexed notes 1 to 48 form an integral part of these consolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer


Chief Financial Officer


Director


Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30,2026

	Subscribed and paid-up share capital		Capital reserve	Revenue & other reserves	Total reserves	Total
	Ordinary	Convertible preference	(Note - 19)			
----- (Rupees in thousand) -----						
Balance as at June 30, 2024	27,209,732	104	1,428	613,520,592	613,522,020	640,731,856
Total comprehensive income for the year						
Profit after taxation	-	-	-	89,949,341	89,949,341	89,949,341
Other comprehensive income / (loss) for the year ended June 30, 2025, net of tax	-	-	-	(5,250,385)	(5,250,385)	(5,250,385)
Total comprehensive income for the year ended June 30, 2025	-	-	-	84,698,956	84,698,956	84,698,956
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2024 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Second interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Third interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(2,720,973)	(2,720,973)	(2,720,973)
- Convertible preference shareholders						
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(21)	(21)	(21)
Second interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(10)	(10)	(10)
Total transactions with owners	-	-	-	(20,407,329)	(20,407,329)	(20,407,329)
Balance as at June 30, 2025	27,209,732	104	1,428	677,812,219	677,813,647	705,023,483
Total comprehensive income for the year						
Profit after taxation	-	-	-	97,681,091	97,681,091	97,681,091
Other comprehensive income / (loss) for the year ended June 30, 2026, net of tax	-	-	-	(1,811,616)	(1,811,616)	(1,811,616)
Total comprehensive income for the year ended June 30, 2026	-	-	-	95,869,475	95,869,475	95,869,475
Transactions with owners:						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2025 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
First interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Second interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Third interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
- Convertible preference shareholders						
First interim dividend for the year ended June 30, 2026 @ 20%	-	-	-	(21)	(21)	(21)
Second interim dividend for the year ended June 30, 2026 @ 10%	-	-	-	(10)	(10)	(10)
Total transactions with owners	-	-	-	(23,128,302)	(23,128,302)	(23,128,302)
Balance as at June 30, 2026	27,209,732	104	1,428	750,553,392	750,554,820	777,764,656

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.


Chief Financial Officer


Director


Chief Executive Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30,2026

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950. The Holding Company's main objectives are conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited. The registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.1.1 The Sui Development and Production Lease (D&PL) expired on May 31, 2025. Pursuant to a letter dated October 29, 2024, issued by the competent authority, the D&PL was granted for the Sui Gas Field, covering an area of 455.80 square kilometers, situated in District Dera Bugti, Balochistan, Pakistan. The lease was granted for an initial term of ten (10) years, effective from June 1, 2015, to May 31, 2025, in accordance with Rule 30A of the Pakistan Onshore Petroleum (Exploration and Production) Rules, 2013 (the "Rules"). Under the Rules, the D&PL is eligible for further extension, provided that commercial production continues. Accordingly, an application for extension of the said D&PL for a further period of fifteen (15) years, effective from June 1, 2025, to May 31, 2040, was submitted to the competent authority on April 16, 2025. On June 26, 2026, the competent authority, through letter No. EXPL-8(4) (PPL-SUI)/2024, granted an extension of the Sui D&PL for a period of two (2) years, effective from June 1, 2025, to May 31, 2027. Discussions are ongoing with the competent authority for grant of the lease for the remaining period.

1.1.2 The Adhi Mining Lease expired on November 12, 2024. During the year, the competent authority through letter No. DGP(I)5(36)/84-Vol-III dated June 30, 2026, granted an approval for D&PL over Adhi Field, covering an area of 212.86 square kilometers, situated in Districts Rawalpindi and Chakwal, Punjab, Pakistan. The lease was granted for an initial term of twelve (12) years, effective from November 13, 2024, to November 12, 2036, in accordance with Rule 30A of Pakistan Onshore Petroleum (Exploration & Production) Rules, 2013.

1.1.3 The Pakistan Sovereign Wealth Fund Act, 2023 became effective during the year ended June 30, 2024. Under the said Act, the GoP's shareholding in the Holding Company has been transferred, by operation of law, to the Pakistan Sovereign Wealth Fund (PSWF). The Holding Company is awaiting directives from the GoP regarding the necessary corporate actions to formally record this transfer. Further, in accordance with the Act, both the PSWF and the State - Owned Enterprises majority owned by the PSWF are exempt from the provisions of the State - Owned Enterprises (Governance and Operations) Act, 2023.

1.2 PPL Europe E&P Limited (PPLE)

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, EC2Y 5EB United Kingdom.

1.3 PPL Asia E&P B.V. (PPLA)

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources, and is pursuing new business opportunities in line with its strategic objectives.

1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The Subsidiary is engaged in administrating the trusts formed for the benefits of the employees of the Holding Company.

The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004, has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC under Companies Act, 2017. Accordingly, the Holding Company has not consolidated PPPFTC in its consolidated financial statements for the year ended June 30, 2026.

2. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 1.4 to these consolidated financial statements, here-in-after referred to as "the Group".

Subsidiary is an entity over which the Holding Company has control. Control is achieved when the Holding Company is exposed, or has right, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of the subsidiary companies are consolidated on a line-by-line basis and carrying value of investments held by the Holding Company eliminated against the subsidiary companies shareholder's equity in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. Further, the accounting policies of subsidiaries are aligned with accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The presentation and functional currency of the Holding Company, as well as, PPPFTC are Pakistani Rupee and the functional currency of other subsidiaries is US Dollar. For the purpose of consolidation, the financial statements of the subsidiaries are translated into functional currency of the Holding Company.

3. BASIS OF PREPARATION

3.1 Statement of compliance

3.1.1 These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

3.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019, partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due or ultimately due from the GoP. The said S.R.O states that requirements contained in IFRS 9 with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. This exemption has subsequently been extended through various S.R.Os by SECP, the latest being S.R.O 25(I)/2026 dated January 6, 2026, extending the exemption granted from application of ECL method under IFRS 9 on financial assets due or ultimately due from GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Holding Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Holding Company has not recorded impact of aforesaid ECL in respect of financial assets due or ultimately due from the GoP in consequence of circular debt, in these consolidated financial statements. Further, in relation to financial assets due from parties other than GoP, the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 11.5 to these consolidated financial statements).

3.1.3 Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

- a) Financial assets at fair value through profit or loss have been measured at fair value.
- b) Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

3.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional currency.

3.4 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2025 but are considered not to be relevant or do not have any significant effect on these consolidated financial statements.

3.5 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2026 and have not been early adopted by the Holding Company:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:
- Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
 - are not measured at fair value through profit or loss.
- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

- Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

Major amendments are introduced to IFRS 9, which are summarized as follows address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Adoption of IFRS 18

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027.

IFRS 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. It has introduced three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

3.6 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust held 7.35% shareholding of the Holding Company. The Trust was created for the purpose of empowerment of employees of state-owned entities.

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) was issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court (SHC).

Pursuant to the aforesaid judgment, the entire shareholding of 200,057,318 ordinary shares of the Holding Company held by the Trust has been transferred back to the Government of Pakistan (GoP) on June 24, 2026. Consequently, the GoP's direct shareholding in the Holding Company has increased from 67.51% to 74.86%.

The winding-up activities are in progress. During the year, the accumulated dividend amount along with interest earned thereon of Rs 1,344.38 million (net of tax) have been repatriated back to the Federal Government.

3.7 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these consolidated financial statements.

a) Property, plant and equipment and intangibles

The Group reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

b) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

d) Estimation of proved hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of proved reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Group is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geological, reservoir or production data, (2) new geological, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the consolidated financial statements for assets amortised on unit-of-production basis.

e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their useful lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Group's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Group revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value as disclosed in note 20. The present value is calculated using real discount rate of 3.97% (2025: 3.89%) per annum. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been lower by	1,438
Property, plant and equipment would have been lower by	1,248
Amortisation / write-off charge would have been lower by	190
Profit after tax would have been higher by	137

f) Joint arrangements

The Group participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Group has rights to the net assets of the arrangement or a joint operation where the Group has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Holding Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these consolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Group after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Group.

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Holding Company; or the Holding Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

j) Impairment of financial assets

- Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)

The Group uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due or ultimately due from the Government of Pakistan (GoP) for the financial years ending on or before December 31, 2026. Accordingly, the Group reviews the recoverability of its trade debts and other receivables that are due or ultimately due from the GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Group has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Group's receivables is slower than the contractual terms primarily because circular debt is a macro-economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Group's assessment of objective evidence of impairment with respect to overdue amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

k) Stores and spares

The Group reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Group conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

b) Lease liability and Right-Of-Use Asset (ROUA)

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value are recognised as an expense in the statement of profit or loss when incurred.

4.2 Exploration and evaluation assets

The Group applies the "Successful Efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful Efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Group has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

4.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 4.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purpose is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.4 Depreciation and amortisation

a) Property, plant and equipment

Depreciation and amortisation on all field based immovable assets are charged on unit-of-production basis. Whereas, all movable assets i.e. furniture, fittings & equipment, computers & allied equipment and vehicles are depreciated on straight-line basis at the rates specified in note 5.1 to these consolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

b) Intangible assets

Amortisation on intangible assets is charged over their useful life on straight-line basis at the rates stated in note 6.1 to these consolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

4.5 Investment in associated companies

An associate is an entity over which the Holding Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Holding Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of the Holding Company's interest in that associate are recognised only to the extent that the Holding Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 4.6 below.

4.6 Impairment of non-financial assets and investment in associated companies

The Group assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.7 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

4.8 Financial assets and financial liabilities

a) Financial assets

Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Interest accrued on financial assets measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purpose of IFRS 9.

ii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Group.

Impairment of financial assets

The Group assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Group applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 3.1.2 to these consolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2026.

The Group assesses the recoverability of its financial assets if there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- Financial assets covered under IFRS 9

The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Group applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Group applies a simplified approach where applicable in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- Financial assets covered under IAS 39

The SECP through S.R.O 985(I)/2019 dated September 02, 2019, has partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due or ultimately due from the GoP. The said S.R.O states that requirements contained in IFRS 9 with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. This exemption has been extended through various S.R.Os by SECP, the latest being S.R.O 25(I)/2026 dated January 6, 2026, extending the exemption granted from application of ECL method under IFRS 9 on financial assets due or ultimately due from the GoP in respect of circular debt for the financial years ending on or before December 31, 2026, provided that the Holding Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. In accordance with the exemption granted by SECP, ECL has not been recognised on such financial assets due or ultimately due from the GoP (i.e. SNGPL, SSGCL and GENCO-II) in these consolidated financial statements.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial asset carried at amortised cost, the amount of impairment loss recognised is the difference between the carrying amount and present value of estimated cash flows, discounted at effective interest rate.

b) Financial liabilities

Financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Interest accrued on financial liabilities measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purposes of IFRS 9.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

c) Offsetting of financial instruments

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.9 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

4.10 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain a significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

4.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

4.12 Decommissioning obligation and its provision

The activities of the Group normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Group has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next seventeen years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

4.13 Staff retirement benefits

a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Holding Company maintains / operates the following benefit plans:

i. Approved pension and gratuity schemes

The Holding Company operates approved funded pension and gratuity schemes, separately, for its management and non-management permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Holding Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

ii. Post retirement medical benefits

The Holding Company provides post-retirement medical benefits to its management and non-management staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii. Leave preparatory to retirement

The Holding Company accrues entitlement to leave preparatory to retirement of its management staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2026, based on the 'Projected Unit Credit Actuarial Cost Method'.

b) Defined contribution plan

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Holding Company operates recognised provident fund schemes, separately, for its management and non-management permanent staff as per rules of service. Equal monthly contributions are made by the Holding Company and the employees to the respective funds at the rate of 4.35% (management staff) and 8% (non-management staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Holding Company also operates defined contribution pension fund schemes (Conventional and Shariah) for its management staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of management staff to the relevant funds.

4.14 Compensated absences

The Holding Company provides for compensated absences in respect of management and non-management staff, in accordance with the rules of the Holding Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2026.

4.15 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

4.16 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the consolidated profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

The Institute of Chartered Accountants of Pakistan (ICAP) issued application guidance on the accounting treatment of minimum and final taxes through Circular No. 07/2024, dated May 15, 2024 ("the Guidance"). According to the Guidance, minimum taxes that are non-recoverable and exceed the normal tax liability, as well as taxes under the final tax regime, fall outside the scope of IAS 12 Income Taxes and as such should be accounted for under IFRIC 21 Levies / IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Accordingly, in line with the Guidance, the Holding Company has recognised final tax / levy on income from mutual funds as Levy (note 34) instead of classifying as income tax.

a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

4.18 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortised cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

4.19 Revenue recognition

Revenue from sale of hydrocarbons, barytes and iron ore (the Products) is recognised at a point in time when the Group satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price, which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP. The normal credit terms with customers vary from 30 to 45 days.

Revenue from sale of the products in which the Group has an interest with other joint operations partners is recognised commensurate with the Group's working interest and the terms of the relevant agreements.

4.20 Other income and finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Income on financial assets at amortised cost is calculated using the effective interest method and is recognised in consolidated statement of profit or loss.

The Group recognises interest, if any, on delayed payments from customers on receipt basis. Similarly, no provision is being made for the interest payable to GoP on late payment of Gas Development Surcharge (GDS) in accordance with the directives of the Price Determining Authority, Ministry of Energy (Petroleum Division).

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation, financial charges for lease liabilities and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

4.21 Joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Group classifies a joint arrangement as joint operations when the Group has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Group classifies a joint arrangement as a joint venture when the Group has rights to the net assets of the arrangement.

The Group has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The Group has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

4.22 Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences, are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the date of statement of financial position and their income and expenses are translated at average exchange rate during the year. The exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is recognised in the profit or loss.

4.23 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the consolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these consolidated financial statements.

4.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1
Capital work-in-progress - note 5.4

June 30, 2026	June 30, 2025
(Rupees in thousand)	
99,628,637	88,422,758
60,694,703	55,977,003
160,323,340	144,399,761

	Owned assets												ROUA	
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (note - 5.5)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Vehicles*	Development and production assets	Decommissioning cost	Sub total	Building	Total
(Rupees in thousand)														
As at July 01, 2024														
Cost	111,138	1,336,908	3,206,753	5,085	105,345,517	1,596,204	17,122,297	1,625,596	2,212,025	143,635,809	34,217,534	310,414,866	-	310,414,866
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,327,535)	(4,274)	(76,360,578)	(964,361)	(12,645,432)	(1,410,919)	(820,254)	(101,775,114)	(23,122,510)	(219,430,977)	-	(219,430,977)
Net Book Value (NBV)	111,138	1,336,908	879,218	811	28,984,939	631,843	4,476,865	214,677	1,391,771	40,984,734	11,095,024	90,107,928	-	90,107,928
Year ended June 30, 2025														
Additions (at cost) / Adjustments	77,995	(9,052)	278,147	1,500	4,285,021	137,061	778,614	369,669	636,723	9,951,505	(1,092,535)	15,414,648	-	15,414,648
Exchange differences	-	-	-	-	28,606	-	-	-	-	(14,595)	-	14,011	-	14,011
Disposals (at NBV)	-	-	-	-	(2,754)	(402)	-	(215)	(13,833)	-	-	(17,204)	-	(17,204)
Depreciation / amortisation charge	-	-	(115,009)	(171)	(5,222,903)	(101,798)	(893,697)	(106,249)	(315,461)	(9,458,200)	(883,137)	(17,096,625)	-	(17,096,625)
NBV	189,133	1,327,856	1,042,356	2,140	28,072,909	666,704	4,361,782	477,882	1,699,200	41,463,444	9,119,352	88,422,758	-	88,422,758
As at July 01, 2025														
Cost	189,133	1,327,856	3,476,278	6,585	109,401,996	1,714,263	17,867,695	1,967,239	2,828,039	153,598,572	33,124,998	325,502,654	-	325,502,654
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,433,922)	(4,445)	(81,329,087)	(1,047,559)	(13,505,913)	(1,489,357)	(1,128,839)	(111,259,167)	(24,005,646)	(236,203,935)	-	(236,203,935)
NBV	189,133	1,327,856	1,042,356	2,140	28,072,909	666,704	4,361,782	477,882	1,699,200	41,463,444	9,119,352	88,422,758	-	88,422,758
Year ended June 30, 2026														
Additions (at cost) / adjustments	-	-	295,268	-	5,410,587	165,133	2,816,871	791,444	221,750	17,972,132	1,915,212	29,588,397	1,073,578	30,661,975
Exchange differences	-	-	-	-	8,663	-	-	-	-	32,510	-	41,173	-	41,173
Disposals (at NBV)	-	-	-	-	(2,847)	-	-	(1,034)	(72,474)	-	-	(76,355)	-	(76,355)
Depreciation / amortisation charge	-	-	(111,329)	(209)	(4,741,619)	(110,497)	(1,135,191)	(287,193)	(349,558)	(11,001,877)	(1,567,825)	(19,305,298)	(115,616)	(19,420,914)
NBV	189,133	1,327,856	1,226,295	1,931	28,747,693	721,340	6,043,462	981,099	1,498,918	48,466,209	9,466,739	98,670,675	957,962	99,628,637
As at June 30, 2026														
Cost	189,133	1,327,856	3,816,391	6,585	114,383,153	1,885,717	20,949,382	2,696,472	2,931,788	171,603,214	35,040,209	354,829,900	1,073,578	355,903,478
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,590,096)	(4,654)	(85,635,460)	(1,164,377)	(14,905,920)	(1,715,373)	(1,432,870)	(122,261,044)	(25,573,470)	(255,283,264)	(115,616)	(255,398,880)
NBV	189,133	1,327,856	1,226,295	1,931	28,747,693	721,340	6,043,462	981,099	1,498,918	48,466,209	9,466,739	98,670,675	957,962	99,628,637
Rate of depreciation / amortisation (%)														
			5	5	**	10	UoP	50, 33 & 25	20	UoP	UoP		18	
* Represents light and heavy vehicles.														
** Amortisation on unit of production basis except for assets located at Holding Company's Head Office (HO) & Bolan Mining Enterprises (BME) which are amortised at 10%.														

5.2

Summary of significant assets

The following assets have significant operational value to the Group:

Particulars	June 30, 2026		June 30, 2025	
	Cost	NBV	Cost	NBV
------(Rupees in thousand)-----				
Head Office				
Land for Head Office Building	1,315,076	1,315,076	1,315,076	1,315,076
Sui Field				
SML / SUL Compression and High Pressure Casings	5,638,919	-	5,638,919	-
Booster Compression Project - SML	2,891,124	662,827	2,891,124	776,171
Revamping of SML Compressors	5,587,210	3,424,503	5,570,448	3,993,336
Adhi Field				
LPG / NGL Plant III	4,653,217	1,054,258	4,653,217	1,278,048
Kandhkot Field				
Gas Compression Station	10,327,881	1,439,651	10,327,881	1,608,758
Hala Field				
Gas Processing Facility (GPF)	1,257,051	1,860	1,257,051	6,483
Gambat South Field				
Gas Processing Facility (GPF) II	10,842,068	4,150,684	10,842,068	4,577,894
GPF IV (Phase I & II)	4,340,257	2,361,061	4,340,257	2,603,466
GPF IV Compression	1,200,339	882,179	1,200,339	972,717
Dhok Sultan Field				
Oil Handling Facility	1,706,200	319,238	1,706,200	428,569
Sawan Field				
Front End Compression	4,298,107	18,350	7,602,001	48,885
Other Plant and Machinery	2,358,135	-	4,169,901	-
Tal Field				
Makori Central Processing Facility (CPF)	6,991,613	305,795	6,991,613	443,268
CPF Manzalai	3,157,148	20,918	3,157,148	30,322
Makori East Secondary Compression	2,016,940	1,485,452	-	-
Nashpa Field				
Nashpa LPG Plant	5,828,370	1,352,227	5,828,370	1,730,769
Wellhead Compression Project	1,188,301	254,767	1,188,301	326,087
Latif Field				
Reception / Tie-in Facility	1,165,465	6,096	1,165,465	9,409
Kirthar Field				
Kirthar Compression Project	1,329,866	678,695	1,330,210	856,078

5.3

Cost and accumulated depreciation include:

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	Cost		Accumulated depreciation	
------(Rupees in thousand)-----				
Share in the Group operated joint operations	38,824,988	36,542,673	24,017,077	22,062,574
Share in partner operated joint operations - note 5.3.1	61,917,315	56,007,957	49,920,795	46,988,490
	100,742,303	92,550,630	73,937,872	69,051,064

5.3.1

The assets pertaining to partner operated joint operations belong to various fields and are not in possession of the Group.

5.3.2

The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Holding Company.

5.3.3

Vehicles amounting to Rs 1,375 million (2025: Rs 1,564 million) are kept as collateral with non-banking financial institutions, as disclosed in note 21 to these consolidated financial statements.

5.4 Capital work-in-progress

	June 30, 2026	June 30, 2025
------(Rupees In Thousand)-----		
Plant, machinery, fittings and pipelines	15,355,011	12,722,370
Exploration and evaluation (E&E) assets	16,723,100	18,380,041
Development and production (D&P) assets	10,328,336	10,187,888
Lands, buildings and civil constructions	156,878	191,670
Advances to suppliers	661,613	611,849
Capital stores for drilling and development	17,442,597	14,074,171
- Net reversal / (charge) of impairment	27,168	(190,986)
	17,469,765	13,883,185
	60,694,703	55,977,003

5.4.1 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E assets	D&P assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Advances to suppliers	Total
------(Rupees in thousand)-----							
Balance as at June 30, 2024	10,911,395	13,613,161	9,724,420	74,650	12,739,134	709,064	47,771,824
Capital expenditure incurred during the year (net) - note 5.4.2	8,031,743	18,827,182	6,832,072	395,822	1,320,530	(97,215)	35,310,134
Impairment of capital stores	-	-	-	-	(190,986)	-	(190,986)
Cost of dry wells during the year	-	(10,036,940)	-	-	-	-	(10,036,940)
Exchange differences	-	-	45,030	-	14,507	-	59,537
Transferred to operating assets	(6,220,768)	(4,023,362)	(6,413,634)	(278,802)	-	-	(16,936,566)
Balance as at June 30, 2025	12,722,370	18,380,041	10,187,888	191,670	13,883,185	611,849	55,977,003
Capital expenditure incurred during the year (net) - note 5.4.2	11,986,283	15,800,081	4,611,494	1,320,579	3,579,150	49,764	37,347,351
Reversal of impairment of capital stores	-	-	-	-	27,168	-	27,168
Cost of dry wells during the year	-	(4,644,914)	-	-	-	-	(4,644,914)
Exchange differences	-	-	(90,861)	-	(19,738)	-	(110,599)
Transferred to operating assets	(9,353,642)	(12,812,108)	(4,380,185)	(1,355,371)	-	-	(27,901,306)
Balance as at June 30, 2026	15,355,011	16,723,100	10,328,336	156,878	17,469,765	661,613	60,694,703

5.4.2 Amounts under capital stores for drilling and development and advances to suppliers are net of consumption during the year.

5.5 Plant and machinery includes major spare parts and standby equipment having cost of Rs 97.263 million (2025: Rs 101.618 million).

5.6 None of the assets disposed of during the year have a book value of more than Rs 0.5 million except the following.

Asset description	Mode of disposal	Relationship	Particulars of Buyer	Cost	Net Book Value	Proceeds	Gain / (Loss)
------(Rupees in thousand)-----							
Plant and Machinery	Tender Sale	Joint Operation Partner	UEPL	114,478	1,054	280,620	279,566
		Joint Operation	Gambat South	7,553	1,793	1,793	-
Vehicle	Insurance Claim	Employee	Abdul Karim Bugti	4,300	3,683	3,683	-
			Mohammad Adnan Khan	4,298	3,383	3,383	-
			Ali Ahmed Khawaja	4,929	3,517	3,517	-
			Syed Muniruddin	4,929	3,546	3,546	-
			Shahzad Sultan	4,850	3,541	3,541	-
			Syed Shahab-Uddin	4,298	3,370	3,370	-
			Muhammad Ishaq Khan	4,665	3,704	3,704	-
			Agha Nadeem Durrani	4,316	3,376	3,376	-
			Kazim Ali	4,930	3,865	3,865	-
Vehicles	Company policy	Employees / Ex-employees	Bilal Inayat	4,300	3,376	3,376	-
			Muhammad Naufil Gazdar	8,559	6,624	6,624	-
			Kishore Kumar Panjwani	4,298	3,043	3,043	-
			Nida Haris	4,298	3,275	3,275	-
			Aleem Haider	4,300	3,994	3,994	-
			Muhammad Talha Anwer	4,298	3,769	3,856	87
			Naeem Ul Hussain	4,301	3,378	3,378	-
			Sikandar Ali Memon	8,696	6,190	6,190	-
			Sikandar Ali Memon	4,797	3,442	3,442	-
			Muhammad Adeel Iqbal	4,298	3,398	3,398	-

5.7 Particulars of immovable property in the name of the Holding Company (net share) are as follows:

Location	Total Area (Acreage)
Freehold Land	
Sui Field	2,488.71
Kandhkot Field	168.78
Mazarani Field	172.32
Khewali Pump Station (KPS)	14.84
Leasehold Land	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	777.02
Adhi Field	114.78
KPS	209.61

5.8 Particulars of the Holding Company's business units, including plants, are as follows:

S.No	Business Unit	Address	Geographical location (Province / Emirate)	Plants
1.	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road. P.O. Box 3942. Karachi-75530	Sindh	Not applicable
2.	Islamabad Office	20th Floor, Meezan Tower Jinnah Avenue, Sector G-8/3 Islamabad	Islamabad	Not applicable
3.	PPLA Office	P.I.D.C. House Dr. Ziauddin Ahmed Road. Karachi	Pakistan	Not applicable
4.	PPLE Office	6th Floor, One London Wall London	United Kingdom	Not applicable
5.	PIOL Office	34th Floor, Al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
6.	PMPL Office	Petroleum House, 5th Floor, Ataturk House, G-5/2, Islamabad	Islamabad	Not applicable
7.	Sui Gas Field	Sui, Dera Bugti	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Dehydration Plant
8.	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
9.	Kandhkot Gas Field	District, Kashmir	Sindh	1) Dehydration Unit 2) Gas Compression Station
10.	Gambat South Fields and Matiari	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility -II 3) Gas Processing Facility -IV
11.	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
12.	Chachar Gas Field	District, Kashmir	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
13.	Hala Fields	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
14.	Dhok Sultan	District, Attock	Punjab	Oil Handling Facility
15.	Shah Bandar	District, Sujawal	Sindh	Third Party Processing Facility
16.	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
5.9 The depreciation / amortisation charge has been allocated to:		
Operating expenses	18,669,209	16,675,404
Administrative expenses	751,705	421,221
	19,420,914	17,096,625
6. INTANGIBLE ASSETS		
Computer software including ERP system - note 6.1	152,930	230,736
Intangible assets under development	5,099	-
	158,029	230,736

6.1 Computer software including ERP system

	ERP system	Computer software	Total
	----- (Rupees in thousand) -----		
As at July 01, 2024			
Cost	450,870	1,697,133	2,148,003
Accumulated amortisation	(445,009)	(1,602,711)	(2,047,720)
NBV	5,861	94,422	100,283
Year ended June 30, 2025			
Additions (at cost)	-	178,920	178,920
Amortisation charge - note 31	(2,344)	(46,123)	(48,467)
NBV	3,517	227,219	230,736
As at July 01, 2025			
Cost	378,866	1,791,863	2,170,729
Accumulated amortisation	(375,349)	(1,564,644)	(1,939,993)
NBV	3,517	227,219	230,736
Year ended June 30, 2026			
Additions (at cost)	-	13,615	13,615
Amortisation charge - note 31	(2,344)	(89,077)	(91,421)
NBV	1,173	151,757	152,930
As at June 30, 2026			
Cost	378,866	1,805,478	2,184,344
Accumulated amortisation	(377,693)	(1,653,721)	(2,031,414)
NBV	1,173	151,757	152,930
Rate of amortisation (%)	20	33	

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
7. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
PPPFTC - note 7.1	1	1
- Associates		
Unquoted companies		
- Pakistan International Oil Limited (PIOL) - note 7.2		
Equity held: 25%		
No. of shares: 10,000,000 (2025: 8,500,000) of USD 10/- each	23,385,227	19,893,941
- Pakistan Minerals (Private) Limited (PMPL) - note 7.3		
Equity held: 33.33%		
No. of shares: 516,420,680 (2025: 516,420,680) of Rs 10/- each	90,251,865	62,765,740
	113,637,093	82,659,682

7.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Holding Company, has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2026. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

7.2 Pakistan International Oil Limited (PIOL)

Offshore Block 5 was awarded to a consortium comprising the Holding Company and three other major Pakistani E&P companies. For the purpose of participating in the concession, the consortium incorporated Pakistan International Oil Limited (PIOL) in Abu Dhabi on July 15, 2021, with each consortium member holding a 25% equity interest in PIOL. Besides the Holding Company, the consortium comprises Oil and Gas Development Company Limited (OGDCL), Mari Energies Limited (MEL) and Government Holdings (Private) Limited (GHPL). The registered address of PIOL is 34th Floor, Al Maqam Tower, Regus ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. Offshore Block 5 covers an area of 6,223 square kilometres and is located approximately 100 kilometres north-east of the Emirate of Abu Dhabi. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. Further, the Holding Company entered into a Shareholders' Agreement with the consortium partners, under which the Holding Company committed to invest up to USD 100 million in PIOL over a period of five years from the date of the initial investment. During the year, the Holding Company made an additional investment of USD 15 million, bringing its cumulative investment in PIOL to USD 100 million, representing the full amount contemplated under the Shareholders' Agreement.

During FY 2024-25, the Field Development Plan for three pre-existing discoveries within Offshore Block 5 was approved, and a Production Concession Agreement (PCA) was entered into with the Supreme Council for Financial and Economic Affairs (SCFEA) and ADNOC. Under the PCA, PIOL holds a 40% participating interest while ADNOC holds the remaining 60% interest.

Financial information of PIOL is summarised below, which is based on the audited financial statements of the associate for the year ended December 31, 2025, adjusted for the transactions and events up to June 30, 2026 based on unaudited financial statements.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Investment in Associate		
Opening carrying value	19,893,941	12,265,444
Cost of investment	4,194,750	7,001,250
Holding Company's share of total comprehensive income / (loss) for the year	(292,866)	300,579
Foreign exchange differences on translation of foreign associate	(410,598)	326,668
Closing carrying value of investment	23,385,227	19,893,941
Summarised statement of financial position		
Non - current assets	33,704,377	34,602,744
Current assets	63,049,724	54,841,662
Non - current liabilities	(946,449)	(734,361)
Current liabilities	(2,266,743)	(9,134,281)
Net assets	93,540,909	79,575,764
Holding Company's percentage shareholding in the associate	25%	25%
Holding Company's share in carrying value of net assets	23,385,227	19,893,941
Summarised statement of comprehensive income		
Total comprehensive income / (loss) for the year	(1,171,466)	1,202,316
Holding Company's share of total comprehensive income / (loss) for the year (25%)	(292,866)	300,579

7.3 Pakistan Minerals (Private) Limited (PMPL)

The Holding Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with collective representation of the Holding Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Holding Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

Financial information of PMPL is summarised below, which is based on the unaudited financial statements of the associate for the year ended June 30, 2026.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Investment in Associate		
Opening Carrying Value	62,765,740	51,788,810
Cost of investment	28,592,903	12,677,999
Holding Company's share of loss for the year	(471,373)	(645,029)
Holding Company's share of other comprehensive loss for the year	(635,405)	(1,056,040)
Closing carrying value of investment	90,251,865	62,765,740
Summarised statement of financial position		
Non-current assets	274,963,034	205,792,601
Current assets	10,343,917	195,430
Non-current liabilities	(13,772,280)	(16,970,053)
Current liabilities	(228,789)	(184,999)
Net assets	271,305,882	188,832,979
Holding Company's percentage shareholding in the associate	33.33%	33.33%
Holding Company's share in carrying value of net assets	90,426,250	62,944,326
Others - exchange rate differences in equity contribution	(174,385)	(178,586)
Holding Company's share in carrying value of net assets	90,251,865	62,765,740
Summarised statement of comprehensive income		
Loss for the year	(1,414,259)	(1,935,281)
Holding Company's share of loss for the year (33.33%)	(471,373)	(645,029)
Other comprehensive income / (loss) for the year	(1,906,407)	(3,168,437)
Holding Company's share of other comprehensive income / (loss) for the year (33.33%)	(635,405)	(1,056,040)
Total comprehensive income / (loss) for the year	(3,320,666)	(5,103,717)
Holding Company's share of total comprehensive income / (loss) for the year (33.33%)	(1,106,778)	(1,701,069)

Subsequent to the year end, the Holding Company has made further equity contribution amounting to Rs 3,582 million in PMPL.

8. LONG-TERM LOANS

Unsecured and considered good Long-term loans - staff - note 8.1

- Management staff - note 8.2
- Other employees

Less: Current maturities

- Management staff
- Other employees

June 30, 2026	June 30, 2025
(Rupees in thousand)	
12,793	16,628
170,950	142,441
183,743	159,069
(5,073)	(6,196)
(46,440)	(42,998)
(51,513)	(49,194)
132,230	109,875

- 8.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Holding Company in accordance with the Holding Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2025: 1% to 10%) per annum.

8.2 Reconciliation of the carrying amount of long-term loans to management staff

June 30, 2026	June 30, 2025
(Rupees in thousand)	
Balance as on July 01	18,213
Disbursements	6,880
Repayments / adjustments	(8,465)
Balance as on June 30	16,628

The maximum aggregate amount of loans due from the management staff at the end of any month during the year was Rs 16.066 million (2025: Rs 19.295 million).

June 30, 2026	June 30, 2025
(Rupees in thousand)	

9. LONG-TERM DEPOSITS

Cash margin:

- For guarantee to International Bank of Yemen - note 9.1
- Others

Less: Current maturity of long-term deposits

1,683,750	1,683,750
7,676	7,676
1,691,426	1,691,426
(1,683,750)	(1,683,750)
7,676	7,676

- 9.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (the Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Holding Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Holding Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited (the Bank) against cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Holding Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there has been extensive correspondence among the Operator, the Ministry of Yemen and the Holding Company. The Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

The Holding Company has initiated legal proceedings by filing a suit in the Honourable SHC against the Bank under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001, seeking release of the SBLC. On January 15, 2026 the Bank submitted application for the leave to defend and on January 22, 2026 the Holding Company has filed replication against leave to defend. The last hearing was held on March 24, 2026 and the matter has since been adjourned by the Honourable SHC and next date of hearing is yet to be fixed by the office of the court.

10. STORES AND SPARES

Stores and spares

Less: Provision for obsolete / slow moving stores and spares - note 10.1

10.1 Reconciliation of provision for obsolete / slow moving stores and spares:

Balance as on July 01

Provision for the year - note 34

Balance as on June 30

June 30, 2026	June 30, 2025
(Rupees in thousand)	
10,459,002	9,226,454
(484,892)	(416,005)
9,974,110	8,810,449
416,005	368,614
68,887	47,391
484,892	416,005

11. TRADE DEBTS**Unsecured and considered good****Related parties (note 11.1)**

Central Power Generation Company Limited (GENCO-II) - note 11.4
Sui Northern Gas Pipelines Limited (SNGPL)
Sui Southern Gas Company Limited (SSGCL)
Pakistan Refinery Limited (PRL)
Pak-Arab Refinery Limited (PARCO)
ENAR Petroleum Refining Facility (EPRF)
Oil & Gas Development Company Limited (OGDCL)

June 30, 2026	June 30, 2025
(Rupees in thousand)	
2,865,104	2,992,574
267,028,162	267,617,084
328,747,892	310,091,241
135,938	54,417
4,402,548	532,367
334,871	224,471
4,543	115,556
603,519,058	581,627,710

Non-related parties

Attock Refinery Limited (ARL)
National Refinery Limited (NRL)
Others

20,080,463	10,332,189
110,356	565,549
117,276	287,903
20,308,095	11,185,641
623,827,153	592,813,351

Unsecured and considered doubtful**Non-related party**

Cnergyico Pk Limited (CENERGY) - note 11.5
Less: Provision for doubtful debts

253,002	253,002
(253,002)	(253,002)
-	-
623,827,153	592,813,351

- 11.1** Maximum aggregate amount outstanding at any time during the year with respect to month end balance due from related parties, is as follows:

June 30, 2026	June 30, 2025
(Rupees in thousand)	
7,053,843	6,397,362
274,208,979	268,153,280
328,777,938	310,091,241
4,402,548	1,485,354
188,844	190,028
481,387	350,053
17,786	228,617
615,131,325	586,895,935

- 11.2** The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired
Past due but not impaired:

Related parties

- within 90 days
- 91 to 180 days
- over 180 days

50,518,188	31,781,570
33,247,538	31,066,788
40,526,464	38,512,176
498,313,586	489,901,331
572,087,588	559,480,295

Non-related parties

- within 90 days
- 91 to 180 days
- over 180 days

339,111	644,244
8,282	1,700
873,984	905,542
1,221,377	1,551,486
623,827,153	592,813,351

- 11.3** Trade debts include overdue amount of Rs 572,001 million (2025: Rs 559,347 million) receivable from the state controlled companies and Rs 1,309 million (2025: Rs 1,685 million) overdue receivable from refineries and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Holding Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 3.1.2 to these consolidated financial statements, SECP has deferred the applicability of ECL model for the financial years ending on or before December 31, 2026 on financial assets due or ultimately due from the GoP in consequence of the circular debt.

Specific provision has been created against receivable from CENERGY as a result of disputes disclosed in note 11.5.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Group considers the overdue amounts to be fully recoverable and therefore, no provision for doubtful debts has been made in these consolidated financial statements, except for provision against receivable from CENERGY.

- 11.4** As per the guidance for "Accounting of Gas Infrastructure Development Cess (GIDC)" issued by ICAP dated January 19, 2021, the gas companies should consider the timing of recognition of liabilities (with corresponding assets), where the obligation of the gas companies is to pay the collected amounts to the Federal Government on receipt basis and not at the time of billing to the gas consumers. Due to the similar nature and characteristics of Gas Development Surcharge (GDS), the Holding Company has adopted the same accounting treatment for GDS as well. Accordingly, trade debts do not include GDS amounting to Rs 79,459 million (2025: Rs 81,594 million) as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has been billed to GENCO-II but has not been received by the Holding Company as at the date of statement of financial position.

- 11.5** The Holding Company had filed a suit in the Honourable SHC against CENERGY for recovery of overdue amount. In addition, the Holding Company filed a complaint against the officials of CENERGY on account of the willful default before the National Accountability Bureau (NAB). On the Holding Company's complaint, NAB filed a reference against the officials of CENERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CENERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Holding Company, which was allowed by the Accountability Court on October 24, 2020. The Holding Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CENERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Holding Company has filed a constitutional petition against the NAB for recovery of the withheld amount. The Honourable SHC vide order dated November 12, 2025 directed NAB to reimburse withheld principal amount within ninety days. Subsequently, NAB has filed a Civil Petition for 'Leave to Appeal' before the Honourable SCP. The Holding Company will take appropriate legal action and will duly contest the said petition before the Honourable SCP once the notice is received. For late payment surcharge amount, the Holding Company's civil suit against CENERGY is pending before the district courts of Karachi after transfer of the case from the Honourable SHC.

June 30, 2026	June 30, 2025
(Rupees in thousand)	

12. LOANS AND ADVANCES**Unsecured and considered good**

Loans and advances to staff
Advances to suppliers and others
Advance payment of cash calls to joint operations – note 37

157,212	128,012
223,863	150,923
582,155	215,205
963,230	494,140

13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits
Prepayments

268,806	399,290
594,897	314,840
863,703	714,130

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
14. INTEREST ACCRUED		
Interest receivable on:		
- Short-term investments	908,003	924,563
- Bank deposits	406,899	243,121
	<u>1,314,902</u>	<u>1,167,684</u>
15. OTHER RECEIVABLES		
Receivable from related parties:		
SNGPL for Sui field services	50,206	37,632
SSGCL for Sui field services	24,205	11,503
PIOL	95,038	189,044
PMPL	57,489	-
Staff retirement benefit plans	32,926	17,265
Current accounts with joint operations - note 37	1,971,725	1,273,655
Indemnification asset	299,664	301,083
Workers' Profits Participation Fund (WPPF) - note 15.1	323,933	224,011
Sales tax - net	2,514,406	8,670,921
Others - note 15.2	362,072	423,378
	<u>5,731,664</u>	<u>11,148,492</u>
15.1 WPPF		
Balance as at July 01	224,011	872,390
Allocation for the year - note 34	(6,826,067)	(6,275,989)
Net amount paid during the year	6,925,989	5,627,610
Balance as at June 30	<u>323,933</u>	<u>224,011</u>

15.2 It includes receivable from related party MEL amounting to Rs 12.76 million (2025: Rs 10.92 million) with respect to the payment made by the Holding Company on its behalf for expenses related to Future Minerals Forum 2026.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
16. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 16.1	40,147,500	3,127,500
- Foreign currency term deposits with banks - note 16.2	42,429,511	43,929,498
- Local currency treasury bills - note 16.3	16,644,113	31,602,727
- Pakistan Investment Bonds - note 16.4	100,013	80,448
	<u>99,321,137</u>	<u>78,740,173</u>

16.1 These carry profit ranging from 9.25% to 12.31% (2025: 9.00% to 16.00%) per annum and are due to mature latest by March 2027.

16.2 These represent foreign currency term deposits with banks amounting to USD 152.595 million (2025: USD 154.900 million) having effective interest rate ranging from 3.41% to 7.07% (2025: 4.50% to 10.80%) per annum and are due to mature latest by December 2026.

16.3 These carry profit ranging from 11.60% to 11.75% (2025: 11.02% to 11.83%) per annum and are due to mature latest by December 2026. These bills were issued by the GoP and sold through State Bank of Pakistan. Further, as disclosed in note 21.1.2, T-Bills with carrying value of Rs 700.58 million (face value Rs 740.00 million) are pledged as collateral with Pak Oman Investment Company Limited.

16.4 These carry profit ranging from 11.60% to 11.80% (2025: 10.50% to 11.08%) per annum and are due to mature latest by July 2026. These bonds were issued by the GoP and sold through State Bank of Pakistan.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
17. CASH AND BANK BALANCES		
At banks		
- Saving accounts		
Local currency - note 17.1	6,420,207	5,467,838
Foreign currency - note 17.2	451,032	543,153
	<u>6,871,239</u>	<u>6,010,991</u>
- Current accounts		
Local currency	391,666	345,342
Foreign currency	5,175	4,050
	<u>396,841</u>	<u>349,392</u>
Cash in hand	<u>1,938</u>	<u>4,135</u>
	<u>7,270,018</u>	<u>6,364,518</u>

17.1 These carry profit at the rate ranging from 2.47% to 11.25% (2025: 2.78% to 19.15%) per annum.

17.2 These carry profit at the rate ranging from 0.01% to 1.75% (2025: 0.01% to 2.00%) per annum.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
18. SHARE CAPITAL		
Authorised		
3,500,000,000 (2025: 3,500,000,000) ordinary shares of Rs 10 each	35,000,000	35,000,000
26,510 (2025: 26,510) convertible preference shares of Rs 10 each	265	265
	<u>35,000,265</u>	<u>35,000,265</u>
Issued		
2,721,162,657 (2025: 2,721,162,657) ordinary shares of Rs 10 each - note 18.2	27,211,626	27,211,626
10,418 (2025: 10,418) convertible preference shares of Rs 10 each - note 18.3	104	104
	<u>27,211,730</u>	<u>27,211,730</u>
Subscribed and paid-up		
683,078,299 (2025: 683,078,299) ordinary shares of Rs 10 each for cash - note 18.2	6,830,783	6,830,783
2,035,144,811 (2025: 2,035,144,811) ordinary shares of Rs 10 each issued as bonus shares	20,351,449	20,351,449
2,750,000 (2025: 2,750,000) ordinary shares of Rs 10 each for consideration other than cash under an Agreement for Sale of Assets dated March 27, 1952 with Burmah Oil Company Limited	27,500	27,500
	<u>27,209,732</u>	<u>27,209,732</u>
9,344 (2025: 9,344) convertible preference shares of Rs 10 each for cash - note 18.3	93	93
1,074 (2025: 1,074) convertible preference shares of Rs 10 each issued as bonus shares	11	11
	<u>27,209,836</u>	<u>27,209,836</u>

18.1 Movement in subscribed and paid-up share capital

There is no movement in subscribed and paid-up share capital. These fully paid ordinary shares carry one vote per share and right to dividend.

18.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2025: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e. 102,875,500 ordinary shares) of the Holding Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Presently, the shareholding of the GoP in the Holding Company stands at 74.86% of the paid-up ordinary share capital.

18.3 Convertible preference shares

In accordance with article 3(iv) of the Holding Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Holding Company's Secretary by the holders of such convertible preference shares to that effect. During the year, there is no conversion of convertible preference shares into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Holding Company do not carry any fixed return.

19. RESERVES

Capital reserve - note 19.1

Revenue and other reserves

- General and contingency reserve - note 19.2
- Insurance reserve - note 19.3
- Assets acquisition reserve - note 19.4
- Dividend equalisation reserve - note 19.5
- Foreign currency translation reserve - note 4.22
- Share of foreign currency translation reserve of the associated company - note 19.6
- Unappropriated Profit

June 30, 2026	June 30, 2025
(Rupees in thousand)	
1,428	1,428
69,761	69,761
34,021,894	34,021,894
23,751,980	23,751,980
2,535,354	2,535,354
6,670,493	7,085,260
8,497,406	8,973,960
675,006,504	601,374,010
750,553,392	677,812,219
750,554,820	677,813,647

19.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

19.2 General and contingency reserve

The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Holding Company only for the purpose specified in the 1982 GPA.

19.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of the Holding Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Holding Company has built-up an insurance reserve for self-insurance cover against these risks.

The Holding Company has arranged terrorism cover from the international market up to the limit of liability of USD 100 million (Rs 27,805 million) for single occurrence, as well as, annual aggregate.

19.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Holding Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

19.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Holding Company established a dividend equalisation reserve to maintain dividend declarations.

19.6 Share of foreign currency translation reserve of the associated company

This represents accumulated balance of effect of share of translation of a foreign operation into Pakistani Rupees of the associated company.

20. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2026	June 30, 2025
(Rupees in thousand)		
Balance at beginning of the year	47,959,847	46,548,776
- Provision during the year	593,473	709,093
- Revision due to change in estimates - note 3.7(e)	1,438,280	(1,366,481)
- Exchange difference / payment during the year	(50,554)	(167,361)
- Unwinding of discount - note 33	1,784,809	2,235,820
Balance at end of the year	51,725,855	47,959,847

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2026	June 30, 2025
(Rupees in thousand)		
Wells		
Share in operated assets	28,449,802	24,927,679
Share in partner operated assets	11,584,354	11,134,409
Production facilities		
Share in operated assets	9,560,390	9,907,176
Share in partner operated assets	2,131,309	1,990,583
	51,725,855	47,959,847
21. LONG - TERM FINANCING		
From Non-Banking Financial Institution - Secured - note 21.1	1,469,140	1,617,389
Current maturity of long - term financing	(291,885)	(247,970)
	1,177,255	1,369,419

21.1	Non-Banking Financial Institutions - Secured		Number of installments	Maximum Maturity Date	Markup profit rate per annum	Monthly installment amount	Balance as at	
							June 30, 2026	June 30, 2025
							----- Rupees in thousand -----	
	First Habib Modaraba	21.1.1	35-59 monthly	May 20, 2031	3 Months Kibor +	21,348	808,584	868,945
	Pak Oman Investment Company Limited	21.1.2	35-52 monthly	October 31, 2030	(from 0.84 to 0.94%)	16,226	660,556	748,444
							1,469,140	1,617,389

- 21.1.1 This loan is obtained under a Shariah compliant arrangement and secured against the Holding Company's vehicles.
- 21.1.2 This loan is secured against the Holding Company's vehicles. Additionally, a collateral in the form of government securities is held in an Investment Portfolio Services account with Pak Oman Investment Company Limited.
- 21.1.3 These loans have been obtained to provide car facility to employees of the Holding Company as per the rules of service.

		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
21.2 Reconciliation of long term financing			
Opening at the beginning of the year		1,617,389	1,266,285
Loans obtained during the year		180,314	556,433
Loans repaid during the year		(328,563)	(205,329)
		(148,249)	351,104
Balance at end of the year		1,469,140	1,617,389
22. LEASE LIABILITIES			
Present value of minimum lease payments - note 22.1		1,020,977	-
Less: current maturity		(137,894)	-
		883,083	-
22.1	During the year, the Holding Company recognised an office building as a ROUA and corresponding lease liability in respect of leased assets under contractual lease arrangements. The lease liability was measured at the present value of future lease payments using the borrowing rate of 12.64% per annum. The ROUA is being depreciated over the lease term, while the lease liability is subsequently measured using the effective interest method in accordance with IFRS 16 Leases.		
	The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:		
		Minimum lease payments	Financial charges
		June 30, 2026	June 30, 2025
		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
Year ended June 30,			
2027		254,268	-
2028		279,695	-
2029		307,664	-
2030		338,431	-
2031		177,273	-
Total		1,357,331	-
22.2	Lease rental payments for the year ended June 30, 2026, amount to Rs 121.08 million		
		June 30, 2026	June 30, 2025
		(Rupees in thousand)	
23. DEFERRED LIABILITIES			
Post - retirement medical benefits - note 32.2.1		5,158,321	4,093,530
Leave preparatory to retirement - note 32.3		1,140,537	1,233,952
		6,298,858	5,327,482
24. DEFERRED TAXATION - NET			
(Deductible) / taxable temporary differences on:			
Exploration expenditure		(1,733,675)	(1,785,175)
Deferred liabilities		(2,183,324)	(2,077,718)
Provision for windfall levy on oil / condensate		(22,545,776)	(22,690,452)
Provision for doubtful debts		(126,501)	(126,501)
Provision for obsolete / slow moving stores		(189,108)	(162,242)
Decommissioning cost		5,552,272	8,064,807
Accelerated tax depreciation allowances		3,636,830	2,866,305
Exploratory wells cost		10,012,184	10,719,775
Development and production expenditure		27,995,722	26,042,653
Others		1,042,982	1,908,525
		21,461,606	22,759,977

24.1 During the year, the change in deferred taxation has been recognised in profit or loss, except for the deferred tax impact of Rs 400.04 million (2025: 'Nil') on account of remeasurement of defined benefit plans, Rs 102.65 million (2025: Rs 81.67 million) on account of exchange differences on translation of foreign associate and Rs 158.85 million (2025: Rs 2,991.32 million) on account of share of exchange differences on translation of foreign operation of the associate, which have been recognised in other comprehensive income.

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
25. TRADE AND OTHER PAYABLES		
Creditors	383,963	1,290,452
Accrued liabilities	14,949,266	14,135,214
Accrued mark-up / profit on long-term financing	4,731	5,353
Security deposits / advances from customers - note 25.2	2,258,770	1,052,480
Retention money	258,768	192,942
Royalties	5,769,913	4,132,795
Lease extension bonus - Sui gas field	5,912,815	374,226
Current accounts with joint operations - note 37	19,579,266	18,783,491
Staff retirement benefit funds - note 32.1.2	6,601,824	5,636,492
Provision for windfall levy on oil / condensate - note 26.1.5	42,944,286	36,304,674
Federal excise duty	34,663	9,612
Others	290,129	309,522
	98,988,394	82,227,253

25.1 As disclosed in note 11.4, trade and other payables do not include GDS amounting to Rs 79,459 million (2025: Rs 81,594 million) as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has not been paid to GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

25.2 This includes advances received from customers which will be recognised as revenue when the performance obligation is satisfied.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Sales tax

The Holding Company has received various orders from the tax authorities, raising demand of Rs 1,082 million on account of sales tax for different tax periods in terms of the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Holding Company is contesting the matter before different appellate fora.

26.1.2 Income tax

To date, the tax authorities have amended the assessments of the Holding Company for tax years 2003 to 2025, raising an aggregate demand of Rs 150,612 million. These demands primarily relate to rate issue, depletion allowance on account of gathering and processing charges, windfall levy, the Holding Company's share of profit of Bolan Mining Enterprises, super tax and taxation of Late Payment Surcharge (LPS). The Holding Company has paid or adjusted an amount of Rs 55,985 million. out of the said aggregate demands under protest.

The outstanding demands pertain to tax years 2003 to 2009, which has been stayed by the Honourable Sindh High Court (SHC), super tax on agreement areas for tax years 2022 to 2024 and LPS for tax years 2020 till 2024. The appeals in respect of the assessments made by the tax authorities were filed before the following appellate fora.

Tax Year	Appellate Forum
2013, 2014, 2021, 2023 & 2024	Islamabad High Court (IHC)
2003 to 2012	Sindh High Court (SHC)
2019 to 2023	Appellate Tribunal Inland Revenue (ATIR)
2020 and 2022 till 2024	Alternate Dispute resolution Committee (ADRC)
2015 to 2018	Supreme Court of Pakistan (SCP)
2020 to 2025	Commissioner Inland Revenue Appeals

The Holding Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, as a matter of abundant caution, the Holding Company has continued to provide for tax liabilities primarily in respect of tax rates, super tax, as well as other issues in its books of accounts. In the event that the appeals on these matters are decided in favour of the Holding Company, an amount of Rs 72,561 million. will be credited to the profit or loss for that year.

The aggregate tax demand issued by tax authorities mentioned above includes orders received during the year, which are disclosed below.

- i) During the year, the tax authorities have amended the assessment orders for tax years 2020 to 2024 treating unrecorded LPS on overdue receivables from the Holding Company's customers as taxable income, raising an aggregate tax demand of Rs 75,097 million. The said LPS does not meet the income recognition criteria under IFRS 15, Holding Company's accounting policy and accounting treatment is in line with the industry practice. The Holding Company filed an application in ADRC. Subsequent to the year end, the ADRC through majority has decided the case against the Holding Company by upholding the demands raised by tax authorities for tax years 2021 till 2024 amounting to Rs 59,073 million. The decision for tax year 2020 is pending adjudication. The Holding Company is in the process of filing appeal at Federal Constitutional Court of Pakistan (FCC) or SCP. Based on the advice of its legal counsel, the Holding Company is confident that it has sound grounds to contest the matter, accordingly no provision has been made in these consolidated financial statements.
- ii) Through the Finance Act, 2023, amendments were introduced in the law whereby state-owned enterprises are mandatorily required to file an application before the ADRC instead of availing the normal appellate mechanism. The Holding Company has challenged the vires of these amendments before the Honourable IHC, where the matter is currently pending adjudication.
- iii) Return of income for the tax year 2025 was amended during the year raising tax demand of Rs. 4,081 million primarily on account of rate issue, provision for windfall levy and depletion allowance on account of gathering and processing charges. Further, the tax authorities has also passed assessment orders for tax years 2020 to 2024 in pursuance of further amendment of assessment / audit proceedings resulting in aggregate tax demand of Rs. 2,984 million on account of disallowance of depletion allowance relating to gathering and processing charges and other issues. The said tax demands were paid by the Holding Company under protest. Being aggrieved, the Holding Company has filed appeals before the relevant appellate fora.
- iv) During the year, the tax authorities issued show cause notices for Rs 38,443 million for tax years 2020 to 2024, contending that the Holding Company's income from the Sui field is taxable under the normal provisions of the Ordinance rather than under the Fifth Schedule to the Ordinance, by disputing the effective date of execution of the Petroleum Concession Agreement (PCA). The Holding Company has challenged these notices before the Honourable SHC through a Constitutional Petition, and the Honourable SHC, through an interim order, has suspended the operation of the said notices.
- v) During the year, the FCC while deciding the constitutional petitions on super tax has held that section 4B and 4C of the ITO will only apply to income of E&P companies if it does not result in exceeding the aggregate rate of tax provided in Fifth Schedule of ITO and respective PCAs. Subsequently, the tax authorities have issued amended assessment orders for tax years 2022 till 2024 raising aggregate tax demand of Rs 18,053 million. The Holding Company considers the demands to be unreasonable and has filed application before ADRC which is pending adjudication.

26.1.3 Sindh Workers' Welfare Fund

The Holding Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Holding Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Holding Company.

SRB passed an order dated November 24, 2023, requiring the Holding Company to deposit Rs 2,061 million in SWWF account for the year ended June 30, 2022. The Holding Company filed an appeal against the aforesaid SRB order before Commissioner Appeals, SRB and filed a constitutional petition challenging the recovery notice before the Honourable SHC. The Honourable SHC was pleased to pass restraining order against SRB from taking any coercive action against the Holding Company.

Further, SRB has issued notice dated January 02, 2024 for initiating proceedings on show-cause notice dated November 05, 2018 for the year ended June 30, 2017. The Holding Company, through its external legal counsel has submitted written reply and the matter is pending adjudication.

Furthermore, SRB has issued a show cause notice dated March 12, 2024 for the payment of SWWF for the year ended June 30, 2023 demanding SWWF contribution along with penalties and surcharges. On June 12, 2024, SRB issued an order demanding the Holding Company to pay Rs 3,478 million. The Holding Company filed an appeal before Commissioner Appeals, SRB and filed a constitutional petition against the recovery notice. Accordingly, stay was granted by the Honourable SHC.

The Holding Company has challenged the applicability of the SWWF Act, 2014 asserting that the Holding Company is governed by federal law. Further, the Holding Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Holding Company, therefore, no provision has been made in these consolidated financial statements.

During the last year, the Honourable SHC has disposed of Suit No.1030 of 2016, in which the Holding Company had challenged the demand for Sindh Workers' Welfare Fund (SWWF) by the Sindh Revenue Board (SRB) on the grounds of being a trans-provincial entity. The Honourable SHC relied on the Council of Common Interests (CCI) decision (CCI.14/1/2019), which affirmed that Workers' Welfare Fund (WWF) and the Employees' Old-Age Benefits Institution (EOBI) shall remain under federal jurisdiction until a mutually agreed mechanism is established, SRB has filed Civil Petition for Leave to Appeal (CPLA) against the said order which is pending adjudication. The Holding Company will take appropriate legal action and will duly contest the said petition once the notice is received.

26.1.4 Sindh Workers' Profit Participation Fund

The Holding Company received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Holding Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained an interim stay. Further, in view of the potential exposure involved, the Holding Company, on the advice of the legal counsel, has also obtained an interim stay from the Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

SRB issued a notice to the Holding Company on February 21, 2024, demanding payment of leftover amount of Workers' Profit Participation Fund (WPPF) for the year ended June 30, 2023. The Holding Company argued that being a trans-provincial entity, it falls under the ambit of the Companies Profit (Worker's Participation) Act, 1968, and is not obligated to make WPPF payments to SRB but rather to the Federal Government. The Holding Company also received notices from the Federal Board of Revenue (FBR) and the Ministry of Overseas Pakistanis and Human Resources Development claiming the payment of the said amount. The Holding Company sought clarification from FBR on the appropriate authority for payment, and FBR affirmed its authority through order dated March 22, 2024. Consequently, the Holding Company filed a lawsuit seeking declaration and permanent injunction against notice issued by SRB and the Ministry of Overseas Pakistanis and Human Resources Development, aiming to clarify the authority responsible to collect the WPPF amount. The Honourable SHC granted interim relief to the Holding Company on April 16, 2024, restraining any adverse actions against the Holding Company by the defendants.

26.1.5 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Holding Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Holding Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 (“SA”) with the President of Pakistan in accordance with the ‘Conversion Regime’ introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a ‘Conversion Package’ that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA’s also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

- i) Windfall Levy is applicable on exploration and production of natural gas only;
- ii) Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and
- iii) There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate (WLO) retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Holding Company is presently entitled and receiving under the existing ‘Conversion Package’ as enshrined in the existing SAs will stand withdrawn or that the Holding Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Holding Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Most of the petitioners have already advanced final arguments before the Court. The stay order already granted remains in effect. The case was last fixed for hearing on July 13, 2026, and the matter is now pending adjudication.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2026, on the completion of the process laid down in the law and in line with the Holding Company’s accounting policy following the revised prices notified from time to time.

The WLO if also applicable on oil / condensate will amount to approximately Rs 60,741 million (2025: Rs 54,371 million) for the period up to June 30, 2026. As mentioned above, the Holding Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Holding Company’s legal contention and as a matter of abundant caution, the Holding Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2026 amounts to Rs 42,945 million (2025: Rs 36,305 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 64,826 million (2025: Rs 53,608 million) and Rs 34,550 million (2025: Rs 24,249 million), respectively.

26.1.6 Other contingencies

- a) The Holding Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Holding Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Holding Company’s share of encashment was credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Holding Company in which it has filed a number of claims against the Holding Company. The Holding Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Holding Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Holding Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

- b) The Holding Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,322.200 million (2025: Rs 2,957.110 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Holding Company and, accordingly, no provision has been made in these consolidated financial statements.

- c) In the context of PPLE, the tax authorities have amended the assessments for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the Honourable IHC or deleted / remanded back by the CIR-(A), the appeal effect of which is pending before the tax authorities.

Further, the tax authorities have amended the assessment of PPLE for the tax years 2015 to 2020, raising an aggregate demand of Rs 667 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed). PPLE has obtained stay orders in respect of remaining demand from CIR (A) / ATIR.

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue and decommissioning cost which amounts to Rs 743 million for the tax years 2004 to 2023.

- d) The Holding Company has provided parent company guarantees (corporate guarantees) jointly and severally with the other consortium members to ADNOC and the Supreme Council for Financial and Economic Affairs, Abu Dhabi, UAE, guaranteeing PIOL's obligations under the concession documents. In addition, to mitigate the exposure arising from such joint and several liability, each consortium member has provided Shareholders' Protection Guarantees (corporate guarantees) in favour of PIOL and the other consortium members, covering its respective share of the obligations under the concession documents.

26.2 Commitments

26.2.1 The Holding Company has provided parent company guarantee to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

26.2.2 Total Group's commitments for capital expenditure (net share) as at June 30, 2026 are Rs 6,809 million (2025: Rs 1,117 million). Further, total amount outstanding under letters of credit (net share) as at June 30, 2026 is Rs 2,076 million (2025: Rs 2,058 million).

26.2.3 With respect to PMPL (note 7.3), the Holding Company had earlier entered into a Joint Venture Agreement with the stakeholders, under which the Holding Company had committed to invest a total amount of up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. During the year, the shareholders of the Holding Company have approved to increase the investment amount to USD 715 million to be adjusted for actual inflation and financing costs, of which USD 167 million has been invested. In addition, the Holding Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Holding Company has provided a several corporate guarantee to fund the obligations of the Holding Company under the Definitive Agreements.

During the year, Barrick Mining Corporation (BMC), the Operator, announced that it was reviewing all aspects of the Reko Diq project including the security situation in the region. On April 2, 2026, BMC announced that following the preliminary findings of the review, BMC considers it necessary to slow the development activity and extend the project review. This review is ongoing and will assess in a comprehensive manner the capital requirements, project financing, project scope and timeline. It is anticipated by BMC that there could be changes to the estimated capital cost and timeline of the project.

Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)	

27. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sales	302,473,416	277,541,653
Federal excise duty	(1,246,657)	(1,239,734)
Sales tax	(35,102,614)	(33,230,830)
Petroleum Levy	(479,284)	(453,413)
Discounts (barytes)	(1,849)	(29,732)
	(36,830,404)	(34,953,709)
Local sales - net	265,643,012	242,587,944
Export sales - note 27.1	662,520	2,389,085
	266,305,532	244,977,029
Product wise break-up of sales is as follows:		
Natural gas	187,757,289	181,575,253
Federal excise duty	(1,217,627)	(1,209,751)
Sales tax	(31,608,836)	(29,780,837)
	(32,826,463)	(30,990,588)
	154,930,826	150,584,665
Gas supplied to Sui villages - note 28	1,471,840	1,602,148
Federal excise duty	(13,710)	(14,978)
Sales tax	(224,518)	(244,395)
	(238,228)	(259,373)
	1,233,612	1,342,775
Internal consumption of gas	708,133	722,361
Federal excise duty	(6,594)	(6,750)
Sales tax	(107,991)	(110,165)
	(114,585)	(116,915)
	593,548	605,446
Crude oil / Natural gas liquids / Condensate	91,729,171	73,388,295
LPG	20,411,267	19,974,023
Federal excise duty	(8,726)	(8,255)
Sales tax	(3,123,353)	(3,051,766)
Petroleum levy	(479,284)	(453,413)
	(3,611,363)	(3,513,434)
	16,799,904	16,460,589
Barytes & Iron ore	1,058,236	2,668,658
Sales tax	(37,916)	(43,667)
Discounts	(1,849)	(29,732)
	(39,765)	(73,399)
	1,018,471	2,595,259
	266,305,532	244,977,029
27.1 Break up of export sales is as follows:		
Barytes	639,253	2,352,664
Crude oil / condensate	23,267	36,421
	662,520	2,389,085

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
28. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits - note 31.1	20,187,680	16,528,689
Operators' personnel	4,199,586	4,097,452
Depreciation	6,099,507	6,334,067
Amortisation of decommissioning assets - note 5.1	1,567,825	883,137
Amortisation of D&P assets - note 5.1	11,001,877	9,458,200
Plant operations	6,948,479	6,041,057
Well interventions	1,349,736	1,626,725
Field services	4,247,361	3,533,506
Crude oil and barytes transportation	1,372,009	1,511,766
Travelling and conveyance	857,793	729,547
Training and development	124,063	120,636
PCA overheads	792,852	546,169
Insurance expenses	1,026,903	1,100,759
Free supply of gas to Sui villages - note 27	1,471,840	1,602,148
Social welfare / community development	1,070,062	586,883
	62,317,573	54,700,741
29. ROYALTIES AND OTHER LEVIES		
Royalties and others	32,776,492	28,113,342
Lease extension bonus	5,538,589	5,791,450
Windfall levy	5,516,193	3,758,203
	43,831,274	37,662,995
30. EXPLORATION EXPENSES		
Dry and abandoned wells	4,651,207	10,001,016
Other exploration expenditures - note 30.1	7,417,907	8,543,839
	12,069,114	18,544,855
30.1	Exploration expenses are net of Rs 2,089 million, Rs 850 million and Rs 234 million on account of farm-out of working interest in Kuhan, Indus C and Margand blocks, respectively. As the recoveries of past costs exceeded the exploration expenses incurred on the respective blocks, the excess amount of Rs 1,365 million has been recognised as other income as disclosed in note 35.3.	
	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
31. ADMINISTRATIVE EXPENSES		
Salaries, wages, welfare and other benefits - note 31.1	12,470,153	10,750,005
Amortisation of intangible assets - note 6.1	91,421	48,467
Depreciation of ROUA and HO assets	751,705	421,221
Rent, rates and taxes	412,219	382,681
Utilities and communication	151,993	159,384
Travelling and conveyance	249,852	231,002
Training and development	148,489	122,122
Insurance expenses	76,561	66,153
Repairs, maintenance and supplies	1,441,084	1,279,880
Professional services	466,583	351,280
Auditors' remuneration - note 31.2	64,596	59,449
Donations and sponsorship - notes 31.3 & 31.4	220,752	250,677
Contract services	234,572	209,154
Compliance and regulatory expenses	160,569	79,156
Advertisement, publicity and public relations	109,581	134,721
Other expenses	119,275	89,653
	17,169,405	14,635,005
Allocation to capital and operating expenditure	(9,016,670)	(7,839,981)
	8,152,735	6,795,024

31.1 This includes expenditure in respect of provident fund, pension fund, gratuity fund and post-retirement medical benefits amounting to Rs 546.588 million, Rs 1,472.065 million, Rs 526.574 million and Rs 568.764 million, respectively (2025: Rs 428.861 million, Rs 1,015.322 million, Rs 398.354 million and Rs 481.831 million, respectively).

31.2 Auditors' remuneration

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Annual audit fee	9,690	8,426
- Holding Company	44,117	41,931
- Subsidiary Companies		
Limited review, special certifications and professional services	7,632	6,320
Out of pocket expenses and others	3,157	2,772
	64,596	59,449

31.3 Party wise details of donations in excess of 10 percent of the Holding Company's total amount of donations are given below:

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Name of Donees / Party		
NED University of Engineering and Technology, Karachi	17,200	-
Al-Shifa Trust Eye Hospital Sukkur	10,000	10,000
Behbud Association of Pakistan	10,000	10,000
Tehzibul Akhlaq Trust	2,625	10,500
University of Engineering, Lahore	-	12,600

31.4 There are no donations in which the directors of the Holding Company are interested.

32. STAFF RETIREMENT BENEFITS

32.1 Funded post retirement pension and gratuity schemes

As mentioned in note 4.13 to these consolidated financial statements, the Holding Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Holding Company appoints the trustees. All trustees are employees of the Holding Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

32.1.1 Fair value of plan assets and the present value of obligations

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		June 30, 2025
			June 30, 2026			
	(Rupees in thousand)					
Present value of defined benefit obligations - note 32.1.6	17,835,580	2,113,173	10,285,133	3,932,929	34,166,815	30,706,000
Fair value of plan assets - note 32.1.5	(19,323,133)	(1,403,328)	(5,409,791)	(1,428,739)	(27,564,991)	(25,069,508)
Liability / (asset) recognised in the statement of financial position	(1,487,553)	709,845	4,875,342	2,504,190	6,601,824	5,636,492

32.1.2 Movement in amounts payable to / (receivable from) defined benefit plans

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	(Rupees in thousand)					
Balances as on July 01	(1,041,043)	685,516	3,998,686	1,993,333	5,636,492	4,508,498
Charge for the year - note 32.1.3	343,557	165,704	690,914	360,870	1,561,045	1,413,676
Payments during the year	(609,598)	(156,353)	(304,360)	(128,527)	(1,198,838)	(897,175)
Amount recognised in Other Comprehensive Income (OCI) for the year – note 32.1.4	(180,469)	14,978	490,102	278,514	603,125	611,493
Balances as on June 30	(1,487,553)	709,845	4,875,342	2,504,190	6,601,824	5,636,492

32.1.3 Amounts recognised in profit or loss

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	(Rupees in thousand)					
Current service cost	459,270	89,508	220,073	124,664	893,515	768,522
Interest cost on defined benefits obligation	1,870,761	224,899	1,046,480	402,640	3,544,780	3,737,508
Interest income on plan assets	(1,986,474)	(148,703)	(575,639)	(166,434)	(2,877,250)	(3,092,354)
Charge for the year recognised in profit or loss	343,557	165,704	690,914	360,870	1,561,045	1,413,676
Actual return on plan assets	2,465,067	182,060	770,730	239,387	3,657,244	4,601,487

32.1.4 Remeasurement recognised in other comprehensive income

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	(Rupees in thousand)					
Actuarial (gain) / loss on obligation	298,124	48,335	685,193	351,467	1,383,119	2,120,625
Actuarial (gain) / loss on assets	(478,593)	(33,357)	(195,091)	(72,953)	(779,994)	(1,509,132)
Total remeasurements	(180,469)	14,978	490,102	278,514	603,125	611,493

32.1.5 Changes in fair value of plan assets

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	(Rupees in thousand)					
Fair value of plan assets at beginning of the year *	17,103,463	1,276,548	5,137,080	1,552,417	25,069,508	21,340,256
Interest income on plan assets	1,986,474	148,703	575,639	166,434	2,877,250	3,092,354
Transferred to defined contribution pension fund	-	-	(37,203)	-	(37,203)	(21,818)
Contributions / adjustments by the Holding Company	609,598	156,353	304,360	128,527	1,198,838	897,175
Benefits paid	(854,995)	(211,633)	(765,176)	(491,592)	(2,323,396)	(1,747,591)
Amount recognised in OCI for the year	478,593	33,357	195,091	72,953	779,994	1,509,132
Fair value of plan assets at the end of the year *	19,323,133	1,403,328	5,409,791	1,428,739	27,564,991	25,069,508

* This represents unaudited fair value of plan assets.

32.1.6 Changes in present value of pension and gratuity obligations

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2026					June 30, 2025
	(Rupees in thousand)					
Present value of obligations at beginning of the year	16,062,420	1,962,064	9,135,766	3,545,750	30,706,000	25,848,754
Current service cost	459,270	89,508	220,073	124,664	893,515	768,522
Interest cost	1,870,761	224,899	1,046,480	402,640	3,544,780	3,737,508
Transferred to defined contribution pension fund	-	-	(37,203)	-	(37,203)	(21,818)
Benefits paid	(854,995)	(211,633)	(765,176)	(491,592)	(2,323,396)	(1,747,591)
Amount recognised in OCI for the year	298,124	48,335	685,193	351,467	1,383,119	2,120,625
Present value of obligations at the end of the year	17,835,580	2,113,173	10,285,133	3,932,929	34,166,815	30,706,000

32.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return	Executive		Non-Executive		Executive		Non-Executive	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
	%	June 30, 2026				June 30, 2025			
Pension Fund									
Government securities	8.00 - 14.00	8,838,123	46	2,254,524	42	9,646,658	56	3,444,530	67
Shares / mutual funds	-	2,861,732	15	825,877	15	1,986,872	12	709,101	14
Sukuk	13.15	1,689	-	1,689	-	-	-	-	-
Term finance certificates	12.28 - 13.89	60,272	-	-	-	59,691	-	-	-
National savings certificates	13.01	2,156,148	11	719,668	13	2,006,533	12	669,774	13
Cash and bank deposits	6.58 - 11.90	5,405,169	28	1,608,033	30	3,403,709	20	313,675	6
Total		19,323,133	100	5,409,791	100	17,103,463	100	5,137,080	100
Gratuity Fund									
Government securities	8.00 - 14.00	433,473	31	575,510	41	645,088	50	872,471	56
Shares	-	194,069	14	249,417	17	168,517	13	233,528	15
Sukuk	13.15	1,013	-	1,351	-	-	-	-	-
Term finance certificates	13.89	19,992	1	24,990	2	19,972	2	24,965	2
National savings certificates	13.01	281,901	20	227,588	16	262,386	21	211,846	14
Cash and bank deposits	6.58 - 11.90	472,880	34	349,883	24	180,585	14	209,607	13
Total		1,403,328	100	1,428,739	100	1,276,548	100	1,552,417	100

32.1.8 Sensitivity analysis

	June 30, 2026				June 30, 2025			
	Executive		Non-Executive		Executive		Non-Executive	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	(Rupees in thousand)							
Pension								
Salary rate sensitivity	803,884	(725,261)	313,213	(286,446)	755,251	(678,335)	342,045	(312,227)
Pension rate sensitivity	1,436,747	(1,234,500)	544,362	(464,532)	1,310,558	(1,125,436)	484,490	(413,187)
Discount rate sensitivity	(1,904,398)	2,317,817	(890,951)	1,061,901	(1,750,766)	2,136,578	(782,245)	931,960
Gratuity								
Salary rate sensitivity	143,613	(128,633)	134,480	(123,225)	132,840	(119,056)	151,502	(138,831)
Discount rate sensitivity	(136,196)	154,973	(206,470)	230,475	(126,061)	143,358	(181,598)	202,324

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

32.1.9 Maturity profile of the defined benefit obligations

	June 30, 2026			
	Executive		Non-Executive	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.68	6.99	8.66	5.98
----- (Rupees in thousand) -----				
Distribution of timing of benefit payments (time in years)				
1	908,214	246,974	730,090	489,554
2	1,267,434	221,530	817,351	537,159
3	1,173,409	243,807	1,363,663	911,640
4	1,278,743	276,173	1,197,263	730,256
5	1,470,750	249,328	1,083,031	601,531
6-10	9,337,808	1,407,059	5,994,707	2,655,306

32.1.10 The Holding Company expects to contribute Rs 1,772.235 million (2025: Rs 1,074.626 million) to the pension and gratuity funds in the next financial year.

32.2 Unfunded post-retirement medical benefits

32.2.1 The Holding Company provides free medical facilities to its management and non-management retired employees, as mentioned in note 4.13 to these consolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2026, results of which are as follows:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	

Present value of defined benefit obligations - notes 23 and 32.2.4	5,158,321	4,093,530
--	------------------	-----------

32.2.2 Movement in the liability recognised in the statement of financial position is as follows:

Balance as at July 01	4,093,530	2,864,822
Charge for the year - notes 31.1 & 32.2.3	568,764	481,830
Payments during the year	(221,185)	(197,465)
Amounts recognised in OCI	717,212	944,343
Balance as at June 30	5,158,321	4,093,530

Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)	

32.2.3 Amounts recognised in profit or loss

Current service cost	91,517	63,511
Interest cost	477,247	418,319
	568,764	481,830

June 30, 2026	June 30, 2025
(Rupees in thousand)	

32.2.4 Changes in present value of post-retirement medical obligations

Balance as at July 01	4,093,530	2,864,822
Current service cost	91,517	63,511
Interest cost	477,247	418,319
Benefits paid	(221,185)	(197,465)
Amounts recognised in OCI	717,212	944,343
Balance as at June 30	5,158,321	4,093,530

1% increase 1% decrease

32.2.5 Sensitivity analysis

(Rupees in thousand)

Medical cost trend rate sensitivity	607,095	(515,145)
Discount rate sensitivity	(617,053)	762,173

32.2.6 The Holding Company expects to contribute Rs 709.504 million (2025: Rs 568.764 million) to the unfunded post-retirement medical benefits in the next financial year.

32.2.7 The weighted average duration of the defined benefit obligation works out to 11.76 years (2025: 11.98 years) in respect of management and 12.25 years (2025: 12.42 years) in respect of non-management retired employees.

June 30, 2026	June 30, 2025
(Rupees in thousand)	

32.3 Leave preparatory to retirement

Balance as at July 01	1,233,952	1,252,784
Reversal for the year	(83,326)	(10,648)
	1,150,626	1,242,136
Payments / adjustments during the year	(10,089)	(8,184)
Balance as at June 30 - note 23	1,140,537	1,233,952

32.4 Principal actuarial assumptions

Per annum

	June 30, 2026	June 30, 2025
- discount rate	11.75%	11.75%
- expected rate of increase in salaries	11.75%	11.75%
- expected rate of increase in pension	7.75%	7.75%
- expected rate of escalation in medical cost	8.75%	8.75%
- death rate / mortality rate		SLIC (2001-05)

32.5 Description of the risks to the Group

The defined benefit plans expose the Group to the following risks:

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

Investment risks - The risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed.

Medical escalation risk - The risk that the cost of post-retirement medical benefits will increase.

Discount rate risk - The risk that the decrease in discount rate will increase the plan liabilities.

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
33. FINANCE COSTS		
Unwinding of discount on decommissioning obligation - note 20	1,784,809	2,235,820
Mark-up / profit on long-term financing	166,035	197,236
Financial charges for lease liabilities	68,479	-
Others	50,825	50,323
	<u>2,070,148</u>	<u>2,483,379</u>
34. OTHER CHARGES		
WPPF charge - note 15.1	6,826,067	6,275,989
Provision for windfall levy on oil / condensate - note 26.1.5	6,639,612	4,483,737
Exchange loss on foreign currency (net)	881,530	209,188
Charge of provision for obsolete / slow moving stores and spares - note 10.1	68,887	47,391
(Reversal) / Write-off / impairment of property, plant and equipment - note 5.4	(27,168)	190,986
Levy – notes 4.17 & 36.2	184,068	555,756
	<u>14,572,996</u>	<u>11,763,047</u>
35. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	818,471	1,687,967
Income on local currency term deposits	708,479	721,504
Income on foreign currency term deposits	2,606,472	3,082,522
Income from investment in treasury bills	4,126,836	9,834,643
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	736,270	2,223,024
	<u>8,996,528</u>	<u>17,549,660</u>
Income from assets other than financial assets		
Rental income on assets	3,345	3,869
Gain on disposal of property, plant and equipment (net)	365,435	749,976
Insurance claim - note 35.1	162,052	2,863,701
Liquidated damages recovered from contractors - note 35.2	2,241,674	22,378
Final settlement with MDOC	-	2,899,524
Others - note 35.3	1,593,113	96,425
	<u>4,365,619</u>	<u>6,635,873</u>
	<u>13,362,147</u>	<u>24,185,533</u>

35.1 The Holding Company has received USD 0.046 million (Rs. 12.817 million) {(2025: USD 10.178 million (Rs. 2,846.027 million))} against the Tal Block insurance claim and recognised the income accordingly.

35.2 This includes an amount of Rs 1,990 million recognised pursuant to settlement agreement reached with the EPCC contractors for projects in Gambat South and Adhi fields.

35.3 This includes an amount of Rs 1,365.29 million (2025: 'Nil') relating to farm-out of working interest in Kuhan, Indus C and Margand blocks, exceeding the cost recovery as disclosed in note 30.1.

36. TAXATION

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Current		
- for the year	46,420,383	48,035,703
- for prior years (net) - note 36.1	(7,572,326)	(380,614)
	<u>38,848,057</u>	<u>47,655,089</u>
Deferred	(639,548)	(736,359)
	<u>38,208,509</u>	<u>46,918,730</u>

36.1 During the year, the Federal Constitutional Court of Pakistan announced its decision via short order on January 27, 2026 and detailed order issued on April 09, 2026, regarding the constitutional challenges to Super Tax levied under section 4B and 4C of the ITO. In its decision, the FCC held that, in respect of Exploration and Production (E&P) Companies, application of Section 4B and 4C by virtue of Rule 4AA and 4AB of the Fifth Schedule (the schedule) will not apply to the petroleum income arising to E&P Companies if its application results in exceeding the aggregate rate of taxes provided in the Schedule and their respective PCAs. Based on its assessment of impact of the decision of the FCC on these consolidated financial statements, the Holding Company has reversed the tax provision amounting to Rs 8,104 million for prior years.

36.2 Reconciliation of current tax expense charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Current tax liability for the year as per applicable tax laws	46,604,451	48,591,459
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(46,420,383)	(48,035,703)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 - note 34	(184,068)	(555,756)
Difference	<u>-</u>	<u>-</u>

36.3 The aggregate of final tax and income tax amounting to Rs 46,604.451 million (2025: Rs 48,591.459 million) represents tax liability of the Holding Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

36.4 Relationship between accounting profit and taxation

	Year ended June 30, 2026	Year ended June 30, 2025
(Rupees in thousand)		
Accounting profit for the year before taxation	135,889,600	136,868,071
Tax on accounting profit at applicable rate of 42.89% (2025: 41.89%)	58,277,693	57,333,591
Tax effect of:		
- Depletion allowance	(17,014,215)	(15,801,353)
- Royalty allowed for tax purposes	(4,326,884)	(4,421,340)
- Impairment loss	-	(931,200)
- Unwinding of discount on decommissioning obligation	792,159	1,036,384
- Tax effect relating to prior years	(7,572,326)	(380,614)
- Decommissioning cost	(1,362,069)	643,353
- Tax effects of rate other than contracts	6,276,650	9,930,094
- Change in deferred taxation	2,787,024	-
- Others	350,477	(490,185)
	38,208,509	46,918,730
Effective tax rate %	28.12%	34.28%

37. Details of Exploration, Production and Mining Areas / Fields

The areas in which the Group has working interest are as follows:

Name of Field		Operator	Percentage of the Group's working interest as at June 30, 2026	Net Balance (Payable) / Receivable June 30, 2026	Net Balance (Payable) / Receivable June 30, 2025
Producing Fields			----- (Rupees in thousand) -----		
1	Adhi	PPL	39.00	(325,297)	(1,535,906)
2	Dhok Sultan - note 37.1	PPL	75.00	(79,770)	(438,563)
3	Gambat South	PPL	65.00	(2,026,533)	(1,472,317)
4	Hala	PPL	65.00	(97,780)	(63,480)
5	Kandhkot	PPL	100.00	-	-
6	Kandhkot East (Chachar)	PPL	75.00	17,957	11,730
7	Mazarani	PPL	87.50	115,287	86,307
8	Shah Bandar - note 37.2	PPL	63.00	(2,221,259)	(441,359)
9	Sui	PPL	100.00	-	-
10	Block 22	PEL	35.53	(259,494)	(191,580)
11	Digri	UEPL	25.00	(15,379)	(76,180)
12	Ghauri (Dharian EWT Phase)	MEL	35.00	(1,317,617)	(46,947)
13	Kirthar	POGC	30.00	(923,415)	(1,083,292)
14	Kotri North (EWT Phase)	UEPL	40.00	(332,686)	(762,473)
15	Latif	UEP-BETA	33.30	(42,242)	(251,652)
16	Miano	UEP-BETA	15.16	(412,273)	(303,616)
17	Nashpa	OGDCL	28.55	(783,907)	(2,113,670)
18	Qadirpur	OGDCL	7.00	(357,373)	(269,376)
19	Sawan	UEP-BETA	34.07	(273,069)	(829,714)
20	Tal	MOL	27.76	(3,034,846)	(2,256,989)
21	Ziarat	MEL	40.00	(176,312)	(854,270)

Name of Field	Operator	Percentage of the Group's working interest as at June 30, 2026	Net Balance (Payable) / Receivable June 30, 2026	Net Balance (Payable) / Receivable June 30, 2025
Exploration Blocks				
1 Block 2566-6 (Bela West)	PPL	58.50	27,492	54,387
2 Block 3371-15 (Dhok Sultan) - note 37.3	PPL	75.00	-	-
3 Block 2568-18 (Gambat South) - note 37.3	PPL	65.00	-	-
4 Block 2568-13 (Hala) - note 37.3	PPL	65.00	-	-
5 Block 2969-8 (Barkhan)	PPL	100.00	(6,494)	(5,175)
6 Block 3372-23 (Hisal)	PPL	62.50	(632)	(221,295)
7 Block 2866-2 (Kalat)	PPL	100.00	37,354	4,979
8 Block 2763-3 (Kharan)	PPL	100.00	4,672	4,481
9 Block 2764-4 (Kharan-East)	PPL	100.00	(12,322)	(24,219)
10 Block 2766-1 (Khuzdar)	PPL	100.00	60,482	(720,481)
11 Block 2866-4 (Margand) - note 37.4	PPL	97.50	404,141	(19,705)
12 Block 3069-10 (Musakhel)	PPL	37.20	113,245	(66,084)
13 Block 2668-9 (Naushahro Firoz)	PPL	100.00	(69,415)	(57,925)
14 Block 2864-2 (Nausherwani)	PPL	97.50	18,997	12,459
15 Block 3073-5 (Punjab)	PPL	47.50	(4,123)	(12,647)
16 Block 2467-16 (Shah Bandar) - note 37.3	PPL	63.00	-	-
17 Block 2468-10 (Sirani)	PPL	75.00	(1,389,994)	(529,996)
18 Block 2768-13 (Sorah)	PPL	100.00	(457,090)	(38,351)
19 Block 3070-13 (Baska)	PPL	82.50	43,567	(18,672)
20 Block 2869-15 (Sui North)	PPL	47.50	(13,607)	98,078
21 Block 2866-15 (Kalat West)	PPL	47.50	18,955	13,097
22 Block 3273-3 (Ghauri) - note 37.3	MEL	35.00	-	-
23 Block 2866-3 (Khuzdar North)	OGDCL	25.00	(28,720)	(20,333)
24 Block 2667-7 (Kirthar) - note 37.3	POGC	30.00	-	-
25 Block 2568-21 (Kotri North) - note 37.3	UEPL	40.00	-	-
26 Block 2867-5 (Kuhan)	UEP-BETA	35.00	(1,385,854)	(2,084,509)
27 Block 2669-3 (Latif) note 37.3	UEP-BETA	33.30	-	-
28 Block 3370-10 (Nashpa) - note 37.3	OGDCL	30.00	-	-
29 Block 3070-16 (Pezu)	OGDCL	30.00	(15,931)	(15,226)
30 Block 3072-8 (Shakarganj West)	OGDCL	50.00	(40,064)	(48,453)
31 Block 3069-9 (Suleiman)	OGDCL	47.50	(163,887)	(85,770)
32 Block 3370-3 (Tal) - note 37.3	MOL	30.00	-	-
33 Block 2967-5 (Mach)	MEL	28.50	(8,152)	(5,193)
34 Block 2867-6 (Dadhar)	MEL	28.50	(10,942)	(7,252)
35 Block 3168-2 (Shaigalu)	PPL	38.00	477	25,694
36 Block 3068-8 (South Pishin) - note 37.5	MEL	33.25	(21,706)	(16,288)
37 Block 3067-8 (Lugai)	OGDCL	30.00	(17,979)	(17,987)
38 Block 3167-3 (Tanishpa)	OGDCL	34.125	(15,623)	(17,667)
39 Block 2667-12 (Baran)	POGC	31.00	(823,300)	(161,326)
40 Block 2668-25 (Gambat-II)	PPL	70.00	21,895	23,518
41 Block 2666-1 (Saruna West)	POL	30.00	(7,425)	(2,087)
42 Block 3067-3 (Harnai)	MEL	40.00	(142,744)	(23,579)
43 Block 2967-2 (Ziarat) -37.3	MEL	40.00	-	-
44 EL 207 (Chagai)	DEW	49.00	(199,306)	(143,792)
45 Block 3269-2 (Miran) - note 37.6	OGDCL	10.00	298	-
46 Block 2865-5 (Kalat South) - note 37.7	PPL	40.00	-	-
47 Block 2966-3 (Ziarat North) - note 37.8	MEL	24.87	(5,734)	-
Offshore Blocks				
48 Block 2366-7 (Indus-C) - note 37.9	TPOC	35.00	(177,779)	(10,627)
49 Block 2366-8 (Kochi Creek) - note 37.10	PPL	40.00	-	-
50 Block 2466-9 (Gharo Creek) - note 37.10	PPL	40.00	-	-
51 Block 2366-9 (Behr) - note 37.10	MEL	30.00	(763)	-
52 Block 2267-3 (Zarrar) - note 37.10	MEL	24.00	(610)	-
53 Block 2366-11 (Offshore Deep D) - note 37.10	MEL	30.00	(763)	-
54 Block 2466-10 (Bin Qasim South) - note 37.10	OGDCL	24.00	(610)	-
55 Block 2367-6 (Keti Bandar) - note 37.10	OGDCL	24.00	(610)	-
56 Block 2465-5 (Sapat Bandar) - note 37.10	PGEL	23.00	(585)	-
Exploration Blocks (Outside Pakistan)				
1 Block-3 (Yemen)	TOTAL	20.00	(289,013)	(272,540)
Other areas - note 37.11			82,157	11,691

- 37.1** On December 17, 2025, D&PL was granted over Dhok Sultan X-1 with effect from November 25, 2025.
- 37.2** Subsequent to year end, the competent authority through letter No. EXPL - 8(3) PPL - JHIM EAST / 2025 -0001 dated August 28, 2026, has granted an approval for D&PL over Jhim East X-1 and Pateji X-1 discoveries for a period of six years with effect from July 24, 2025, in accordance with Rule 30(2) of Pakistan Onshore Petroleum (Exploration & Production) Rules, 2013.
- 37.3** The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "Producing Field", since the balances are settled on a net basis.
- 37.4** On February 06, 2026, Deed of Assignment was signed to transfer the Holding Company's 2.5% working interest to Balochistan Energy Company Limited (BECL).
- 37.5** On May 04, 2026, Deed of Assignment was signed to assign 2.5% working interest to GHPL and BECL each in the South Pishin Block. Consequently, the Holding Company's working interest has been revised to 33.25%.
- 37.6** On November 12, 2025, Deed of Assignment was signed to farm-in 10% working interest of Khyber Pakhtunkhwa Oil & Gas Company Limited with effect from May 07, 2024.
- 37.7** On February 26, 2026, Petroleum Concession Agreement was executed to award working interest along with operatorship of the block to the Holding Company.
- 37.8** On December 02, 2025, Petroleum Concession Agreement was executed to award working interest in the block as partner operated.
- 37.9** The Deed of Assignment was signed on December 02, 2025 under which the Holding Company assigned 25% Participating Interest (PI) and operatorship to TPOC, and 20% PI each to Oil & Gas Development Company Limited and Mari Energies Limited.
- 37.10** On May 20, 2026, Production Sharing Agreements were executed for award of eight offshore exploration blocks including two operated blocks viz Kochi Creek and Gharo Creek and six partner operated blocks viz Behr, Zarrar, Offshore Deep D, Bin Qasim South, Ketī Bandar and Sapat Bandar.
- 37.11** This mainly includes amounts receivable / (payable) under the various blocks against which the Holding Company has applied to the GoP for relinquishment or partial relinquishment with retention of discovery areas (Hab and Kotri ELs).
- 37.12** During the year, the Holding Company has received the offer letter for grant of EL - 331, subject to fulfillment of certain conditions.
- 37.13** The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Holding Company and transactions with the Joint Operations.

June 30, 2026	June 30, 2025
(Rupees in thousand)	

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets as per statement of financial position

- At amortised cost

Long-term loans	183,743	159,069
Long-term deposits	1,691,426	1,691,426
Trade debts	623,827,153	592,813,351
Loans and advances	739,367	343,217
Trade deposits	268,806	399,290
Interest accrued	1,314,902	1,167,684
Other receivables	2,889,787	2,247,421
Short-term investments	99,321,137	78,740,173
Cash and bank balances	7,270,018	6,364,518

Total financial assets

Non-financial assets

Total assets

Financial liabilities as per statement of financial position

- Financial liabilities measured at amortised cost

Long term financing	1,469,140	1,617,389
Trade and other payables	44,239,286	41,405,946
Unclaimed dividends	391,315	344,992

Total financial liabilities

Non-financial liabilities

Total liabilities

38.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an orderly transaction at the measurement date under current market conditions. The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.7(j).

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's operations are subject to various financial risks, including market risks arising from changes in interest rates, foreign currency exchange rates, and commodity prices, as well as credit and liquidity risks associated with its financial assets and liabilities. Except for investments measured at amortized cost, which are carried at amortized value, the carrying amounts of financial assets and liabilities approximate their respective fair values. There were no changes to the Holding Company's financial risk management objectives, policies, or processes during the year ended June 30, 2026.

Financial risks arising from evolving market conditions and the Holding Company's strategic and operational decisions are identified, assessed, and managed in line with established policies, procedures, and the risk management framework, within the parameters of the approved risk appetite.

a) Market risk

Market risk represents the potential for adverse movements in the fair value or future cash flows of financial instruments arising from changes in interest rates, foreign currency exchange rates, and market prices. Such movements can directly affect the Group's earnings, cash flows, and the carrying value of its financial assets and liabilities.

The Group's market risk management framework aims to safeguard financial performance by identifying, assessing, and monitoring exposures on a continuous basis. Wherever applicable, appropriate hedging strategies, diversification of financial assets, and other mitigation techniques are employed to manage these risks within the approved parameters. The overarching objective is to maintain exposures at prudent levels while seeking to optimise risk-adjusted returns on financial instruments.

i) Interest rate risk

Interest rate risk is the potential for changes in the fair value or future cash flows of financial instruments due to movements in market interest rates. The Group mitigates this risk by actively monitoring and managing the duration profile of its fixed-rate investments, placements, and loans/borrowings.

ii) Currency risk

Currency risk is the risk that fluctuations in foreign exchange rates may have an impact on the Group's revenues, foreign procurement costs, or the carrying value of its financial instruments. The Group's currency risk management objective is to identify, manage, and control such exposures within acceptable parameters, while seeking to optimise returns on financial instruments. The favourable impact of exchange rate movements on the Group's revenues and assets has outweighed the adverse effect on its liabilities, resulting in an overall positive net impact.

Exposure to foreign currency risk

The Group's exposure to currency risk mainly comprises:

	June 30, 2026	June 30, 2025
	(US Dollars)	
Investments at amortised cost	152,956,388	130,152,168
Cash and bank balances	1,644,832	2,830,008
Trade and other payables	(6,630,109)	(8,925,449)
	147,971,111	124,056,727

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2026	2025	2026	2025
	------(Rupees)-----			
USD 1	280.66	279.57	278.05	283.60

A one rupee change in the exchange rate of foreign currencies would have the following effect:

	One Rupee Increase	One Rupee Decrease
	(Rupees in thousand)	
Foreign currency financial assets	154,601	(154,601)
Foreign currency financial liabilities	2,777	(2,777)

iii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in market prices, other than those arising from currency or interest rate movements.

The Group does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

b) Credit risk

Credit risk is the potential for financial loss to the Group if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations.

The Group is exposed to credit risk through its operating activities and certain investing activities. For reporting purposes, these exposures are classified under the following categories:

i) Counterparties

The Group conducts transactions with the following major types of counterparties:

Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Holding Company's customers are made on the basis of agreements approved by the GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Holding Company subject to maximum price notified by Oil and Gas Regulatory Authority (OGRA).

The Holding Company establishes an allowance for impairment that represents its estimate of losses incurred in respect of trade debts that are due or ultimately due from the GoP till June 30, 2026 as per policy disclosed in note 4.8 to these consolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Holding Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Holding Company is actively pursuing for recovery of trade debts and the Holding Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 3.1.2 is not material and accordingly has not been included in these consolidated financial statements.

Bank and investments

The Group limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Group currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counterparties have reasonably high credit ratings.

ii) Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Long-term loans	183,743	159,069
Long-term deposits	1,691,426	1,691,426
Trade debts	623,827,153	592,813,351
Loans	157,212	128,012
Trade deposits	268,806	399,290
Interest accrued	1,314,902	1,167,684
Other receivables	2,889,787	2,247,421
Short-term investments	99,321,137	78,740,173
Bank balances	7,270,018	6,363,236
	736,924,184	683,709,662

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 4.8 to these consolidated financial statements. As at the reporting date, the Group envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Trade debts		
Customers with defaults in past one year which have not yet been recovered	50,518,188	31,781,570
Short-term investments		
AAA	65,872,073	51,846,873
AA	33,449,064	26,893,300
	99,321,137	78,740,173
Cash at banks		
AAA	4,318,733	4,435,384
AA	2,949,347	1,924,999
	7,268,080	6,360,383

The Group's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 598,641 million of the trade debts as at June 30. 2026 (2025: Rs 580,701 million).

The ageing of trade debts at the reporting date is provided in note 11.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
Natural Gas	598,641,158	580,700,899
Crude oil / Natural gas liquids / Condensate	25,064,176	11,708,993
Other operating revenue	121,819	403,459
	623,827,153	592,813,351

c) Capital risk management

Capital management aims to safeguard the Group's ability to operate as a going concern, preserve capital within the established risk appetite, and protect long-term value creation for shareholders while delivering benefits to other stakeholders. A strong and stable capital base is maintained to support the sustained growth and strategic development of the Group's businesses. Any potential capital losses exceeding the Group's risk appetite are deemed significant and are subject to rigorous assessment and mitigation measures.

The Group manages its capital structure — comprising shareholders' equity and reserves — by closely monitoring return on net assets and adjusting the structure in response to changing economic conditions. Such adjustments may include modifying dividend distributions to shareholders, issuing new equity, or other capital measures as deemed appropriate. During the year, there were no changes to the Group's approach to capital management, and the Group remained free from externally imposed capital requirements.

d) Liquidity risk management

Liquidity risk is the risk that an enterprise will be unable to meet its financial obligations as they fall due, owing to insufficient cash resources or an inability to raise funds on acceptable terms. Such a situation may have an adverse impact on the Group's operations, investment activities, or financial position.

The Group manages this risk through robust cash flow forecasting, effective working capital management, and access to diverse funding sources. Its cash management and planning policies are designed to ensure that sufficient liquidity is available to meet operational needs, service debt obligations (if any), and fund new business opportunities, while maintaining an adequate liquidity buffer in line with the approved guidelines.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
	----- (Rupees in thousand) -----					
Long term financing	-	69,635	222,250	1,177,255	-	1,469,140
Lease liabilities	-	-	254,268	1,103,063	-	1,357,331
Trade and other payables	14,626,638	27,970,158	1,642,490	-	-	44,239,286
Unclaimed Dividend	391,315	-	-	-	-	391,315
Year ended June 30, 2026	15,017,953	28,039,793	2,119,008	2,280,318	-	47,457,072
Long term financing	-	59,032	188,938	1,369,419	-	1,617,389
Trade and other payables	11,619,682	24,773,898	5,012,366	-	-	41,405,946
Unclaimed Dividend	344,992	-	-	-	-	344,992
Year ended June 30, 2025	11,964,674	24,832,930	5,201,304	1,369,419	-	43,368,327

e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.7(j).

	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
40. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 40.1	83,701,186	61,163,439
Cash and bank balances - note 17	7,270,018	6,364,518
	90,971,204	67,527,957

40.1 Short-term investments as disclosed in note 16 amount to Rs 99,321 million (2025: Rs 78,740 million). However, certain investments which were not considered highly liquid comprising foreign currency term deposits amounting to Rs 10,427 million (2025: Rs 14,407 million), local currency term deposits amounting to Rs 93 million (2025: Rs 93 million) and T-bills amounting to Rs 5,100 million (2025: Rs 3,077 million), have not been classified as cash and cash equivalents.

41. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	Chief Executives		Executives	
	Year ended June 30, 2026	Year ended June 30, 2025	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)			
Managerial remuneration	69,606	99,733	14,517,459	11,011,617
Housing, conveyance and utilities	1,115	-	1,145,040	646,994
Retirement benefits	4,142	-	2,122,542	1,677,189
Bonus	28,189	12,000	8,505,534	5,028,968
Medical and leave passage	1,185	781	1,705,705	1,339,962
Leave encashment / Leave fare assistance	-	-	213,043	93,583
	104,237	112,514	28,209,323	19,798,313
Number, including those who worked for part of the year	3	1	1,559	1,447

41.1 Aggregate amount charged in these consolidated financial statements in respect of fees paid to eleven non-executive directors, on account of attending board, board committee and general meetings, was Rs 83.325 million (2025: Rs 47.700 million to twelve non-executive directors).

In addition to the above, Rs 0.825 million (2025: Rs 0.562 million) was paid to directors of PPLA and PPLE as director's fee.

41.2 The employees of the Holding Company have the option to avail car facility as per the rules of service of the Holding Company.

42. EARNINGS PER SHARE

42.1 Basic earnings per share

	Year ended June 30, 2026	Year ended June 30, 2025
Profit after taxation (Rs '000)	97,681,091	89,949,341
Dividend on convertible preference shares (Rs '000)	(31)	(31)
Profit attributable to ordinary shareholders (Rs '000)	97,681,060	89,949,310
Weighted average number of ordinary shares in issue	2,720,973,109	2,720,973,109
Basic earnings per share (Rs)	35.90	33.06

42.2 Diluted earnings per share

	Year ended June 30, 2026	Year ended June 30, 2025
Profit after taxation (Rs '000)	97,681,091	89,949,341
Weighted average number of ordinary shares in issue	2,720,973,109	2,720,973,109
Adjustment for conversion of convertible preference shares	10,418	10,418
Weighted average number of ordinary shares for diluted earnings per share	2,720,983,527	2,720,983,527
Diluted earnings per share (Rs)	35.90	33.06

43. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Holding Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these consolidated financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Transactions		
State controlled entities - note 43.2		
Sales of hydrocarbons / barytes (including Government Levies)		
GENCO-II	19,739,761	18,373,295
SSGCL	101,517,055	102,463,209
SNGPL	58,335,008	56,945,535
EPRF	2,366,174	1,636,830
OGDCL	12,628	203,177
	181,970,626	179,622,046

Associated Companies - note 43.2

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
Sales of crude oil / condensate to PARCO	7,958,094	4,338,836
Sales of crude oil / condensate to PRL	877,047	196,199
Payment to PARCO Gunvor Limited (PGL)	70,412	59,414
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	12,175	29,328
Equity contribution in PIOL	4,194,750	7,001,250
Equity contribution in PMPL	28,592,903	12,677,999
Purchase of medicines from Hoechst Pakistan Limited (HPL)	-	5,454
Service fee (G&A overheads) charged to PIOL	87,475	491,264
Payment of employees cost on secondment to PIOL	368,893	350,721
Payment to MEL against gas processing & services received	2,033,600	340,616
Payment to The Kidney Center Post Graduate Training Institute (TKC)	18,270	9,979
Sale of capital stores and spares to OGDCL	76,735	291,510
Sale of capital stores and spares to MEL	-	1,948

Joint Operations (JOs)

Payments of cash calls to JOs	54,261,972	51,009,375
Expenditures incurred by JOs	54,682,273	53,229,323
Income from rental of assets to JOs	3,345	3,869
Purchase of goods from BME (net)	81,970	201,352
Reimbursement of employee cost on secondment to BME	87,042	26,594

Other related parties - note 43.2

Dividends paid to the GoP	15,613,342	13,776,477
Dividends paid to trust under BESOS	1,700,487	1,500,430
Dividends paid to post-retirement benefits and contributory funds	4,570	7,517
Transactions with post-retirement benefits and contributory funds	See notes 31.1 & 32	
Remuneration to key management personnel	See note 41	
Payment to PPL Welfare Trust for CSR activities	24,500	42,520
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	259,900	234,825
Payment of rental to Karachi Port Trust (KPT)	3,497	7,570
Payment of insurance premium to National Insurance Company Limited (NICL)	1,458,902	1,206,830
Insurance claim received from NICL	162,052	2,863,701
Fuel purchased from Pakistan State Oil Company Limited (PSO)	592,979	807,989
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	104,111	115,104
Interest income earned on deposits with National Bank of Pakistan (NBP)	809,833	1,669,686
Dividend income / gain on mutual funds investment with NBP Fund Management Limited (NBP Funds)	-	523,608
Dividend income / gain on mutual funds investment with National Investment Trust Limited (NIT)	-	342,148
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	-	3,132

Balances**State controlled entities - note 43.2**

Trade debts and other receivables

See notes 11 & 15

Associated Companies

Investment and receivable balances from PIOL & PMPL

See note 7 & 15

Joint Operations (JOs)

Amounts receivable from / payable to JOs partners

See notes 12, 15 & 25

Other related parties - note 43.2

Deposits with NBP

14,140,257 3,495,581

- 43.1** Gas sales are made to various state controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Group pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

- 43.2** Following are the related parties with whom the Group has entered into transactions during the year excluding the GoP, joint operations, associates, staff retirement benefit funds, trusts and employees, details of which have already been disclosed in these consolidated financial statements.

S.No. Company Name Basis of Relationship as at June 30, 2026

1.	OGDCL	GOP is common shareholder / Common Directorship
2.	GHPL	GOP is common shareholder / Common Directorship
3.	PARCO	GOP is common shareholder / Common Directorship
4.	SSGCL	GOP is common shareholder / Common Directorship
5.	PSO	GOP is common shareholder / Common Directorship
6.	MEL	GOP is common shareholder / Common Directorship
7.	SNGPL	GOP is common shareholder / Common Directorship
8.	NICL	GOP is common shareholder / Common Directorship
9.	GENCO - II	GOP is common shareholder
10.	PIDC	GOP is common shareholder
11.	KPT	GOP is common shareholder
12.	PGL	GOP is common shareholder
13.	NBP	GOP is common shareholder
14.	NBP Funds	GOP is common shareholder
15.	NIT	GOP is common shareholder
16.	PIACL	GOP is common shareholder
17.	PRL	GOP is common shareholder
18.	EPRF	GOP is common shareholder
19.	EPSL	GOP is common shareholder
20.	PIP	Common Directorship
21.	HPL	Common Directorship
22.	TKC	Common Directorship

44. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	June 30, 2026 (Rupees in thousand)	June 30, 2025
Disclosures Required in relations to the Consolidated Statement of Financial Position - Liability Side:			
(i) Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	21.1	808,584	868,945
(ii) Interest or mark-up accrued on any conventional loan or advance		-	-
(iii) Profit accrued on shariah compliant long - term financing	25	4,731	5,353
Disclosures Required in relation to the Consolidated Statement of Financial Position - Asset Side:			
(iv) Long-term and short-term Shariah compliant Investments	7	113,637,093	82,659,682
(v) Shariah-compliant bank deposits, bank balances and Term Deposit Receipts (TDRs)		365,963	998,219
		Year ended June 30, 2026 (Rupees in thousand)	Year ended June 30, 2025
Disclosures Required in relation to the Consolidated Statement of Profit or loss:			
(vi) Revenue earned from a Shariah-compliant business segment	27	266,305,532	244,977,029
(vii) Break-up of: Late payments		141,788	-
Liquidated damages	35	2,241,674	22,378
(viii) Gain / (loss) or dividend earned on Shariah compliant investments		Not Applicable	Not Applicable
Share of (loss)/profit from Shariah-compliant associate	7.2 & 7.3	(764,239)	(344,450)
(ix) Profit earned from Shariah-compliant bank deposits, bank balances or TDRs		284,384	74,620
(x) Exchange (loss incurred) / gain earned from actual currency	34	(881,530)	(209,188)
(xi) Exchange gains earned using conventional derivative financial instruments		Not Applicable	Not Applicable
(xii) Profit paid on Islamic mode of financing		95,903	131,188
(xiii) Total Interest earned on any conventional loan or advance		7,777	6,650
(xiv) Source and detailed breakup of other income:	35		
Shariah compliant - Other Income			
Income on loans and bank deposits		149,461	9,127
Income on local currency term deposits		134,923	65,493
Rental income on assets		3,345	3,869
Gain on disposal of property, plant and equipment (net)		365,435	749,976
Final Settlement with MdOC		-	2,899,524
Miscellaneous Income		1,451,325	96,425
Non-Shariah compliant - Other Income			
Income on loans and bank deposits		669,010	1,678,840
Income on local currency term deposits		573,556	656,011
Income on foreign currency term deposits		2,606,472	3,082,522
Income from investment in treasury bills		4,126,836	9,834,643
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)		736,270	2,223,024
Insurance claim		162,052	2,863,701
Miscellaneous Income			
Liquidated damages		2,241,674	22,378
Late payment surcharge		141,788	-
		13,362,147	24,185,533

Other Disclosure Requirements

(xv) Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.	Arrangement
Faysal Bank Limited	Bank Deposit
Meezan Bank Limited	Bank Deposit
Dubai Islamic Bank Limited	Bank Deposit
First Habib Modaraba	Financing
Abu Dhabi Islamic Bank - Iraq	Bank Deposit

45. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into one operating segment i.e. exploration, development and production of oil, gas, barytes and iron ore. The Group operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements are related to the Group's only reportable segment.

The operating interests of the Group are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these consolidated financial statements relate to the Group's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Group's overall gross revenue:

	Year ended June 30, 2026	Year ended June 30, 2025
	(Rupees in thousand)	
SSGCL	101,517,055	102,463,209
SNGPL	58,335,008	56,945,534
ARL	77,528,558	62,961,256
	237,380,621	222,369,999
	June 30, 2026	June 30, 2025
46. GENERAL		
46.1 Number of employees		
Total number of employees at the end of the year were as follows:		
- Regular	2,449	2,488
- Contractual	93	55
	2,542	2,543
Average number of employees during the year were as follows:		
- Regular	2,453	2,519
- Contractual	79	51
	2,532	2,570

46.2 Capacity and production

Product	Unit	Actual production for the year (The Group's share)	
		June 30, 2026	June 30, 2025
Natural gas	MMscf	209,478	205,577
Crude oil / NGL / Condensate	Thousand Barrels	4,194	3,812
LPG	M. Ton	103,528	97,067
Barytes & Iron Ore	M. Ton	85,078	83,149

Due to the nature of operations of the Group, installed capacity of the above products is not relevant.

46.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

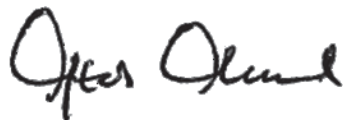
47. SUBSEQUENT / NON-ADJUSTING EVENT

47.1 The Board of Directors of the Holding Company in its meeting held on September 14, 2026, has recommended final cash dividend @ 60% amounting to Rs 16,325.839 million (2025: @ 25% amounting to Rs 6,802.433 million) on paid-up value of ordinary share capital, which will be put forward for the shareholders' approval in the Annual General Meeting scheduled to be held on October 27, 2026.

48. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 14, 2026 by the Board of Directors of the Holding Company.


Chief Financial Officer


Director


Chief Executive Officer

LIST OF ABBREVIATIONS

ABBREVIATION

AGM
AROL
BBL
BCF
BCFDe
BCFe
BECL
BLZ
BME
BOE
BOPD or bbl/d
CBA
CPPA-G
CSR
D&PL
DEW
DGPC
E&P
ECL
EHS
EPA
EPCC
EPS
ERM
ESG
EWT
FC
FDP
FEED
FEED-ID
FID
G&G
GDP
GDS
GENCO-II
GHPL
GIDC
GIS
GJ
GRI
GoB
GoP
GPF
HAZID
HAZOP
HRL
HSE
IAS
IFRIC
IFRS
ISMS
ISO
IT
KBOE
KM/ LKm / Sq Km
KPOGCL
KSE-100
KUFPEC
kVA
KW
LNG
LoA
LPG
LTI

DESCRIPTION

Annual General Meeting
Asia Resources Oil Limited
Barrel
Billion Cubic Feet
Billion Cubic Feet Per Day Equivalent
Billion Cubic Feet Equivalent
Balochistan Energy Company Limited
Baryte Lead Zinc
Bolan Mining Enterprises
Barrels of Oil Equivalent
Barrels of Oil Per Day
Collective Bargaining Agreement
Central Power Purchasing Agency (Guarantee) Limited
Corporate Social Responsibility
Development and Production Lease
Degan Exploration Works
Director General Petroleum Concessions
Exploration and Production
Expected Credit Loss
Environmental Health and Safety
Environmental Protection Agency
Engineering, Procurement, Construction and Commissioning
Earnings Per Share
Enterprise Risk Management
Environmental, Social and Governance
Extended Well Testing
Frontier Corps
Field Development Plan
Front End Engineering Design
Front End Engineering Design - Investment Decision
Final Investment Decision
Geological & Geophysical
Gross Domestic Product
Gas Development Surcharge
Central Power Generation Company Limited
Government Holdings (Pvt.) Limited
Gas Infrastructure Development Cess
Geographic Information System
Gigajoules
Global Reporting Initiative
Government of Balochistan
Government of Pakistan
Gas Processing Facility
Hazard Identification Study
Hazard and Operability Study
Habib Rahi Limestone
Health, Safety and Environment
International Accounting Standards
International Financial Reporting Interpretations Committee
International Financial Reporting Standards
Information Security Management System
International Organisation for Standardisation
Information Technology
Thousands of Barrels of Oil Equivalent
Kilometer/ Line Kilometer/ Square Kilometer
Khyber Pakhtunkhwa Oil & Gas Company Limited
KSE-100 Index
Kuwait Foreign Petroleum Exploration Company
Kilo - volt - Amperes
Kilowatts
Liquefied Natural Gas
Letter of Award
Liquefied Petroleum Gas
Lost Time Injury

MAP
MdOC
MDRL
MMSCF
MMSCFD
MMSCFDe
MMSCFDre
MoD
MOL
MEL
MT
MW
NBV
NGL
NII
NOC
NRU
NTDC
O&M
OGDCL
OGRA
OHSAS
OPEX
OSHA
P&A
P&S
PCA
PEHCL
PGEL
PHA
PIOL
PIOGCL
PIP
PMPL
POGC
PPEPCA
PPPFTC
PPLA
PPLE
PSA
PSDM
PSI
PSM
PSSR
PSTM
PSX
QHSE
R&D
RBI
ROUA
RRR
SDGs
SEHCL
SFGCS
SHC
SML
SNGPL
SOE
SSGCL
ST
T / K / S
TCF
TPOC
UEPL
UNGC
USD
WPPF
ZHENHUA

Management Association of Pakistan
Midland Oil Company, Iraq
Mineral Deposit Retention License
Million Standard Cubic Feet
Million Standard Cubic Feet Per Day
Million Standard Cubic Feet Per Day Equivalent
Million Standard Cubic Feet Per Day Revenue Equivalent
Ministry of Defense
MOL Pakistan Oil and Gas BV
MariEnergies Limited
Metric Tonnes
Megawatts
Net Book Value
Natural Gas Liquids
Non-Intrusive Inspection
No Objection Certificate
Nitrogen Rejection Unit
National Transmission & Despatch Company
Operations & Maintenance
Oil and Gas Development Company Limited
Oil and Gas Regulatory Authority
Occupational Health and Safety Assessment System
Operating Expenditure
Occupational Safety and Health Administration
Plugged and Abandoned
Plugged and Suspended
Petroleum Concession Agreement
Punjab Energy Holding Company (Pvt.) Ltd
Prime Global Energies Limited
Process Hazard Analysis
Pakistan International Oil Limited
Prime International Oil and Gas Company Limited
Petroleum Institute of Pakistan
Pakistan Minerals (Private) Limited
Polish Oil & Gas Company
Pakistan Petroleum Exploration & Production Companies Association
Pakistan Petroleum Provident Fund Trust Company (Private) Limited
PPL Asia E&P B.V.
PPL Europe E&P Limited
Profit Sharing Agreement
Pre-Stack Depth Migration
Process Safety Information
Process Safety Management
Pre Startup Safety Review
Pre-Stack Time Migration
Pakistan Stock Exchange
Quality, Health, Safety and Environment
Research and Development
Risk Based Inspection
Right-of-Use Asset
Reserves Replacement Ratio
Sustainable Development Goals
Sindh Energy Holding Company (Pvt.) Limited
Sui Field Gas Compressor Station
Sindh High Court
Sui Main Limestone
Sui Northern Gas Pipelines Limited
State Owned Enterprises
Sui Southern Gas Company Limited
Sidetrack
Tobra/ Khewra/ Sakesar
Trillion Cubic Feet
Turkish Petroleum Overseas Company
United Energy Pakistan Limited
United Nations Global Compact
United States Dollar
Workers' Profit Participation Fund
China ZhenHua Oil Co. Ltd.

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

Size of Holding Rs. 10 Shares	Number of Shareholders	Total Shares held
1	20,189	726,016
101	13,249	3,696,289
501	5,064	4,055,781
1,001	14,381	31,548,399
5,001	1,445	10,756,808
10,001	511	6,456,952
15,001	282	5,071,555
20,001	348	8,727,651
30,001	156	5,513,044
40,001	116	5,428,885
50,001	71	3,956,892
60,001	49	3,190,079
70,001	43	3,211,771
80,001	20	1,686,340
90,001	49	4,778,582
100,001	92	11,328,149
150,001	69	12,415,823
200,001	64	15,720,706
300,001	56	22,536,625
500,001	63	45,901,959
1,000,001	42	57,802,543
2,000,001	53	245,822,995
10,000,001	7	173,718,316
2,000,000,001	1	2,036,920,950
TOTAL	56,420	2,720,973,110

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
Ordinary shares			
Directors, CEO and their spouse and minor children	2	7,981	*
Associated companies, undertakings and related parties PPL Employees Retirement Benefit Funds	9	646,703	0.02
NIT and ICP	1	2,012,713	0.07
Banks, Development Financial Institutions, Non-Banking Financial Institutions	20	81,850,137	3.01
Insurance Companies	30	37,281,290	1.37
Modarabas and Mutual Funds	136	169,446,505	6.23
Shareholders holding 10% or more Government of Pakistan	1	2,036,920,950	74.86
General Public			
Resident	55,557	201,290,798	7.40
Non-resident	204	365,657	0.01
Others			
Non-Resident Financial Institutions	28	27,563,978	1.01
Public Sector Companies and Corporations	6	78,850,848	2.90
Joint Stock Companies	279	57,591,623	2.12
Employee Trust / Foundations etc.	143	27,143,168	1.00
Nazir of High Court	4	759	*
	56,420	2,720,973,110	100.00
Convertible Preference Shares			
Individuals	69	9,967	95.67
Joint Stock Companies	1	407	3.91
Nazir of High Court	1	44	0.42
	71	10,418	100.00

* Negligible

ADDITIONAL INFORMATION

Information on shareholding required under reporting framework of the Public Sector Companies (Corporate Governance) Rules is as follows:

Shareholders' Category	No. of Shareholders	No. of Shares Held
Government of Pakistan	1	2,036,920,950
Associated Companies, undertakings and related parties		
Trustee Pakistan Petroleum Senior Provident Fund	1	70,155
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	56,388
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	18,420
Trustee Pakistan Petroleum Junior Provident Fund	1	29,186
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	174,119
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	14,904
Pakistan Petroleum Executive Staff Pension Fund-DC Shariah	1	138,200
Trustee Pak. Petroleum Exec. Staff Pen. Fund DC Conventional	1	17,300
Trustee Pakistan Petroleum Senior Provident Fund	1	128,031
Mutual Funds	135	169,436,406
Directors and their spouses and minor children		
Mian Imtiazuddin	1	1,981
Mr. Aftab Ahmad	2	6,000
Executives	14	29,112
Public Sector Companies & Corporations	6	78,850,848
Banks, DFIs, NBFIs, Insurance Companies, Takaful & Modarabas Companies	51	119,141,526
Shareholders holding five percent or more voting rights		
Government of Pakistan	1	2,036,920,950

Note: In accordance with rule 5.6.4 of the Rules of Pakistan Stock Exchange, the Board has set a threshold for categories of certain group of senior management employees as "Executive" which is reviewed annually.

SHAREHOLDERS' AND INVESTORS' INFORMATION

ANNUAL GENERAL MEETING

The annual shareholders' meeting will be held at 11:00 am on October 27, 2026 at Pearl Continental Hotel, Karachi.

MANAGING DIRECTOR & CEO'S INTERVIEW

MD & CEO's presentation regarding PPL's performance, business overview, strategy and outlook may be viewed on the company's website <https://www.ppl.com.pk/content/md-outlook>.

SHAREHOLDERS' ENQUIRIES

Any queries pertaining to shareholding or dividends should be communicated to the Company's Registered Office or the Share Registrar at the address mentioned below:

FAMCO SHARE REGISTRATION SERVICES (PRIVATE) LIMITED

8-F, Next to Hotel Faran, Nursery
Block-6, P.E.C.H.S, Shahra-e-Faisal
Karachi.
Tel. Nos: 021-34380101-5
Fax: 021-34380106

QUARTERLY REPORTS

Interim reports are issued by the Company at the conclusion of the first, second, and third quarters of each financial year. Copies of the previous years' reports are available online at PPL's website <https://www.ppl.com.pk/content/reports-and-accounts> or in print upon request from the Company Secretary.

ANNUAL REPORT

PPL's Annual Report provides a comprehensive review of the company's yearly performance and offers valuable insights into its future outlook.

STOCK EXCHANGE LISTING

Pakistan Petroleum Limited's shares are listed and traded on the Pakistan Stock Exchange under the symbol "PPL".

مستقبل کا لائحہ عمل

پی پی ایل کا پانچ سالہ منصوبہ اپنے بنیادی آئل و گیس کے کاروبار کو مضبوط بنانے، منتخب شعبوں میں دریافت، اور بدلے ہوئے کاروباری ماحول میں پلگ و پائیداری کو بڑھانے پر مرکوز ہے۔ اس منصوبے کا مقصد موجودہ اثاثوں کو زیادہ سے زیادہ فعال بنا کر، کاروباری پورٹ فولیو میں وسعت لاکر، اور مارکیٹ و صنعت کی بدلتی ہوئی صورتحال کے مطابق ڈھلنے کی صلاحیت کو برقرار رکھ کر پائیدار ترقی کو یقینی بنانا ہے۔

دریافت و پیداوار (E&P)

پی پی ایل کی بنیادی سرگرمیاں اگلے پانچ سالوں کے دوران قدرتی تیزل کے باعث پیداواری کمی کو کم سے کم کرنے اور ذخائر کے تبادلہ کی شرح کو بہتر بنانے پر مرکوز ہوں گی۔ اسے ایک منظم دریافتی پروگرام کے ذریعے حاصل کیا جائے گا، جس میں ڈینا کا حصول عملے کے ذریعے پروسسنگ، آن شور، آف شور اور کم خطرے والے دور دراز علاقوں میں طے شدہ کنوؤں کی کھدائی شامل ہے، انہیں دریافتی کاموں، پیداواری کنوؤں اور ورک اوورز کے ذریعے موجودہ فیلڈز کی پیداواری صلاحیت میں مستقل بہتری سے مدد کی جائے گی۔ ملکی پروگرام کے ساتھ، کمپنی بین الاقوامی سطح پر دریافتی اور پیداواری مواقع حاصل کرنے کا ارادہ رکھتی ہے تاکہ نمایاں مقدار میں ذخائر حاصل کئے جاسکیں، جغرافیائی انحصار کو کم کیا جاسکے اور اپنے مجموعی اثاثوں کی پائیداری و استحکام کو بڑھایا جاسکے۔

تنوع (Diversification)

اپنی تنوع کی حکمت عملی کے تحت، پی پی ایل معدنیات اور توانائی سے متعلقہ منصوبوں کے ایک متوازن پورٹ فولیو کے ذریعے اپنے روایتی دریافتی اور پیداواری کاروبار سے ہٹ کر بھی مواقع کو تلاش کر رہی ہے۔ اپنے مخصوص مائنگ بزنس یونٹ کے ذریعے، کمپنی طویل مدتی پورٹ فولیو کی توسیع کے لیے منتخب معدنی منصوبوں کو آگے بڑھا رہی ہے اور کان کنی کے منصوبوں میں شمولیت کا جائزہ لے رہی ہے۔ اس کے ساتھ ساتھ، پی پی ایل فنی، تجارتی اور مالیاتی افادیت سے مشروط، مقامی وسائل سے فائدہ اٹھانے اور ملک کے توانائی کے تحفظ میں اپنا کردار ادا کرنے کے مقصد سے پری فرمیلٹی اور فرمیلٹی اسٹیز کے ذریعے توانائی کے وسیع تر ویلیو چین میں مواقع کا جائزہ لے رہی ہے۔ یہ اقدامات اپنے کاروباری دائرہ کار کو وسعت دینے اور پائیدار طویل مدتی قدر کی تخلیق کے لیے کمپنی کے محاط اور منجیدہ طرز عمل کی عکاسی کرتے ہیں۔

مالیاتی مستقبل کا جائزہ

کمپنی سرمائے کی محتاط تخصیص اور نظم و ضبط پر مبنی سرمایہ کاری کے فیصلوں کے ذریعے پائیدار ترقی کے حصول کے لیے پرعزم ہے۔ سرمایہ ان اہم کاروباری شعبوں میں لگایا جاتا رہے گا، جس میں قدر میں اضافہ کرنے والے مواقع ہوں گے۔ اپنے بنیادی تیل اور گیس کے کاروبار میں جاری سرمایہ کاری کے ساتھ ساتھ، پی پی ایل معدنیات کے شعبے میں اپنی موجودگی کو تدریجی طور پر بڑھانے کا ارادہ رکھتی ہے جو کمپنی کے بزنس پورٹ فولیو کو وسعت دینے اور متنوع بنانے میں اس کی کاروباری اہمیت کو ظاہر کرتا ہے۔

کمپنی کا مالیاتی نقطہ نظر پاکستان کے گیس کے شعبے کو درپیش چیلنجز، خاص طور پر گردش قرضے کے تسلسل سے متاثر ہوتا رہتا ہے۔ اگرچہ گزشتہ تین سالوں کے دوران بہتر وصولیوں نے لیکویڈیٹی کو مضبوط کیا ہے اور نقد وصولیوں کو بہتر بنایا ہے، لیکن سابقہ بقیات جات کی وصولی ایک بڑا چیلنج بنی ہوئی ہے۔ کیش جزیشن کو برقرار رکھنے اور مستقبل کی سرمایہ کاری کی ضروریات کو پورا کرنے کے لیے توانائی کے شعبے کی اصلاحات میں مسلسل پیشرفت اور ادائیگیوں کے نظم و ضبط میں بہتری اہم ہوگی۔

مارکیٹ کے بنیادی اشاریوں نے بہتری کے آثار دکھائے ہیں، عالمی سطح پر خام تیل کی زائد قیمتوں اور مقامی گیس کی مضبوط طلب سے انڈسٹری کے نقطہ نظر کو تقویت مل رہی ہے۔ اس کے علاوہ، گزشتہ دو سالوں کے مقابلے میں گیس کی فراہمی میں کمی نہ ہونے سے ایک زیادہ سازگار کاروباری ماحول فراہم کرنے کی توقع ہے۔ کمپنی پیداوار اور پروسسنگ کی صلاحیت کو بڑھانے کے لیے بھی اقدامات کر رہی ہے، جس میں خلافاً GPF-III پروجیکٹ سے اضافی مقدار اور شاہ بندر میں گیس پروسسنگ کی اپ گریڈنگ شامل ہے۔

مستقبل کے حوالے سے، کمپنی مالیاتی استحکام، منظم کیپٹل منیجمنٹ اور شیئر ہولڈرز کے لیے پائیدار قدر کی تخلیق کو برقرار رکھنے پر توجہ مرکوز کئے ہوئے ہے۔



بیلنس شیٹ کے بعد کے واقعات

ڈائریکٹرز

سال ختم ہونے کے بعد، وزارت توانائی (پٹرولیم ڈیپارٹمنٹ) کے ایڈیشنل سیکریٹری (ایڈمنسٹریشن) جناب سید زکریا علی شاہ کو جناب عثمان احمد چوہدری کی جگہ کمپنی کا ڈائریکٹر مقرر کیا گیا ہے۔

نیز، بورڈ کی از سر نو تشکیل کے لیے حکومت پاکستان کی نامزدگیوں کے بعد، ڈائریکٹرز کے انتخاب کے لیے 15 ستمبر 2026 کو ایک غیر معمولی عمومی اجلاس منعقد ہونا طے پایا ہے۔

دریافتیں

سال کے اختتام کے بعد، 2 دریافتوں، ایک شاہ بندر بلاک میں راہی 1-X پر اور دوسری سیرانی بلاک میں ڈولفن 1-X کا اعلان کیا گیا۔

ڈویلپمنٹ اینڈ پروڈکشن لیز

سال کے اختتام کے بعد، حجم یقینی ڈویلپمنٹ اینڈ پروڈکشن لیز 24 جولائی 2026 سے منظور کرتے ہوئے 6 سال کی مدت کے لیے منظور کی گئی۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 14 ستمبر 2026 کو ہونے والے اپنے اجلاس میں عمومی شیئر کیپٹل کی ادا شدہ قیمت پر 60 فیصد کی شرح سے حتمی نقد منافع منقسمہ 16,325.839 ملین روپے [25:2025 فیصد کی شرح سے 6,802.433 ملین روپے] کی سفارش کی ہے۔ یہ تخصیص شیئر ہولڈرز کی منظوری کے لیے 27 اکتوبر 2026 کو منعقد ہونے والے سالانہ اجلاس عام میں پیش کی جائے گی۔

آڈیٹرز

کمپنی کے آڈیٹرز تاثیر ہادی خالد اینڈ کمپنی (سابقہ کے پی ایم جی تاثیر ہادی اینڈ کمپنی)، جو آئندہ سالانہ اجلاس عام میں سبکدوش ہو رہے ہیں، سال 2026-27 کے لیے دوبارہ تقرری کے اہل ہیں اور بورڈ آف ڈائریکٹرز نے انہیں دوبارہ تقرری کے لیے سفارش کی ہے۔

CHAIRMAN
BOARD OF DIRECTORS
KARACHI: SEPTEMBER 14, 2026

CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس)

قوانین 2013 کی تعمیل پر بیان

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

- I- بورڈ نے کارپوریٹ گورننس کے اصولوں کی پاسداری کی ہے۔
- II- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات کی حالت، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی درست اور منصفانہ عکاسی کرتے ہیں۔
- III- کمپنی نے درست اکاؤنٹس بکس برقرار رکھی ہوئی ہیں۔
- IV- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں اختیار کی گئی ہیں اور ان میں ہونے والی کسی بھی تبدیلی کو واضح کیا گیا ہے۔ اکاؤنٹنگ کا تخمینہ معقول اور نقاط فیصلے پر مبنی ہے۔
- V- مالیاتی گوشوارے پاکستان میں نافذ اکاؤنٹنگ اور رپورٹنگ کے معیاروں کے مطابق ہیں۔
- VI- اندرونی کنٹرولز کو نافذ کرنے کا نظام بہتر ہے اور اس پر عمل کا باقاعدہ فالو اپ کیا جاتا ہے اور رپورٹنگ بھی کی جاتی ہے۔
- VII- گزشتہ سالوں کے آپریشنز کے نتائج سے انحراف کی وجوہات کو ڈائریکٹرز کی رپورٹ کے متعلقہ حصوں میں بیان کیا گیا ہے۔

تازہ ترین آڈٹ شدہ اکاؤنٹس کے مطابق سرمایہ کاری کی مالیت

سینئر پروڈیونٹ فنڈ	(ملین روپے)
6,841	
جونیئر پروڈیونٹ فنڈ	
2,432	
ایگزیکٹو اسٹاف گریجویٹ فنڈ	
1,109	
ٹران ایگزیکٹو اسٹاف گریجویٹ فنڈ	
1,361	
ایگزیکٹو اسٹاف پشمن فنڈ	
16,554	
ٹران ایگزیکٹو اسٹاف پشمن فنڈ	
4,902	
ایگزیکٹو اسٹاف پشمن فنڈ (ڈیفائنڈ کنٹریبونشن - شریعہ)	
4,114	
ایگزیکٹو اسٹاف پشمن فنڈ (ڈیفائنڈ کنٹریبونشن - روایتی)	
1,859	



(VIII) گزشتہ چھ سالوں کا اہم آپریشننگ اور مالی اعداد و شمار سالانہ رپورٹ کے سیکشن ”چھ سالوں کے خلاصہ“ میں دیے گئے ہیں۔

(IX) اکاؤنٹس کے نوٹس میں واجب الادا ٹیکس، ڈیویڈنڈ، محصولات اور چارجز کی تفصیل مالیاتی بیانات کے نوٹس میں درج ہے۔

(X) ادارے کی تنظیم نو، کاروبار کی توسیع اور آپریشنز جاری نہ رکھنے (جہاں لاگو ہو) کے بارے میں اہم منصوبے اور فیصلے سالانہ رپورٹ میں بیان کیے گئے ہیں۔ ڈائریکٹرز رپورٹ کے متعلقہ حصوں میں مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال کے بارے میں وضاحت کی گئی ہے۔

(XI) چیئرمین اور دیگر ڈائریکٹرز کی تقرری، تعیناتی اور معاوضہ کی پالیسی کی شرائط کمپنی کے بہترین مفادات میں ہیں اور بہترین طریقہ کار کے مطابق ہیں۔

(XII) کمپنی کے سماجی مقاصد اور نتائج سے متعلق وضاحتیں اس سالانہ رپورٹ کے ”کارپوریٹ سماجی ذمہ داری“ سیکشن میں دیے گئے ہیں۔

(XIII) 30 جون 2025 تک ملازمین کے ریٹائرمنٹ فنڈز میں سرمایہ کاری کی تفصیل درج ذیل ہے:

XIV- سال کے دوران بورڈ اور اس کی کمیٹیوں کی میٹنگز کی تعداد اور ان میں ممبران کی حاضری کی تفصیل سالانہ رپورٹ کے حصے ”بورڈ اور کمیٹی میٹنگز میں حاضری“ میں درج ہے۔ جو ممبران کسی میٹنگ میں شرکت نہیں کر سکے، انہیں باضابطہ طور پر رخصت دی گئی۔

XV- ڈائریکٹرز صرف اس فیس کے حقدار ہیں جو بورڈ، بورڈ کمیٹیوں اور جنرل میٹنگز میں شرکت کے بدلے ادا کی جاتی ہیں۔ کمپنی بورڈ اور کمیٹی میٹنگز میں شرکت سے متعلق سبزی اخراجات، رہائش اور دیگر اخراجات بھی برداشت کرتی ہے۔ ہر ڈائریکٹر کو ادا کی گئی فیس کی تفصیل سالانہ رپورٹ کے حصے ”بورڈ اور کمیٹی میٹنگز میں حاضری“ میں درج ہے۔

XVI- 30 جون 2026 تک کمپنی میں شیئر ہولڈنگ کا پیرن سالانہ رپورٹ 2026 کے سیکشن ”پیرن آف شیئر ہولڈنگ“ میں شامل ہے۔

خطرات کے انتظام

(Risk Management) کا فریم ورک

مالی سال کی پہلی ششماہی کا اہم پہلو مجموعی معاشی استحکام تھا، جس کے دوران مجموعی مہنگائی زیادہ تر قابو میں رہی۔ تاہم، مشرق وسطیٰ کے تنازع سے پیدا ہونے والی رسد میں مشکلات نے سال کے آخری حصے کو متاثر کیا اور قومی سطح پر کفایت شعاری کے اقدامات پر مجبور کیا۔ شعبہ جاتی خطرات واضح رہے، خاص طور پر دوردرازرضیاتی علاقوں میں ہائیڈروکاربن کی دریافت سے منسلک غیر یقینی صورتحال، جس میں نمایاں ترقیاتی سرگرمیاں اور لاگت پر توجہ شامل ہیں۔ بلوچستان میں امن وامان کی بگڑتی ہوئی صورتحال نے بھی سرحدی علاقوں میں دریافتی کوششوں کو محدود رکھا۔ اس کے علاوہ، قائم شدہ ملکی ذخائر کے مدد سے خاتمے اور خستہ حالی نے توسیع کی ضرورت کو تقویت دی، جبکہ گردش قرضے اور ٹیکس کے بڑھتے ہوئے مطالبات آپریشنل اور مالیاتی کارکردگی کے لیے ساختی مسائل کا سبب بننے رہے۔

ان مسائل کے باوجود، کمپنی متعلقہ شرکت داروں کو پائیدار قدر کی فراہمی کے ساتھ ساتھ قومی توانائی کے تحفظ کے لیے پرعزم ہے۔ ملکی اور بین الاقوامی سطح پر دریافت اور پیداوار کے لیے ایک منظم طریقہ کار ہی کمپنی کی طویل مدتی ترقی کی حکمت عملی کو تقویت دے ہے۔ بدلتے ہوئے خطرات کے منظر نامے میں، کمپنی نے خطرات میں کمی اور تنوع کے اقدامات کو تیز کر دیا ہے، جس میں پرانے ہائیڈروکاربن اثاثوں پر انحصار کم کرنے کے لیے غیر روایتی آمدنی کے ذرائع، خاص طور پر کان کنی (مانٹنگ) کے شعبے پر توجہ شامل ہے۔

اپنے کاروبار کے مقاصد کے حصول کے لیے، کمپنی کا ادارہ جاتی خطرات کا نظام (ERM) فریم ورک منصوبہ بندی اور کاروباری عمل کے ساتھ مربوط رہتا ہے۔ یہ فریم ورک ادارہ کی سطح کے خطرات کی نشاندہی، تشخیص اور ان میں کمی کی سہولت فراہم کرتا ہے جبکہ باخبر فیصلے سازی اور طویل مدتی قدر کی تخلیق میں معاونت کرتا ہے۔ پائیداری کے پہلوؤں کو کمپنی کے خطرات کی انتظام کاری فریم ورک میں شامل کیا گیا ہے، جو ذمہ دارانہ گورننس، شفافیت اور تنظیمی استحکام کو تقویت دیتا ہے۔ سال کے دوران، بین الاقوامی پائیداری سے متعلق معلومات کے افشا کے معیارات کے ساتھ ہم آہنگی کو مضبوط بنانے اور خطرات کی تشخیص کے طریقہ کار کو بہتر بنانے کے لیے ERM فریم ورک کو مزید اپ گریڈ کیا گیا۔

اس سالانہ رپورٹ کے سیکشن رسک گورننس میں رسک گورننس اسٹرکچر اور خطرات و مواقع سے متعلق رپورٹ کی تفصیلات درج ہیں۔

MISSION, VISION & CORE VALUES	STRATEGY DEVELOPMENT	BUSINESS OBJECTIVE FORMULATION	IMPLEMENTATION & PERFORMANCE	ENHANCED VALUE
GOVERNANCE & CULTURE 1. Exercises Board Risk Oversight 2. Establishes Operating Structures 3. Defines Desired Culture 4. Demonstrates Commitments to Core Values 5. Attracts, Develops and Retains Capable Individuals	STRATEGY & OBJECTIVE-SETTING 6. Analyzes Business Context 7. Defines Risk Appetite 8. Evaluates Alternative Strategies 9. Formulates Business Objectives	PERFORMANCE 10. Identifies Risk 11. Assesses Severity of Risk 12. Prioritizes Risk 13. Implements Risk Responses 14. Develops Portfolio View	REVIEW & REVISION 15. Assesses Substantial Change 16. Reviews Risk And Performance 17. Pursues Improvement In Enterprise Risk Management	INFORMATION COMMUNICATION & REPORTING 18. Leverages Information and Technology 19. Communicates Risk Information 20. Reports on Risk Culture and Performance

متعلقہ فریقین کے ساتھ لین دین

کمپنی کی متعلقہ فریقین کے ساتھ لین دین تجارتی بنیادوں پر کی جاتی ہے اور تفصیلات وقتاً فوقتاً بورڈ آڈٹ کمیٹی کے سامنے نظر ثانی اور بورڈ کو منظوری کے لیے سفارش کے طور پر پیش کی جاتی ہے۔ اگر بورڈ کسی رکن کا ایسے لین دین میں کوئی مفاد ہو تو وہ کمپنی کے سامنے ظاہر کیا جاتا ہے۔ متعلقہ فریقین کے ساتھ لین دین کی تفصیلات کمپنی کے مالیاتی گوشواروں کے ساتھ نوٹس میں درج کی گئی ہے جو 30 جون 2026 کو ختم ہونے والے سال کے لیے تیار کیے گئے ہیں۔

اندرونی آڈٹ

کمپنی ایک خود مختار انٹرنل آڈٹ کا شعبہ برقرار رکھتی ہے جو براہ راست بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ انٹرنل آڈٹ کے عمل کو اپنی ذمہ داریاں مؤثر طریقے سے انجام دینے کے لیے تمام ریکارڈز، سسٹمز، الیکاروں اور ضروری معلومات تک غیر محدود رسائی حاصل ہے۔ اس شعبے کے دائرہ کار اور اختیارات کی وضاحت بورڈ کے منظور شدہ انٹرنل آڈٹ چارٹر میں کی گئی ہے۔ یہ چارٹر شعبے کی سرگرمیوں کے لیے ایک واضح فریم ورک فراہم کرتا ہے، جس سے یہ خود مختار ضمانت اور قدر میں اضافے کی سفارشات فراہم کرنے کے قابل ہوتا ہے جو کمپنی بھر میں مؤثر رسک مینجمنٹ، اندرونی کنٹرولز اور کارپوریٹ گورننس کے طریقوں کو تقویت دیتی ہیں۔

اہم پالیسیاں

کمپنی کی اہم پالیسیوں میں درج ذیل شامل ہیں:

- ماحولیاتی، سماجی اور گورننس (ESG) پالیسی
- کاروباری تسلسل کی انتظامی (برنس کنٹینوٹی مینجمنٹ) پالیسی
- ضابطہ اخلاق (Code of Conduct)
- کارپوریٹ کیونٹیکشن پالیسی
- کارپوریٹ ڈائینیشن پالیسی
- انٹر براڈرسک مینجمنٹ پالیسی
- پائیدار ترقی کے لیے ایکسپلوریشن اور قارم ان / قارم آڈٹ اسٹریٹیجی
- ہیومن ریسورس مینجمنٹ پالیسی
- انویسٹمنٹ رپورٹنگ پالیسی
- انویسٹمنٹ پالیسی
- بیرونی آڈیٹرز کی تعیناتی / دوبارہ ترقی کی پالیسی
- بیرونی آڈیٹرز کی طرف سے اضافی خدمات فراہم کرنے کی پالیسی
- کوالٹی، ہیلتھ، سیفٹی اینڈ انورٹمنٹ (QHSE) پالیسی
- ویل بلونگ پالیسی (تفصیلات کمپنی کی ویب سائٹ پر موجود ہیں)۔

حصص یافتگان کی معاونت

کمپنی اپنے حصص یافتگان کی شکایات کو بروقت اور مؤثر طریقے سے حل کرنے کے لیے پرعزم ہے۔ حصص یافتگان کمپنی کی ویب سائٹ پر موجود آن لائن فیڈ بیک اور شکایات قارم کے ذریعے اپنی شکایات یا سوالات جمع کرا سکتے ہیں۔ اس کے علاوہ، شیئر رجسٹرار شیئر ہولڈرز کے لیے بنیادی رابطے کا ذریعہ ہے جہاں خطوط، ای میل، ٹیلی فون، فیکس یا براہ راست درخواستیں وصول کی جاتی ہیں۔

سال کے دوران 187 شیئر ہولڈرز نے رجسٹرار سے رابطہ کر کے اپنے بینک مینڈیٹس اور آئی بی اے این (IBAN) درست کروانے تاکہ واجب الادا منافع کی ادائیگی ہو سکے، جو بعد میں ادا کر دیا گیا۔ اس کے علاوہ 69 شیئر ہولڈرز نے اپنے ڈاک کے پتے کی درستی کے لیے درخواست دی جبکہ 192 شیئر ہولڈرز نے شیئر ٹرانسفر ڈیڈز کی تصدیق کے لیے رجوع کیا۔ مزید برآں، 914 شیئر ہولڈرز نے مختلف امور پر رجسٹرار سے رابطہ کیا، جن میں شیئر سرٹیفکیٹ کشدگی، زکوٰۃ و دیگر شیئرز جمع کرانا، ٹیکس کنوٹی کے لیے شیئر ہولڈنگ تناسب کی وضاحت اور قانونی وارثوں کو شیئرز منتقل کرنے کے لیے دستاویزات کی فراہمی شامل ہیں۔ سال کے دوران، 727 شیئرز ٹرانسفر، 110 ڈیپلیٹ شیئر سرٹیفکیٹس اور قانونی ورثاء کو 390 شیئرز کی منتقلی کا اندراج کیا گیا۔



اسٹیک ہولڈرز کے ساتھ تعلقات

کمپنی اپنے شیئر ہولڈرز اور دیگر متعلقہ شراکت داروں کی آراء اور خدشات / شکایات کو نہایت اہمیت دیتی ہے۔ سالانہ اجلاس عام (AGMs) میں خصوصی سوال و جواب سیشن رکھے جاتے ہیں تاکہ متعلقہ شراکت دار اپنے سوالات اٹھا سکیں، جن پر انتظامیہ اور بورڈ کے نمائندے تفصیل سے جواب دیتے ہیں۔ آڈٹ کمیٹی کے چیئر مین AGM میں موجود رہتے ہیں تاکہ کمیٹی کی سرگرمیوں اور دیگر اہم معاملات پر سوالات کے جواب دے سکیں۔

پاکستان اسٹاک ایکسچینج کے تقاضوں کے مطابق ہر سال کارپوریٹ بریفنگ سیشن منعقد کیے جاتے ہیں جن میں مالیاتی اور کاروباری ماہرین شرکت کرتے ہیں اور کمپنی کے معاملات، تکنیکی شکایات اور دیگر سوالات پر وضاحت پیش کی جاتی ہے۔ دوران سال، نومبر 2025 میں ایک کارپوریٹ بریفنگ سیشن کا انعقاد کیا گیا۔

سالانہ اجلاس عام میں ہونے والی تمام کارروائی اور فیصلے باضابطہ طور پر منٹس کی صورت میں درج کیے جاتے ہیں، جو بعد میں پاکستان اسٹاک ایکسچینج کو بھیجے جاتے ہیں اور سالانہ اجلاس عام کے دوران شیئر ہولڈرز کے لیے مفت دستیاب ہوتے ہیں۔ چونکہ وفاقی حکومت کمپنی کی بڑی شیئر ہولڈر ہے، اس لیے بورڈ بشمول نان ایکزیکٹو ڈائریکٹرز ہمیشہ حکومت کے نقطہ نظر سے باخبر رہتا ہے تاکہ حکومتی خدشات اور ترجیحات کو مؤثر انداز میں انتظامیہ تک پہنچایا جاسکے۔

اقلیتی شیئر ہولڈرز

کمپنی تمام متعلقہ شراکت داروں کے مفادات کو تسلیم کرتی ہے جن میں شیئر ہولڈرز، ملازمین، قرض دہندگان، صارفین، کاروباری شراکت دار اور مقامی کمیونٹی شامل ہیں۔ شیئر ہولڈرز کو سالانہ اور غیر معمولی اجلاسوں (AGMs/EGMs) میں شرکت کی ترغیب دی جاتی ہے تاکہ وہ اپنی تجاویز اور فیڈ بیک دے سکیں۔ اس مقصد کے لیے کمپنی درج ذیل انتظامات کرتی ہے:

- نوٹس کی ترسیل: شیئر ہولڈرز کو EGM/AGM کے نوٹس کم از کم 21 دن پہلے سالانہ رپورٹ کے ساتھ بھیجے جاتے ہیں۔
- اشاعت / مطبوعات (publications): EGM/AGM کے نوٹس کراچی، لاہور اور اسلام آباد کے کثیر الاشاعت اخبارات میں انگریزی اور اردو زبان میں شائع کیے جاتے ہیں۔
- آن لائن دستیابی: نوٹس پاکستان اسٹاک ایکسچینج کے آن لائن پورٹل اور کمپنی کی ویب سائٹ پر بھی پوسٹ کیے جاتے ہیں۔
- سالانہ رپورٹ کی تقسیم: پرنٹ شدہ سالانہ رپورٹس شیئر ہولڈرز کو درخواست پر ارسال کی جاتی ہیں اور AGM کے مقام پر بھی فراہم کی جاتی ہیں۔

- پراکسی مقرر کرنے کی سہولت: شیئر ہولڈرز کو پراکسی کے ذریعے شرکت کرنے کی سہولت دی جاتی ہے۔
- اقلیتی شیئر ہولڈرز کی نمائندگی: ڈائریکٹرز کے انتخابات میں اقلیتی شیئر ہولڈرز کے ساتھ تعاون کے لیے ان کے بیانات اور پراکسی قارم اخبارات میں شائع کیے جاتے ہیں۔

صنعتی تنوع اور تنخواہ کے فرق پر بورڈ کا بیان

بورڈ اس بات کا پابند ہے کہ کمپنی میں روزگار کے مساوی مواقع فراہم کیے جائیں اور قوانین کے مطابق ایک جامع تنوع اور شمولیت کی حکمت عملی نافذ کی جائے۔ کمپنی صنف، نسل، مذہب، رنگ، قومیت، ازدواجی حیثیت یا سماجی طبقے کی بنیاد پر امتیاز نہیں کرتی۔

سیکریٹری اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 2024-10 کے مطابق بورڈ نے صنفی تنوع کے فرق (Gender Pay Gap) پر ایک اسٹینڈنٹ منظور کیا ہے جو کمپنی کی سالانہ رپورٹ میں شامل ہے اور ویب سائٹ پر بھی موجود ہے۔

پاکستان خود مختار دولت فنڈ ایکٹ 2023

مالی سال 2023-24 کے دوران حکومت پاکستان نے پاکستان خود مختار دولت فنڈ ایکٹ 2023 نافذ کیا۔ اس ایکٹ کی شق (2) کے مطابق حکومت کی کمپنی میں شیئر ہولڈنگ بذریعہ قانون پاکستان خود مختار دولت فنڈ (PSWF) کو منتقل کر دی گئی۔ کمپنی فی الحال حکومت کی مزید ہدایات کی منتظر ہے تاکہ اس منتقلی کو باضابطہ طور پر ریکارڈ کرنے کے لیے کارپوریٹ اقدامات کیے جاسکیں۔

مزید برآں، اس ایکٹ کی شق 50 کے مطابق فنڈ اور وہ تمام سرکاری ادارے جن میں فنڈ کی اکثریتی شیئر ہولڈنگ ہے، اسٹیٹ اوپڈ انٹر پرائزز (گورننس اینڈ آپریشنز) ایکٹ، 2023 سے مستثنی ہوں گے۔ اس کے نتیجے میں پی پی ایل اس ایکٹ کی تعمیل سے آزاد ہے۔

سال کے دوران بورڈ نے چیف ایگزیکٹو آفیسر کی کارکردگی کو پہلے سے متعین کردہ آپریٹنگ، فنانس، اور حکمت عملی کے اہداف کے نقطہ نظر سے جانچا۔ وفاقی حکومت کو بھی CEO کی کارکردگی کا جائزہ لینے کا اختیار حاصل ہے۔

ڈائریکٹرز کے لیے آگاہی اور تعارفی

(orientation) پروگرام

سال کے دوران تعینات ہونے والے ڈائریکٹرز کو کمپنی پرنس، آپریٹنگ، کام کے ماحول اور بورڈ ممبر کے طور پر ان کے کردار و ذمہ داریوں پر جامع بریفنگ دی گئی۔ ڈائریکٹرز کو خوش آمدید پیش بھی دیے گئے جن میں کمپنی کا میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور اس کی سہ ماہی اور سالانہ رپورٹس شامل تھیں تاکہ کمپنی کی گورننس اور کارکردگی کو بخوبی سمجھا جاسکے۔

ڈائریکٹرز تربیتی پروگرام

ڈائریکٹرز اپنی ذمہ داریوں سے بخوبی واقف ہیں اور انہیں اعلیٰ ترین کارپوریٹ گورننس معیاروں کے مطابق انجام دینے کے لیے پرعزم ہیں۔ سال کے اختتام تک کمپنی زیادہ تر ان اختیاری تقاضوں پر عمل پیرا تھی جو لیسٹ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت ڈائریکٹرز ٹریننگ پروگرام کے مطابق ہیں۔

بورڈ کی مدت اور ڈائریکٹرز کا انتخاب

موجودہ بورڈ کی مدت دسمبر 2023 میں ختم ہو گئی تھی۔ کمپنی کے اکثریتی شیئر ہولڈرز، حکومت پاکستان کی جانب سے تاحرر دیا گیا موصول نہ ہونے کی وجہ سے ڈائریکٹرز کے انتخابات منعقد نہیں ہو سکے تھے کمپنیز ایکٹ 2017 کے سیکشن 158 کے مطابق، موجودہ ڈائریکٹرز نے اپنے جانشینوں کے انتخاب تک اپنی ذمہ داریاں سرانجام دینا جاری رکھیں۔ بیلنس شیٹ کی تاریخ کے بعد، حکومت پاکستان نے بورڈ آف ڈائریکٹرز کی از سر نو تشکیل کے لیے اپنی تاحرر دیا گیا جمع کردہ دی ہیں۔ چنانچہ ڈائریکٹرز کے انتخاب کے لیے 15 ستمبر 2026 کو شیئر ہولڈرز کا ایک غیر معمولی عمومی اجلاس منعقد ہونا طے پایا ہے۔

نان ایگزیکٹو ڈائریکٹرز کا معاوضہ

کمپنی نان ایگزیکٹو ڈائریکٹرز کو کسی قسم کا معاوضہ ادا نہیں کرتی، سوائے اُس ڈائریکٹر فیس کے جو بورڈ اور کمپنی میٹنگز اور شیئر ہولڈرز کے اجلاس عام میں شرکت کے لیے دی جاتی ہے۔

چیف ایگزیکٹو آفیسر/منیجنگ ڈائریکٹر کی تعیناتی

بورڈ کی جانب سے جناب عمران عباسی کو 21 ستمبر 2022 سے 3 سالہ مدت کے لیے چیف ایگزیکٹو آفیسر مقرر کیا گیا تھا، جو 20 ستمبر 2025 کو مکمل ہوئی۔ مارچ 2025

میں بورڈ نے باقاعدہ چیف ایگزیکٹو آفیسر کی تعیناتی کا عمل شروع کیا: تاہم، نئے بورڈ کی تشکیل تک اس عمل کو معطل رکھا گیا۔ جناب عمران عباسی کی مدت ختم ہونے کے بعد، اس وقت کے چیف آپریٹنگ آفیسر جناب سکندر علی میمن کو، جنوری 2026 میں ان کی ریٹائرمنٹ یا باقاعدہ چیف ایگزیکٹو آفیسر کی تعیناتی (جو بھی پہلے ہو) تک، انہیں موجودہ ذمہ داریوں کے ساتھ اضافی طور پر چیف ایگزیکٹو آفیسر مقرر کیا گیا۔

جناب سکندر علی میمن کی ریٹائرمنٹ پر، کمپنی کے سابق چیف فنانس آفیسر جناب محمد خالد عبدالرحمان کو 10 جنوری 2026 سے عبوری بنیادوں پر چیف ایگزیکٹو آفیسر مقرر کیا گیا، جو ابتدائی طور پر تین ماہ کے لیے یا باقاعدہ چیف ایگزیکٹو آفیسر کی تعیناتی تک کے لیے تھا۔ اپریل 2026 میں، بورڈ نے باقاعدہ چیف ایگزیکٹو آفیسر کی تعیناتی تک ان کی مدت ملازمت میں توسیع کر دی۔

ایگزیکٹو ڈائریکٹر کی اضافی ڈائریکٹر شپ

کمپنی کے چیف ایگزیکٹو آفیسر (CEO) کمپنی کے ذیلی اداروں PPL، E&P، B.V. اور PPL پورپ E&P لمیٹڈ کے بورڈ میں ڈائریکٹر کے طور پر خدمات انجام دیتے ہیں۔ اس کے علاوہ وہ متعلقہ کمپنیوں مثلاً ریکوڈک انویسٹمنٹ لمیٹڈ، ریکوڈک ہولڈنگز لمیٹڈ، ریکوڈک مینجنگ کمپنی (پرائیویٹ) لمیٹڈ اور پاکستان سٹریٹس (پرائیویٹ) لمیٹڈ اور پاکستان انٹرنیشنل آئل لمیٹڈ کے بورڈز پر بھی ڈائریکٹر ہیں۔

غیر ملکی ڈائریکٹرز کی سیوریٹی کلیئرنس

کمپنی کے بورڈ میں کسی غیر ملکی کو تعینات نہیں کیا گیا۔

پاکستان سے باہر بورڈ میٹنگز کا انعقاد

کمپنی کا کوئی بورڈ اجلاس پاکستان سے باہر منعقد نہیں ہوا۔

بورڈ آف ڈائریکٹرز سے متعلق مفادات کا انکشاف

بورڈ آف ڈائریکٹرز کے ضابطہ اخلاق کے تحت ہر ڈائریکٹر پر لازم ہے کہ وہ کمپنی، اس کی ذیلی کمپنیوں، متعلقہ کمپنیوں اور ذیلی اداروں کے ساتھ کسی قسم کے مفادات کے انکشاف سے گریز کرے۔ ڈائریکٹرز پر لازم ہے کہ کسی بھی حقیقی یا ممکنہ مفادات کے انکشاف کی صورت میں فوراً کمپنی کو اطلاع دیں۔ کارپوریٹ گورننس کی اچھی روایت کے طور پر، ڈائریکٹرز ہر بورڈ یا بورڈ کمیٹی میٹنگ کے آغاز میں کسی بھی ایجنڈا آئٹم سے متعلق اپنے حقیقی یا ممکنہ مفادات کے انکشاف کو ظاہر کرتے ہیں۔

ڈائریکٹرز سے متعلق مفادات کے انکشاف کے معاملات کمپنیز ایکٹ 2017، پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) ریگولیشنز 2013، لیسٹ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کے متعلقہ تقاضوں کے مطابق حل کیے جاتے ہیں۔



کمپنیل پروڈیکٹس کے لیے ایک اہم انتظام اور نگرانی کا نظام (گورننس میکانزم) کے طور پر کام کرنے والے قدر کے حصول کو یقینی بنانے کے عمل (ویلیو ایڈیشن پروسیس) (VAP) کو مزید مضبوط کیا گیا اور پروڈیکٹ پورٹ فولیو میں موثر طریقے سے نافذ کیا گیا۔ اس عمل نے پروڈیکٹ کے اندازوں، اخراجات، خطرات اور متوقع نتائج کا جائزہ لینے کے لیے ایک منظم فریم ورک فراہم کیا، جس نے سرمائے کے بہتر نظام، زیادہ باخبر فیصلہ سازی اور پروڈیکٹ کے پورے لائف سائیکل کے دوران سرمایہ کاری کے اخراجات کو بہترین بنانے میں اہم کردار ادا کیا۔

کاروباری عمل کے اقدامات کے پیش نظر، کنوؤں کی کھدائی کے پلان کی نگرانی اور کارکردگی جانچنے کے عمل میں بہتری کے نمایاں امور متعارف کرائے گئے۔ جنہوں نے پروڈیکٹ پر عمل درآمد کی نگرانی کو واضح کیا، اہم سنگ میل اور خطرات کی زیادہ موثر نگرانی میں سہولت فراہم کر کے بروقت انتظامی فیصلوں کی راہ ہموار کی۔

اس فنکشن نے پوری کمپنی سے ملل منجست کو شامل کرتے ہوئے ادارہ جاتی کاروباری مکالماتی نشستوں کے ذریعے تنظیمی ہم آہنگی اور معلومات کے تبادلے کو بھی آسان بنایا۔ ان نشستوں نے حکمت عملی کے تحت رابطہ کاری، کاروباری ترجیحات پر تبادلہ خیال اور اہم کاروباری امور پر نقطہ نظر کے تبادلے کے لیے ایک پلیٹ فارم فراہم کیا۔ اس اقدام نے تنظیمی مقاصد کی بہتر آگاہی مختلف شعبوں کے درمیان باہمی تعاون کو مضبوط کرنے اور انتظامیہ و ملازمین کے درمیان تعلق کو فروغ دینے میں مدد دی۔

مجموعی طور پر، ان اقدامات نے کمپنی کی کاروباری عملی، احتساب اور مسلسل بہتری کی روایت کو منظم شکل دینے کے مقصد کو سہارا دیا۔

کارپوریٹ گورننس (کاروباری نظم و نسق)

پی پی ایل کاروباری نظم و نسق کے بلند معیارات پر کاربند ہے، جس کے ذریعے شفافیت، جواب دہی اور اخلاقی برتاؤ کو تمام آپریشنز میں یقینی بنایا جاتا ہے۔ متعلقہ ریگولیٹری تقاضوں کی رہنمائی میں، کمپنی کا گورننس فریم ورک بورڈ آف ڈائریکٹرز کو اس

قابل بناتا ہے کہ وہ حکمت عملی پر مبنی نگرانی فراہم کریں، ریگولیٹری تقاضوں کو یقینی بنائیں اور متعلقہ فریق کے مفادات کا تحفظ کریں۔ سال کے دوران، بورڈ نے کمپنی کے نئے وژن اور مشن کو طویل مدتی اہداف کے ساتھ ہم آہنگ کرنے میں کلیدی کردار ادا کیا اور کمپنی کی پائیداری، عملی مہارت اور قدر کی تحقیق کے عزم کو مزید مضبوط کیا۔

بورڈ کا کردار

بورڈ کمپنی کی حکمت عملی کی سمت کو متعین کرنے اور اس کی نگرانی کرنے میں ایک مرکزی حیثیت رکھتا ہے۔ اس کی بنیادی ذمہ داریوں میں طویل المدتی اہداف کا تعین، مجموعی کاروباری کارکردگی کی نگرانی، ریگولیٹری فریم ورک کی تعمیل کو یقینی بنانا، مالی انتظامات پر نظر رکھنا اور اہم خطرات کی بروقت نشاندہی اور ان پر قابو پانا شامل ہیں۔ بنیادی طور پر بورڈ اس بات کو یقینی بناتا ہے کہ کمپنی مؤثر طریقے سے چلائی جائے اور ہمیشہ اپنے وژن، مشن اور اسٹریٹجک ترجیحات کے مطابق رہے۔

ریگولیٹری تقاضوں کے مطابق، کمپنی کے لیے 6 قانونی بورڈ کمیٹیاں قائم کرنا لازمی ہے۔ کمپنی نے سات بورڈ کمیٹیاں قائم کی ہیں، جن میں بورڈ اسٹریٹجی اینڈ فنانس کمیٹی (BSFC) حکمت عملی اور مالیاتی فیصلے سازی میں بورڈ کی معاونت کے لیے ایک اضافی کمیٹی کے طور پر کام کر رہی ہے۔ تمام بورڈ کمیٹیاں اپنے اپنے طے شدہ دائرہ کار کے مطابق کام کرتی ہیں۔

بورڈ نے کچھ ذمہ داریاں اپنی کمیٹیوں کو سونپی ہیں، جو پورے بورڈ کے مخصوص ذیلی گروپس کے طور پر کام کرتی ہیں۔ یہ کمیٹیاں مخصوص معاملات کو حل کرنے کے لیے وقت اور وسائل صرف کرتی ہیں اور فیصلے سازی کو بہتر بنانے کے لیے متعلقہ ماہرین سے بھی رائے لیتی ہیں۔

یہ کمیٹیاں بورڈ کو تفصیلی رپورٹس اور سفارشات پیش کرتی ہیں، جس سے موثر بصیرت (اور رائے) حاصل ہونے میں مدد ملتی ہے۔



بورڈ کی تشکیل

ڈائریکٹرز کے نام اور حیثیت اس سالانہ رپورٹ کے ”کمپنی انفارمیشن“ سیکشن میں درج ہیں۔ مالی سال کے دوران ڈائریکٹر شپ رکھنے والے افراد کے نام اس سالانہ رپورٹ کے ”بورڈ اور کمیٹی ممبران میں حاضری“ کے سیکشن میں درج کیے گئے ہیں۔

آزاد ڈائریکٹرز نے اپنی آزادی کی توثیق کا اقرار کیا ہے جیسا کہ لہجہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ریگولیشن 6 کی ذیلی دفعہ (3) کے تحت لازم ہے۔

بورڈ میں تنوع

کمپنی کا بورڈ مختلف پس منظر رکھنے والے ماہرین پر مشتمل ہے جو بزنس اور انڈسٹری کے مختلف شعبوں میں مہارت رکھتے ہیں۔ مجموعی طور پر ڈائریکٹرز، قیادت، کارپوریٹ گورننس، قانون، مالیات، انجینئرنگ اور ایکسپلوریشن اینڈ پروڈکشن کے میدانوں میں شاندار تجربہ رکھتے ہیں۔ معلومات اور بصیرت کا یہ تنوع مؤثر نگرانی اور کاروباری رہنمائی کو یقینی بناتا ہے۔ سال کے اختتام پر بورڈ پانچ آزاد ڈائریکٹرز، چار نان ایگزیکٹو ڈائریکٹرز اور چیف ایگزیکٹو آفیسر پر مشتمل تھا۔

سال ختم ہونے کے بعد، تین سالہ مدت کے لیے بورڈ ممبران کے انتخاب کے لیے ڈائریکٹرز کے انتخابات منعقد کیے جا رہے ہیں۔ نامزد امیدوار بزنس، فنانس، تیل و گیس کی دریافت و پیداوار، انجینئرنگ، قانون، بین الاقوامی تعلقات، انفارمیشن ٹیکنالوجی، پبلک ایفیسریشن اور پالیسی سازی کے شعبوں میں وسیع تجربہ رکھتے ہیں۔

بورڈ میں خالی آسامیاں

سال کے دوران، تین مواقع پر بورڈ میں تبدیلی آئی: اگست 2025 میں جناب عمران احمد نے جناب مومن آغا کی جگہ لی؛ جنوری 2026 میں جناب مرزا ناصر الدین مشہود احمد نے جناب عمران احمد کی جگہ لی اور فروری 2026 میں جناب عثمان احمد چوہدری نے جناب ظفر عباس کی جگہ لی۔ محترمہ خورشید بھائی میاں کی افسوسناک وفات سے پیدا ہونے والی عارضی نشست کمپنی کے اکثریتی شیئر ہولڈر کی نامزدگی کا انتظار ہونے کے باعث خالی رہی۔

ڈائریکٹرز کے پروفائل

ڈائریکٹرز کی تفصیلی پروفائلز، جن میں ان کا تعلیمی پس منظر، پیشہ ورانہ تجربہ اور دیگر اداروں میں شمولیت شامل ہے، اس سالانہ رپورٹ کے ”پروفائلز آف دی بورڈ آف ڈائریکٹرز“ سیکشن میں فراہم کی گئی ہیں۔

چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار

چیئر مین اور چیف ایگزیکٹو آفیسر (CEO) کا کردار اور ذمہ داریاں واضح طور پر علیحدہ سے متعین ہیں تاکہ مؤثر گورننس اور عملی انتظام یقینی بنایا جاسکے۔

چیئر مین بورڈ کی قیادت اور گورننس امور کی نگرانی کے ذمہ دار ہیں۔ اس میں بورڈ ممبران کا ایجنڈا طے کرنا، تعمیری مباحثوں کو فروغ دینا، اہم فیصلوں پر اجماعی رائے پیدا کرنا اور ڈائریکٹرز کی فعال شمولیت کو یقینی بنانا شامل ہے۔ چیئر مین اس بات کو یقینی بناتے ہیں کہ بورڈ موثر انداز میں کام کرے، اسٹریٹجک طور پر متوجہ رہے اور اپنے ممبران کی مسلسل ترقی کی حوصلہ افزائی کرے۔ اس کے علاوہ چیئر مین، CEO اور منیجمنٹ کی جانب سے پیش کی جانے والی اہم کاروباری پالیسیوں پر ووٹنگ کرواتے ہیں۔ چیئر مین کی رہنمائی میں بورڈ کمپنی کی منافع بخشی، پائیداری اور طویل مدتی ترقیاتی اہداف کی نگرانی کرتا ہے۔

چیف ایگزیکٹو آفیسر (CEO) روزمرہ آپریشنز کے انتظام کے ذمہ دار ہیں، جیسا کہ بورڈ کی رہنمائی اور نگرانی میں طے کیا جاتا ہے۔ CEO بورڈ کی منظور شدہ منصوبہ بندیوں اور پالیسیوں پر عملدرآمد یقینی بناتے ہیں اور کمپنی کے وسائل کا تحفظ کرتے ہیں۔ اس میں یہ امر شامل ہے کہ فنڈز کو مؤثر، کفایتی اور کارآمد طریقے سے استعمال کیا جائے اور تمام قانونی تقاضے پورے ہوں۔

بورڈ کے اجلاس اور کمیٹیاں

بورڈ کمیٹیوں کے دائرہ کار (فرمز آف ریفرنس) کی اہم خصوصیات اس سالانہ رپورٹ کے ”بورڈ کمیٹیاں“ سیکشن میں فراہم کی گئی ہیں۔ مالی سال کے دوران، بورڈ آف ڈائریکٹرز کے 16 اجلاس منعقد ہوئے، جبکہ بورڈ کمیٹیوں کے 44 اجلاس ہوئے۔ ان اجلاسوں میں ڈائریکٹرز کی حاضری کی تفصیلات اس سالانہ رپورٹ کے ”بورڈ اور کمیٹی اجلاسوں میں حاضری“ سیکشن میں پیش کی گئی ہیں۔

سالانہ کارکردگی کا جائزہ

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) ریفرنڈم 2013 کے مطابق، بورڈ کی کارکردگی کا جائزہ وفاقی حکومت کی نگرانی میں لیا جاتا ہے۔ ان ہدایات کے تحت، پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کو مالی سال 2024-25 کے لیے بورڈ اور اس کے ارکان کی کارکردگی کا جائزہ لینے کے لیے شامل کیا گیا۔

کاروباری سماجی ذمہ داری (CSR)

پی پی ایل کاروباری سماجی ذمہ داری (CSR) پروگرام پاکستان کے کارپوریٹ سیکٹر میں سب سے وسیع، متنوع اور دیرینہ CSR پروگراموں میں سے ایک ہے۔ اپنے آغاز ہی سے، پی پی ایل کے ایس آر (CSR) اقدامات نے اعتماد حاصل کیا ہے اور سات دہائیوں سے زائد عرصے سے پورے پاکستان میں پسماندہ آبادیوں کے معیار زندگی کو بہتر بنانے کے لیے کمپنی کے مستقل عزم کا مظاہرہ کیا ہے۔

مالی سال 2025-26 کے دوران، پی پی ایل نے 8.3 ارب روپے کا اپنا اب تک کا سب سے زیادہ سی ایس آر عہدہ دیا، جس میں رعایتی معاہدوں کے تحت 5.1 ارب روپے کا لازمی حصہ بھی شامل ہے۔ اس شراکت کے ذریعے، کمپنی اپنے موجودہ طویل مدتی سی ایس آر منصوبوں کو جاری رکھنے کے ساتھ ساتھ دور دراز کے آپریشنل علاقوں اور بڑے شہری مراکز میں پسماندہ آبادیوں خاص طور پر خواتین، نوجوانوں اور محذور افراد کے لیے ترقیاتی اسکیمیں شروع کرنے کا ارادہ رکھتی ہے۔

پی پی ایل کے بورڈ کا عزم

بورڈ آف ڈائریکٹرز نے یہ لازمی قرار دیا ہے کہ سالانہ قبل از ٹیکس منافع کا کم از کم 1.5 فیصد CSR اقدامات پر خرچ کیا جائے۔ کارپوریٹ سماجی ذمہ داری کو ایک اہم اور مستقل کاروباری فریضے کے طور پر اپنایا گیا ہے، جس میں بورڈ اور انتظامیہ منصوبوں کی تجاویز، ان کے فوائد، نتائج اور طویل مدتی اثرات کا باقاعدہ جائزہ لیتے ہیں۔ یہ طریقہ کار جدت کو فروغ دینے، مقامی اداروں کو مضبوط کرنے اور آپریشنل علاقوں اور پورے معاشرے میں پائیدار ترقی کو یقینی بناتا ہے۔

گورنرس کے اس انداز نے، قیمتی رہنمائی اور فیڈ بیک کی بدولت، پی پی ایل کے سی ایس آر پروگرام کو اپنے دائرہ کار اور اثرات کو وسیع کرنے کے قابل بنایا ہے، جبکہ اپنے اقدامات کو برقرار رکھنے کے لیے موجودہ اور نئے ترقیاتی شراکت داروں کے ساتھ تعلقات کو مزید مضبوط کیا ہے۔

ترجیحی شعبے اور شراکت داروں کے ساتھ تعلق

پی پی ایل کا سی ایس آر پروگرام محروم طبقوں کی امداد کے لیے کوشاں رہتا ہے، بالخصوص ان علاقوں میں جو سندھ، بلوچستان اور پنجاب میں کمپنی کے زیر انتظام سائنس کے قریب میں واقع ہیں، جبکہ کارپوریٹ عطیات پروگرام کے ذریعے بڑے شہری علاقہ مراکز کو لگا تار معاونت بھی فراہم کی جاتی ہے۔

رضا کاراندہ اقدامات: ساہا سال سے، کمپنی نے ضرورت کے تخمینے لگانے اور متعلقہ سی ایس آر منصوبوں کو مرتب و تیار کرنے کے لیے مقامی افراد، عوامی نمائندوں، سرکاری حکام اور نامور مقامی تنظیموں کے ساتھ بھرپور رابطہ رکھا ہے۔ ان اقدامات کو معتبر مقامی اداروں کے ذریعے اور مقامی برادریوں کے تعاون و شرکت کے ساتھ عملی جامہ پہنایا جاتا ہے



تا کہ ان میں خود اعتمادی پیدا ہو۔ یہ معاونت باقاعدہ نگرانی میں بھی معاون ثابت ہوئی ہیں، جس سے شفافیت، موثر عمل اور منصوبوں کے نتائج کے تسلسل کو یقینی بنایا جاتا ہے۔

لازمی اقدامات: سماجی بہبود کی لازمی اسکیموں کے لیے پی پی ایل ریگولیٹری رہنما اصولوں پر سختی سے عمل کرتی ہے، ساتھ ہی داخلی انتظامات بھی کرتی ہے تاکہ فنڈز کا بروقت اور مؤثر استعمال یقینی بنایا جاسکے۔

کمپنی کی CSR سرگرمیوں کی تفصیلات اس سالانہ رپورٹ کے ”کارپوریٹ سوشل ریسپانسیبلٹی“ سیکشن میں فراہم کی گئی ہیں۔

انفارمیشن ٹیکنالوجی گورننس

انفارمیشن ٹیکنالوجی

انفارمیشن ٹیکنالوجی پی پی ایل کی ڈیجیٹل ٹرانسفارمیشن کا ایک اہم ذریعہ رہی، جس نے جدت کو فروغ دیا، گورننس اور سائبر سیکیورٹی کے استحکام کو مضبوط کیا، اور پورے ادارے کی پیداواری صلاحیت کو بڑھایا۔ مصنوعی ذہانت (AI)، انٹرپرائز ایپلی کیشنز، پروسس آٹومیشن، سائبر سیکیورٹی اور افرادی قوت کی صلاحیتوں میں حکمت عملی کے تحت کی جانے والی سرمایہ کاری نے عملی کارکردگی کو بہتر بنایا، درست فیصلے کرنے کے قابل بنایا اور کاروباری استعداد کو بڑھایا۔ مجموعی طور پر، ان اقدامات نے پائیدار قدر کی تخلیق اور کمپنی کے طویل مدتی ترقیاتی مقاصد کو تقویت دی ہے۔

آئی ٹی گورننس سے متعلق مزید تفصیلات اس سالانہ رپورٹ کے ”انفارمیشن ٹیکنالوجی گورننس“ والے سیکشن میں فراہم کی گئی ہیں۔

CYBER SECURITY & RESILIENCE

- ISO 27001 surveillance audit successfully cleared
- Continuous monitoring penetration testing & disaster recovery exercises

IT GOVERNANCE & DIGITAL SKILLS

- ISO 20000 certification achieved for IT Service management
- Digital Skills Uplift Programme (DSUP) & AI Champions network launched

برنس کنٹینیوٹی مینجمنٹ سسٹم (BCMS)

کاروباری تسلسل جاری رکھنے کا نظام

برنس کنٹینیوٹی مینجمنٹ (BCM) پی پی ایل کے عملی استحکام کے فریم ورک کا ایک اہم حصہ رہا، جس نے مشکل یا ہنگامی واقعات کا مقابلہ کرنے اور اہم کاروباری امور کے تسلسل کو برقرار رکھنے میں کمپنی کی صلاحیت کو برقرار رکھا۔

سال کے دوران، کمپنی نے تمام آپریٹنگ فیلڈز اور دفاتر کے لیے کاروباری سرگرمیوں کی بحالی کے منصوبے (BRPs) کی تیاری مکمل کی، جن میں اہم سرگرمیوں کے لیے منظم جوابدہی اور بحالی کا انتظام قائم کیا گیا۔ اپنے کاروباری تسلسل کے انتظام کا نظام (BCMS) کی پختگی اور صلاحیت کو جانچنے کے لیے، پی پی ایل نے 2019:

ISO 22301 کے تقاضوں کے مطابق ایک جامع مطلوبہ اور موجودہ فرق (گیپ ایسٹیمٹ) کے لیے آزاد کنسلٹنٹ کی خدمات حاصل کیں۔ اس جائزے کے نتائج کی روشنی میں، سامنے آنے والے شعبوں کو بہتر بنانے اور BCMS فریم ورک کو مزید مضبوط کرنے کے لیے کمپنی میں ایک اندرونی اصلاح اور بہتری کا پروگرام مکمل کیا گیا۔

کمپنی نے اپنی صلاحیتوں اور آگاہی کو بڑھانے پر بھی توجہ مرکوز کی۔ 8 آپریٹنگ فیلڈز اور دفاتر کے 12 ملازمین کو BCMS لیڈ آڈیٹرز کے طور پر تربیت اور سرٹیفیکیشن دی گئی، جس سے اندرونی جائزوں کو انجام دینے اور مسلسل بہتری کو برقرار رکھنے کی کمپنی کی صلاحیت مضبوط ہوئی۔ اس کے علاوہ، پورے ادارے میں برنس کنٹینیوٹی کے اصولوں اور تیاری کی ذمہ داریوں کو اجاگر کرنے کے لیے آگاہی سیشنز کا انعقاد بھی کیا گیا۔

DIGITAL TRANSFORMATION & INNOVATION (AI)

- Microsoft 365 Copilot & AI productivity tools deployed enterprise-wide
- AI governance framework established for responsible, ethical AI adoption

ENTERPRISE APPLICATION & ERP GOVERNANCE

- SAP S/4 HANA optimization & process automation across business function
- Fortified SAP with advanced security, authentication & encryption

مسلحہ تیاری کی کوششوں کے ایک حصے کے طور پر، ممکنہ ہنگامی واقعات کے دوران ایمرجنسی کمیونٹی کیشن پروسس کی افادیت اور ملازمین کے رد عمل کا اندازہ لگانے کے لیے اوقات کار کے بعد دوبارہ کمپنی سطح پر کال ٹری ٹریفیکیشن ایکسرسائز کی گئیں۔ ان نتائج نے برنس کنٹینیوٹی کی تیاری اور ہنگامی اقدامات کو مزید بہتر بنانے کے لیے مفید صلاحیت فراہم کی۔

مذکورہ اقدامات کی بنیاد پر، کمپنی ISO 22301:2019 سرٹیفیکیشن کے لیے ایک تسلیم شدہ تصدیق کرنے والے ادارے کے ساتھ الحاق کی طرف پیش رفت کر رہی ہے۔ توقع ہے کہ یہ سرٹیفیکیشن پی پی ایل کے برنس کنٹینیوٹی فریم ورک کو مزید مضبوط کرے گی اور اسے بین الاقوامی سطح پر تسلیم شدہ طریقوں کے مطابق بنائے گی۔

کاروباری مہارت

برنس ایکسی لینس فنکشن نے پورے ادارے میں منظم فیصلہ سازی، عمل کی پختگی، کارکردگی میں بہتری، بہترین گورننس اور مسلسل بہتری پر مبنی اقدامات کو فروغ دے کر ادارے کی بہتری کے لیے اپنا تعاون فراہم کرنا جاری رکھا، جس سے کارکردگی کے نظم و ضبط اور پائیدار قدر کی تخلیق کو تقویت ملی۔

سال کے دوران، عملی نکات کی نشاندہی، طریقہ کار کو بہتر بنانے اور مجموعی پروسس کی افادیت کو بڑھانے کے لیے متعدد اہدائی جائزے انجام دیے۔ ان اقدامات نے بہتری کے مواقع سے متعلق مفید بصیرت فراہم کی اور پورے ادارے میں کنٹرولز کو مضبوط کرنے، کارکردگی کو بہتر بنانے اور سروس کی فراہمی کو زیادہ موثر بنانے کے لیے اقدامات پر عمل درآمد میں مدد دی۔

اور ملازمین کی بھرتی میں سرمایہ کاری نے اعلیٰ صلاحیتوں اور زبردست ٹیلنٹ کی نشوونما میں مزید معاونت کی ہے۔

ملازمین کی فلاح و بہبود ایک اہم ترجیح ہے، جس کے لیے صحت اور تندرستی کے جاری اقدامات کا مقصد ایک محفوظ اور موثر کام کی جگہ کو فروغ دینا ہے۔ کمپنی اپنی طے شدہ پالیسیوں کے ذریعے اخلاقی برتاؤ، مساوی مواقع اور ایک پائیدار کام کے ماحول کے لیے اپنے عزم کا مسلسل اعادہ کرتی ہے، تاکہ اس بات کو یقینی بنایا جاسکے کہ تمام ملازمین کے ساتھ منصفانہ اور عزت کے ساتھ سلوک کیا جائے۔

اس سالانہ رپورٹ کے انسانی وسائل کے حصے میں شعبے کی سرگرمیوں اور اقدامات کی مزید تفصیل فراہم کی گئی ہے۔

انسانی وسائل (Human Resources)

پاکستان پیٹرولیم لمیٹڈ میں انسانی وسائل (HR) کا شعبہ کمپنی کے حکمت عملی پر مبنی اہداف کو حاصل کرنے میں مرکزی کردار ادا کرتا ہے، جس کے تحت باصلاحیت افرادی قوت کو متوجہ کرنا، انہیں ترقی دینا اور انہیں برقرار رکھنا شامل ہے۔ ”اپنے ملازمین کو ترجیح دینے“ کے اصول کے تحت یہ شعبہ ایک جامع، کارکردگی پر مبنی روایت کو فروغ دینے کے لیے کوشاں ہے، جو نہ صرف ادارے کی ترقی بلکہ ملازمین کی فلاح و بہبود کو بھی یقینی بناتا ہے۔ یہ کوششیں عمدہ کارکردگی، جدت اور پائیدار قدر کی تخلیق کے لیے کمپنی کے عزم کو تقویت دیتی ہیں۔

کمپنی نے ملازمین سے متعلق اقدامات کو اپنے کاروباری اہداف کے مطابق ادارے کی افادیت کو بہتر بنانے پر اپنی توجہ مرکوز رکھی۔ قیادت کی تربیت، سیکھنے کے پروگراموں

گروپ پر فارمنس

گروپ کے مالیاتی گوشواروں میں مجموعی منافع میں اضافہ ظاہر ہوا۔ 2025-26 میں گروپ کی فروخت سے آمدنی 266,306 ملین روپے ریکارڈ کی گئی جبکہ ٹیکس کے بعد منافع 97,681 ملین روپے رہا، جبکہ 2024-25 میں بالترتیب 244,977 ملین اور 89,949 ملین روپے تھا۔ سال کے دوران، PPLE نے گروپ کی آمدنی میں تقریباً 2,291 ملین روپے کا حصہ شامل کیا۔

ذیلی کمپنیوں کے مختصر پروفاٹا کمپنی کے مجموعی مالیاتی بیانات کے نوٹ 1 میں ذکر کیے گئے ہیں۔

ڈیویڈنڈ پالیسی

کمپنی اپنے شیئر ہولڈرز کو ایک متوازن ڈیویڈنڈ حکمت عملی کے ذریعے قدر فراہم کرنے کے لیے پرعزم ہے جو اس کی منافع، لیکویڈیٹی پوزیشن، اور طویل مدتی ترقی کے امکانات کے مطابق ہو۔

قومی معیشت کے لئے خدمات

آپ کی کمپنی قومی معیشت میں ایک اہم حصہ دار ہے۔ مالی سال 2025-26 کے لیے کمپنی آپریٹنگ اور شراکت داروں کے زیر انتظام فیلڈز سے فروخت ہونے والی قدرتی گیس، تیل اور ایل پی جی کا حصہ توانائی کے لحاظ سے یومیہ 97,000 بیرل تیل کے مساوی تھا، جس کے نتیجے میں درآمدی متبادل کے ذریعے سالانہ غیر ملکی زرمبادلہ کی بچت تقریباً 2.8 بلین امریکی ڈالر ہوئی، بشرطیکہ اوسط خام تیل کی قیمت فی بیرل USD80 فی بیرل ہو۔

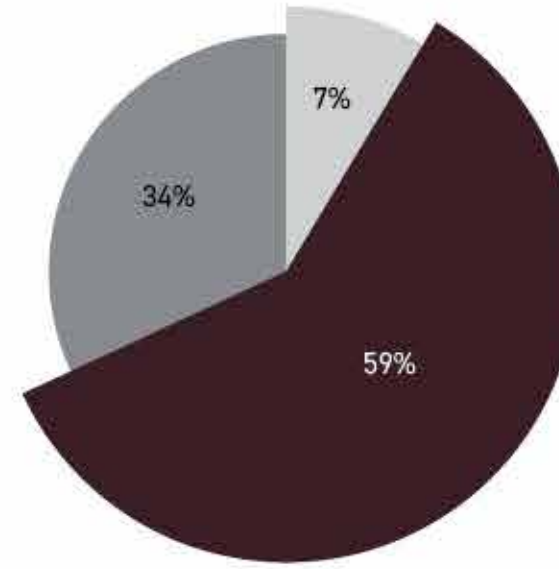
کمپنی نے انکم ٹیکس، رائلٹیز، ری گرانٹ ادائیگیاں، ایکسائز ڈیوٹی، سیلز ٹیکس، ونڈ فال لیوی، پیٹرولیم لیوی، جی ڈی ایس، ڈبلیو پی پی ایف، اور ڈیویڈنڈ کی صورت میں قومی خزانے میں تقریباً 135 ارب روپے کا تعاون کیا۔



پیداوار اور فیلڈز کے لحاظ سے فروخت کی آمدنی کا تجزیہ ذیل میں کیا گیا ہے:

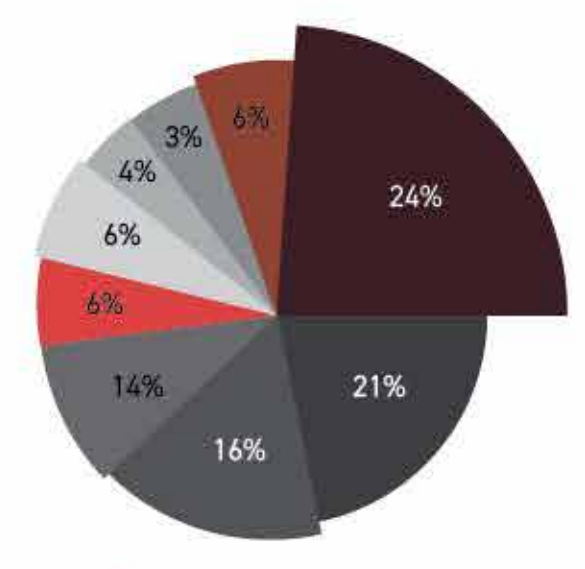
فروخت کا حجم

Product-wise Sales Revenue (2025-26)



● Natural Gas ● Crude Oil / NGL / Condensate ● LPG / Barytes / Iron Ore

Field-wise Sales Revenue (2025-26)



● Tai ● Sul ● Nashpa
● Gambat South ● Adhi ● Kandhkot
● Dhok Sultan ● Shah Bandar ● Others

فروخت کا حجم	یونٹ	30 جون 2025 کو ختم شدہ سال	30 جون 2026 کو ختم شدہ سال
قدرتی گیس	MMscf	171,218	173,818
خام آئل / NGL / کنڈنسٹ	BBL	3,681,519	4,015,545
ایل پی جی	میٹرک ٹن	97,196	102,603
بیرل	میٹرک ٹن	96,459	49,621

بی ایم ای کی جانب سے فروخت ہونے والی بیرل پائڈ اور بیرل پائڈ ڈھات کی کل مجموعی فروخت کا حجم سال کے دوران 102,013 میٹرک ٹن تک پہنچ گیا۔ بی ایم ای کی جانب سے پی پی ایل کو گئی فروخت کو منہا کرنے اور پی پی ایل کے 50 فیصد حصے کو شامل کرنے کے بعد، خالص حجم 49,621 میٹرک ٹن رپورٹ کیا گیا ہے۔

منفعت

کے ساتھ تصفیہ معاہدے کے تحت لیکویڈیٹیڈ (ستھین شدہ) نقصانات کو دیگر آمدنی کے طور پر تسلیم کرنے سے پورا کیا گیا۔

بعد از ٹیکس منافع میں اضافہ اس وجہ سے ہوا ہے کہ پچھلے سالوں کے لیے 8,104 ملین روپے کے پرنٹس کی فراہمی منسوخ ہو گئی ہے، جہاں اس کا اطلاق پانچویں شیڈول اور متعلقہ PCAs میں فراہم کردہ مجموعی ٹیکس کی شرح سے تجاوز کر جاتا ہے، جیسا کہ وفاقی آئینی عدالت پاکستان کے فیصلے کے مطابق ہے۔

اسٹینڈالون (علیحدہ سے) قبل از ٹیکس منافع (PBT) میں 2 فیصد کمی آئی، جبکہ بعد از ٹیکس منافع (PAT) گزشتہ سال کی اسی مدت کے مقابلے میں 7 فیصد سے زیادہ بڑھا۔ PBT میں بنیادی طور پر افراط زر کے اثرات کی وجہ سے زیادہ آپریٹنگ اخراجات اور سود کی شرحوں میں کمی کی وجہ سے دیگر آمدنی میں کمی کی وجہ سے کمی آئی۔ اسی مدت کے دوران، دیگر آمدنی زیادہ رہی، جس کی وجہ سے PPLA میں سرمایہ کاری اور مل میں آگ کے واقعے کے خلاف وصول ہونے والے انشورنس کلیم پر ہونے والے نقصان کی واپسی تھی۔

قبل از ٹیکس منافع میں کمی کو جزوی طور پر کوہان اور مرگند بلاکس میں بالترتیب 12.5 فیصد اور 2.5 فیصد کاروباری شراکت کی فارم آؤٹ سے پیدا ہونے والی سابقہ لاگتوں کی وصولی، آف شور انڈس-سی بلاک میں 65 فیصد حصہ داری کے ساتھ ساتھ EPCC ٹھیکیداروں

مالی جائزہ (FINANCIAL OVERVIEW)

ڈائریکٹر موجودہ سال کے لیے درج ذیل منافع کی تخصیصات تجویز کرتے ہیں:

	2025-26 Rs. Million	2024-25 Rs. Million
Profit before Taxation	136,699.307	139,082.519
Taxation	(38,166.009)	(47,055.069)
Profit after Taxation	98,533.298	92,027.450
Unappropriated profit as at July 1, 2025 / 2024	607,667.484	537,603.199
Dividend Equalisation Reserve as at June 30, 2026 / 2025	2,535.354	2,535.354
Appropriations during the year	708,736.136	632,166.003
Final dividend for the year 2024-25 on ordinary shares @ 25% (2023-24: 25%)	(6,802.433)	(6,802.433)
First interim dividend for the year 2025-26 on ordinary and preference shares @20% (2023-24: 25%)	(5,441.967)	(5,441.967)
Second interim dividend for the year 2025-26 on ordinary shares @ 20% and preference shares @ 10% (2024-25: ordinary shares @ 20% and preference shares @ 10%)	(5,441.956)	(5,441.956)
Third interim dividend for the year 2025-26 on ordinary shares @ 20% (2024-25: 10%)	(5,441.946)	(2,720.973)
Other Comprehensive Income / (loss)	(920.295)	(1,555.836)
Balance as at June 30, 2026/2025	684,687.539	610,202.838
Subsequent Effects		
The Board of Directors of the Company in its meeting held on September 14, 2026, proposed the following:		
Final dividend on ordinary shares @ 60% (2024-25: 25%)	16,325.839	6,802.433
	16,325.839	6,802.433

فروخت سے آمدن

پیداوار کی مرہون منت ہے۔ مزید برآں، کندھ کوٹ سے GENCO-II کی بڑھتی ہوئی گیس کی فراہمی نے فروخت کے حجم میں مثبت کردار ادا کیا۔ جس نے سوئی، آدبی اور کیرتھر فیلڈز سے قدرتی تیل کی وجہ سے فروخت میں ہونے والی کمی کو کوثر دی طور پر زائل کیا ہے۔

فروخت سے آمدن میں گزشتہ سال کے مقابلے میں 21,499 ملین روپے کا اضافہ ہوا۔ یہ اضافہ نمایاں طور پر مثبت قیمت میں 12,997 ملین روپے کے اضافے اور 8,502 ملین روپے کی مثبت حجم کے تغیر کی وجہ سے ہے۔

قیمت میں مثبت تغیر بین الاقوامی خام تیل کی قیمتوں میں گزشتہ سال اوسط فی بیرل USD74 سے موجودہ سال میں فی بیرل USD80 کے اضافے کی وجہ سے ہے۔

حجم میں مثبت تغیر بنیادی طور پر گیس کی زیادہ فروخت کے باعث ہے جو شاہ بندر، گمبٹ ساؤتھ، ڈھوک سلطان، بھپا اور ٹس فیلڈز کے دریافت شدہ کنوؤں سے حاصل ہونے والی

معیار، صحت، حفاظت اور ماحول (QHSE)

پی پی ایل اپنی تمام تر سرگرمیوں میں کوالٹی، صحت، سیفٹی اور انوائرنمنٹ (QHSE) کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ اپنے مخصوص QHSE شعبے کے ذریعے، کمپنی مضبوط حکمت عملی، طریقہ کار اور منجمنٹ سسٹم تیار اور نافذ کرتی ہے جو ایک محفوظ اور صحت مند کام کی جگہ، ماحولیاتی تحفظ، اور بہترین انتظامی کارکردگی کو فروغ دیتے ہیں۔ یہ فنکشن متعلقہ قانونی ضروریات، صنعتی معیار اور کمپنی کے QHSE مقاصد کی پاسداری کے لیے ماہر اندر رہنمائی اور ضمانت بھی فراہم کرتا ہے، جس سے حفاظت کی مضبوط روایت اور ذمہ دارانہ کاروباری طریقہ کار کو تقویت ملتی ہے۔

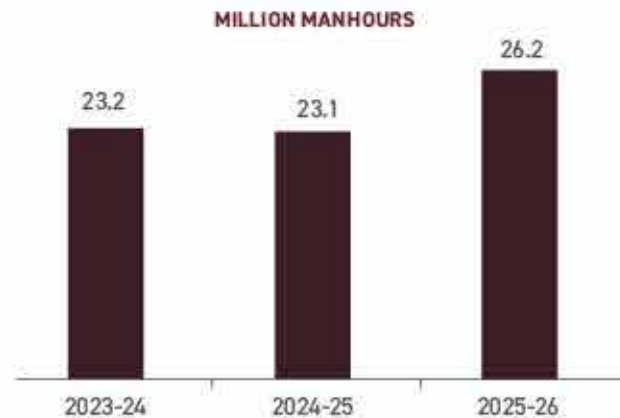
پالیسی اور گورننس فریم ورک

پی پی ایل اپنے آپریٹرز کے تمام پہلوؤں میں QHSE کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پوری طرح پرعزم ہے۔ جیل و گیس کے شعبے میں صف اول کی دریافتی و پیداواری کمپنی کے طور پر، ہم اپنے کاروبار کے ہر پہلو میں QHSE اقدار کو اپناتے ہوئے عملے کی حفاظت، ماحولیات کے تحفظ اور ان مقامی آبادیوں کی فلاح و بہبود کو یقینی بناتے ہیں جہاں ہم کام کرتے ہیں۔

مربوط کیونچ ایس ای پالیسی اور پی پی ایل کی بنیادی اقدار کو ویب سائٹ <https://www.ppl.com.pk/> سے ملاحظہ کیا جاسکتا ہے۔

کلیدی کارکردگی کے اشاریے (KPIs)

کمپنی نے رپورٹنگ کی ایک مضبوط روایت کو برقرار رکھا، جس کے تحت سال کے دوران 2,000 سے زائد خطرات کی نشاندہی کی گئی۔ اعلیٰ سطح کی افرادی قوت کی شمولیت نے کام کی جگہ پر موجود خطرات کی بروقت نشاندہی، ان کے ازالے اور احتیاطی حفاظتی نظام کو تقویت دی۔





سال کے دوران، کمپنی نے اپنی پائیداری رپورٹنگ کے فریم ورک کو مزید مضبوط کیا ہے اور پہلی بار IFRSS1 (پائیداری سے متعلق مالیاتی معلومات افشا کرنے کے عمومی تقاضے) اور IFRSS2 (آپ وہاں سے متعلق افشائات) کے مطابق معلومات پیش کر رہی ہے۔ یہ قدم شراکت داروں کے لیے پائیداری سے متعلق معلومات کی افادیت، تسلسل اور شفافیت کو بڑھانے کی طرف ایک اہم پیش رفت ہے۔

آئندہ بھی، پی پی ایل قابل اطلاق تقاضوں، بین الاقوامی بہترین طریقہ کار اور اسٹیک ہولڈرز کی توقعات کے مطابق اپنی ESG حکمت عملی اور رپورٹنگ کے طریقوں کو مزید بہتر بنانا جاری رکھے گی۔ پی پی ایل کی ESG پالیسیوں، اقدامات اور رسک مینجمنٹ کے طریقوں کے بارے میں جامع تفصیلات اس سالانہ رپورٹ کے ESG پائیداری، CSR، اور QHSE سیکشنز میں فراہم کی گئی ہیں، ڈائریکٹرز کی رپورٹ میں گورنرس کے پہلوؤں کا احاطہ کیا گیا ہے۔

قائم ہے۔ بورڈ ماحولیاتی، سماجی اور گورننس کمیٹی ESG انتظام کو طویل مدتی چلک، پائیدار قدر کی تخلیق اور معاشرے میں باہمی شراکت کے لیے ضروری سمجھتی ہیں۔

ماحولیات کے حوالے سے، پی پی ایل وسائل کے موثر استعمال، پائیدار طریقوں کو اپنانے اور عالمی موسمیاتی حالات کے مطابق ماحولیاتی ذمہ داری کو فروغ دینے والی اختراعات کے لیے تعاون کے ذریعے اپنے اثر کو کم کرنے کے لیے کام کر رہی ہے۔ آپ وہاں سے متعلق خطرات اور مواقع کو منظم طریقے سے ہماری حکمت عملی کے تحت منصوبہ بندی میں شامل کیا جاتا ہے۔

سماجی نقطہ نظر سے، ہم ایک متنوع، جامع اور مساوی کام کی جگہ کو فروغ دینے کے لیے وقف ہیں جو منصفانہ محنت کے طریقوں، انسانی حقوق کے تحفظ اور کمیونٹی کی ترقی پر مبنی ہے۔ ہمیں یقین ہے کہ یہ وعدے ہمارے کاروباری کلچر کو بڑھاتے ہیں اور شراکت داروں کے اعتماد کو مزید گہرا کرتے ہیں۔

شفافیت، جوابدہی اور اخلاقی برتاؤ کے ساتھ فیصلہ سازی کی رہنمائی سے مضبوط حکمرانی ہمارے نقطہ نظر کو تقویت دیتی ہے۔ ESG کے تحفظات کو ہمارے انٹرپرائز رسک مینجمنٹ فریم ورک میں ضم کر دیا گیا ہے، جو ابھرتے ہوئے چیلنجز کے لیے تیاری کو یقینی بناتا ہے۔

ریزرو مینجمنٹ (ذخائر کی انتظام کاری)

سال کے دوران ہائیڈرو کاربن کے ذخائر پر نظر ثانی، اضافے اور پیداوار کی بنیاد پر، کمپنی کا 2P ذخائر کی تجدید کا تناسب (RRR) 102% ہے، جو اس بات کی نشاندہی کرتا ہے کہ پیداوار کو 2P ذخائر کی بنیاد میں مکمل طور پر تبدیل کر دیا گیا ہے۔ اضافے اور نظر ثانی کی بدولت 2P ذخائر میں 242 BCFe کا اضافہ کیا، جس سے ذخائر کے ابتدائی توازن میں اضافہ ہوا۔

نئی دریافتوں کے نتیجے میں اہم اضافے بنیادی طور پر تاشیا میں بارگزی X-01، ڈھوک سلطان بلاک میں ڈھوک سلطان-3 اور ٹل میں ہلنگ-1 کی بدولت ممکن ہوئے، نیز اس میں کندھ کوٹ ویسٹ HRL ریزرو انکشاف بھی شامل ہے۔ ان اضافوں میں گہمت ساؤتھ (حاتم-بھاری سینڈ ڈپ) اور نوشہرہ فیروز میں پہلے سے تسلیم شدہ ممکنہ وسائل کے ذخائر میں دوبارہ درجہ بندی بھی شامل تھی۔

سوئی اور کندھ کوٹ کی کارکردگی کی بنیاد پر کی جانے والی حتمی نظر ثانی کو ٹل بلاک کے مارم رز کی اور مردان خیل فیلڈز میں ہونے والی مثبت نظر ثانی نے جزوی طور پر متوازن کر دیا۔

کمپنی کے پاس تقریباً 1.2 TCFe کے سٹارٹ کن وسائل موجود ہیں، اور وہ اپنے طویل المدتی ترقیاتی منصوبے کو تقویت دینے کے لیے انہیں ذخائر میں تبدیل کرنے کی کوششیں جاری رکھے ہوئے ہے۔

سب سرفیس ٹیکنالوجی اور معاون سروسز

کمپنی کے سائزنگ ڈیٹا پروسیسنگ سینٹر (SDPC) کے کمپیوٹنگ، اسٹوریج اور انجینئرنگ کے بنیادی ڈھانچے کو بڑی حد تک اپ گریڈ کیا گیا، جس نے اس کی سائزنگ ڈیٹا پروسیسنگ کی اندرونی صلاحیتوں کو بہت مضبوط کیا۔ اس بہتری نے پروسیسنگ کی صلاحیت کو تقریباً 500 مربع کلومیٹر سے بڑھا کر 3,000 سے 4,000 مربع کلومیٹر کے ڈیٹا سٹیس تک پہنچا دیا، جس سے آن شور اور آف شور سائزنگ ڈیٹا کی پروسیسنگ زیادہ واضح، تیز رفتار اور کم لاگت کے ساتھ ممکن ہوئی۔

اس اپ گریڈیشن کے بعد، گہمت ساؤتھ 3D ٹیسٹ پروسیسنگ پروجیکٹ کامیابی سے مکمل ہوا، جس نے سائزنگ ڈیٹا کی کوالٹی میں نمایاں بہتری کا مظاہرہ کیا۔ ان نتائج کی بنیاد پر، گہمت ساؤتھ جو آکٹ وینچر نے 2,600 مربع کلومیٹر کا 3D میجمرج ری پروسیسنگ پروجیکٹ پی پی ایل کے SDPC کو تفویض کیا، جو فی الوقت جاری ہے۔

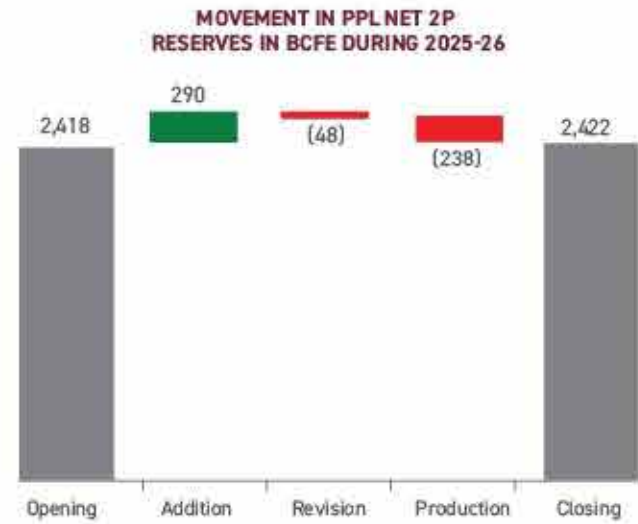
یہ پیش رفت انتظامیہ کے وژن اور ٹیکنیکی ٹیم کی ان کوششوں کی عکاس ہے جو ایک پائیدار اور بین الاقوامی معیار کے مطابق اپنی سائزنگ ڈیٹا پروسیسنگ کی صلاحیت پیدا کرنے کے لیے کی جا رہی ہیں۔

اس کے ساتھ ساتھ، پی پی ایل کی کوریپرائزری نے ریزرو انکشاف اور انتظامی فیصلوں میں معاونت کے لیے کور اور ڈیجیٹل ٹکنگ ٹیم کی کابروقت اور موثر طریقے سے کیمیائی اور جیو کیمیائی تجزیہ فراہم کرنا جاری رکھا۔

ریزرو انکشاف گروپ

ریزرو انکشاف گروپ کا شعبہ مربوط سب سرفیس اسٹڈیز کے ذریعے 3D ریزرو انکشاف اور جدید ریزرو انکشاف کرکٹرائزیشن سے فائدہ دیتا ہے۔ سال کے دوران، اس شعبے نے ہالہ بلاک میں آدم فیلڈ اور شاہ بندر بلاک میں چینی فیلڈ کے لیے اندرونی 3D ریزرو انکشاف سولیشن اسٹڈی مکمل کئے، جس سے ریزرو انکشاف کی کارکردگی کی سمجھ بوجھ میں اضافہ ہوا اور پیداوار کو بہتر بنانے اور ذخائر میں اضافے کے مواقع کی نشاندہی ہوئی۔

پی پی ایل کے ESG اقدامات کی معاونت میں، اس شعبے نے سوئی میں Pab فارمیشن اور گہمت ساؤتھ میں رنی کوٹ فارمیشن میں کاربن کپچر اینڈ اسٹوریج (CCS) کی صلاحیت حاصل کرنے کے لیے ٹیکنیکی فریم ورک اسٹڈیز بھی انجام دیں۔ ان اسٹڈیز نے کاربن ڈائی آکسائیڈ (CO2) کی طویل مدتی ذخیرہ اندوزی کے لیے سب سرفیس فارمیشنز کی موزونیت کا جائزہ لیا، جو گرین ہاؤس گیسوں کے اخراج کو کم کرنے کی کمپنی کی کوششوں میں معاون ہے۔



پائیداری (SUSTAINABILITY)

بورڈ آف ڈائریکٹرز پی پی ایل کی حکمت عملی اور کاروباری امور کی انجام دہی پر مبنی فریم ورک میں ماحولیاتی، سماجی، اور گورننس (ESG) اصولوں کو اپنانے کے لیے پختہ عزم پر

- پروڈکشن کنٹینر (پیداواری مرسلے) کے آپریٹر ہونے کی حیثیت سے ADNOC آف شور نے FEED اسٹڈی شروع کر دی ہے۔ توقع ہے کہ FEED اسٹڈی سے منصوبے پر عمل درآمد کی اہم بنیادوں کو قائم اور بہتر بنانے کے ساتھ ترقیاتی لاگت اور شیڈول کا اندازہ ہوگا، اس کی تکمیل کا ہدف اگلے سال رکھا گیا ہے۔
- سال کے دوران، پی پی ایل نے PIOL میں 100 ملین ڈالر کی اپنی فنڈنگ کی ذمہ داری مکمل کر لی ہے۔ پی پی ایل اس سے قبل ایکسپلوریشن اینڈ پروڈکشن کنٹینر میں پی پی ایل کی ذمہ داریوں کے بدلے حیرت کینی خاصیتیں فراہم کر چکی ہے۔

پاکستان منرلز پرائیویٹ لمیٹڈ (معاون کمپنی)

- کمپنی OGDCL اور GHPL (مجموعی طور پر SOEs)، ریکوڈک پراجیکٹ میں 25% بالواسطہ حصہ رکھتی ہیں (ہر ایک کا حصہ 8.33%)۔
- دوران سال 10 ستمبر 2025 کو منعقدہ غیر معمولی عمومی اجلاس میں شیئر ہولڈرز نے پروجیکٹ کے لیے کمپنی کی فنڈنگ کی برائے نام حد کو 398 ملین امریکی ڈالر سے بڑھا کر 715 ملین امریکی ڈالر کرنے کی منظوری دی۔
- سال کے دوران، ہیرک مائننگ کارپوریشن (آپریٹر) نے اعلان کیا کہ وہ خطے میں سیکورٹی کی صورتحال سمیت پروجیکٹ کے تمام پہلوؤں کا جائزہ لے رہی ہے۔ اپریل 2026 میں، آپریٹر نے بتایا کہ ابتدائی جائزہ کے بعد ہیراک ترقیاتی کاموں کی رفتار جیسی کرنے اور پروجیکٹ کے جائزے کی مدت بڑھانے کو ضروری سمجھتی ہے۔ یہ جائزہ فی الوقت جاری ہے اور اس میں سرمائے کی ضروریات، پروجیکٹ فنانسنگ، پروجیکٹ اسکوپ اور مدت کا جامع اندازہ میں احاطہ کیا جائے گا۔ ہیراک کی جانب سے یہ خدشہ ظاہر کیا گیا ہے کہ منصوبے کی قیمتی لاگت اور مدت میں تبدیلیاں آسکتی ہیں۔
- انجینئرنگ، پروکیورمنٹ، ابتدائی تعمیرات اور بنیادی ڈھانچے کی سہولیات سے متعلق اہم امور پر کام جاری ہے۔ تاہم، ازسرنو جائزے کے اعلان کے بعد ترقیاتی سرگرمیوں کی رفتار سست ہو گئی ہے۔

ریکوڈک منصوبہ

آمدنی کے متبادل ذرائع کی ترقی اور پھیلاؤ

کمپنی نے منرل پروجیکٹس کی ترقی اور اعلیٰ مواقع کی تلاش کے ذریعے اپنی تنوع کی حکمت عملی کو آگے بڑھانا جاری رکھا۔ سال کے دوران اہم پیش رفت درج ذیل ہے:

- ہیرٹ، لیڈ اور زنک (BLZ) پروجیکٹ کے لیے ایک پروجیکٹ مینجمنٹ کنسلٹنٹ کو شامل کیا گیا ہے اور انجینئرنگ، پروکیورمنٹ، تعمیر اور تنصیب کے مرحلے کی ابتدائی تیاریاں جاری ہیں۔
- نوکنڈی، چاقی جلیٹ میں چین کوہ اور چین دکن وک لوہے کی دھات کے منصوبوں کی تفصیلی فیزیکی اسٹڈیز کے لیے بھی منصوبہ بندی جاری ہے۔
- پی پی ایل کوٹلیں چاقی، بلوچستان میں ایکسپلوریشن لائسنس 331-EL کی منظوری کا آخری موصول ہوا ہے، جو کچھ شرائط کی تکمیل سے مشروط ہے۔ دیگر درخواستیں حکومت کے زیر جائزہ ہیں۔
- کمپنی خیر پختونخوا میں اپنے منرل پورٹ فولیو کو وسعت دینے کے لیے ایکسپلوریشن لائسنس کے حصول کے لیے بھی کوشاں ہے۔
- سال کے دوران ویکان ایکسپلوریشن ورکس کے زیر انتظام EL-207 میں دریافتی سرگرمیاں جاری رہیں۔

معدنیات

اہم مالی اخراجات کے لیے کاروباری حکمت

کمپنی کا سالانہ سرمایہ کاری پروگرام اور اس کے اہم منصوبوں کو کمپنی کی ترجیحی حکمت عملی اور ویلیو ایڈیشن فریم ورک کے عین مطابق منظور کیا گیا۔ اس پروگرام کو آپریٹل ضروریات اور طویل مدتی قدر کی تخلیق کو بہتر کرنے کے لیے ترتیب دیا گیا تھا، جس میں سرمائے کے اخراجات کی تجاویز کا جائزہ قائم شدہ منظوری کے عمل کے ذریعے لیا گیا تاکہ وسائل کی مناسب تقسیم کو یقینی بنایا جاسکے۔

سال کے دوران اخراجات میں دریافتی اور پیداواری کھدائی، سائزنگ ڈیٹا کے حصول کے امور، کنوئس کی بہتری کے کام، اہم آلات کی خریداری، گیس پروسیسنگ کی سہولیات، بڑے اور بانگ، سولر سسٹم کی تنصیب، پائپ لائن کی تبدیلی، پینل فیلڈز میں قدرتی طور پر ذخائر کی کمی سے نمٹنے کے لیے کپریٹیشن کی سہولیات، اور سائٹ کے بنیادی ڈھانچے کو اپ گریڈ کرنا شامل ہیں۔ ان اقدامات کا جائزہ ان کی حکمت عملی کی اہمیت، آپریٹل ضروریات اور متوقع معاشی فوائد کو مد نظر رکھتے ہوئے لیا گیا۔

کمپنی نے سال کے دوران بہترین وصولیوں کی بدولت لیکونڈی پوزیشن کو مستحکم رکھا۔ ورک پروگرام کے لیے دستیاب وسائل اور فنڈنگ کی ضروریات کا جائزہ بجٹ کو حتیٰ شکل دینے کے عمل کے حصے کے طور پر لیا گیا، جبکہ سرمائے کی تخصیص کا تعین انفرادی تجاویز کی ترجیح، معاشی افادیت اور متوقع فائدے کی بنیاد پر کیا گیا۔

اہم منصوبے اور توسیع

کمپنی نے اپنے پورٹ فولیو کو وسعت دینے اور متنوع بنانے کے مواقع کی تلاش جاری رکھی، جن میں اہم منصوبوں میں خافر گیس پروسیسنگ فیسٹیٹی، حاتم گیس دریافت کی تجارت سازی اور سجاد گیس پروسیسنگ فیسٹیٹی کی اپ گریڈیشن شامل ہیں۔

یومیہ 60 ایم ایم ایس سی ایف کی خافر گیس پروسیسنگ فیسٹیٹی کو مقدمے بازی اور سائٹ تک رسائی کی رکاوٹوں کے باعث تاخیر کا سامنا تھا، اب تقریباً 80 فیصد مکمل ہو گئی اور عمل درآمد کے اگلے مرحلے میں داخل ہو گئی۔ خریداری اور مخصوص آلات کی تنصیب کے چیلنجز کے باوجود، مؤثر پروجیکٹ ایگزیکوشن اور اسٹیک ہولڈرز کے درمیان بہترین رابطہ کے ذریعے پیش رفت برقرار رہی۔

حاتم گیس دریافت کے لیے تجارتی منصوبے بھی "بلڈ-آپریٹ-منجین" ماڈل کے تحت ممبرین پرمی CO₂ کو دور کرنے والے سلوشن کو اپناتے ہوئے آگے بڑھے، جس کا مقصد کم BTU اور زیادہ CO₂ والے وسائل کی صلاحیت سے فائدہ اٹھانا ہے۔

شچی دریافت کے لیے، سجاد گیس پروسیسنگ فیسٹیٹی کی اپ گریڈیشن سے موجود بنیادی ڈھانچے کا استعمال کرتے ہوئے تقریباً یومیہ 30 ایم ایم ایس سی ایف کی پروسیسنگ صلاحیت کا اضافہ متوقع ہے، جو سرمائے کی بچت اور شاہ بندر جوائنٹ وینچر کے لیے طویل مدتی فائدے کے حصول میں معاون ثابت ہوگا۔

دیگر اہم منصوبوں میں PMPL کے ذریعے ریکوڈک پروجیکٹ PIOL کے ذریعے ایونٹپی میں آف شور بلاک BME5 کے ذریعے ہیرٹ، لیڈ اور زنک پروجیکٹ اور گھٹ ساؤتھ میں 100PSI کپریٹیشن فیسٹیٹی شامل ہیں۔



کمپنی کی ذیلی اور ایسوسی ایٹ کمپنیاں پی پی ایل یورپ E&P لمیٹڈ (ذیلی کمپنی)

اپریل 2015 سے یمن میں سنگین سیوریجی صورتحال کے سبب بلاک مجبوراً بند ہے۔	بلاک 3- یمن آپریٹر: ٹوٹل انرجیز EP یمن
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- ہر تائی اور زیارت بلاکس میں گریوینی اینڈ میکینک (G&M) ڈیٹا کے حصول کے انتظامات کو حتمی شکل دی گئی۔ ہر تائی میں G&M ڈیٹا حاصل کرنے کا کام فی الوقت جاری ہے۔ - ہر تائی اور زیارت بلاکس میں 2D سائزنگ ڈیٹا کے حصول کے لیے سیکورٹی انتظامات سمیت دیگر تیاریاں جاری ہیں۔ - بلاک میں پی پی ایل یورپ کے کاروباری حصے کو پی پی ایل (PPL) کو فارم آؤٹ (فروخت/انتقل) کرنے کے لیے کارپوریٹ منظوری حاصل کر لی گئی ہے۔ متعلقہ ریگولیٹری حکام کی منظوری کا انتظار ہے۔	ہر تائی آپریٹر: ماری انرجیز
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- بولان ایسٹ-1 ایریا کے لیے ڈیو پلنٹ اینڈ پروڈکشن لیز (D&PL) منظوری کی گئی۔ - پیداواری کنومیں بولان ایسٹ-2 سے پیداوار کا آغاز ستمبر 2025 میں ہوا۔ - زیارت میں گریوینی اینڈ میکینک (G&M) ڈیٹا کے حصول کا کام اگلے سال ہر تائی کے بعد شروع ہوگا۔ - پیداواری کنومیں بولان ایسٹ-3 اور ایک اضافی دریافتی کنومیں کے لیے تجنید لگانے کا کام جاری ہے۔ - زیارت کے ایکسپلوریشن لائسنس میں پی پی ایل یورپ کا حصہ پی پی ایل کو منتقل کرنے کے لیے کارپوریٹ منظوری حاصل کر لی گئی ہے۔ متعلقہ ریگولیٹری حکام کی منظوری کا انتظار ہے۔	زیارت آپریٹر: ماری انرجیز
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PPL ایسٹ E&P.B.V. (ذیلی کمپنی)

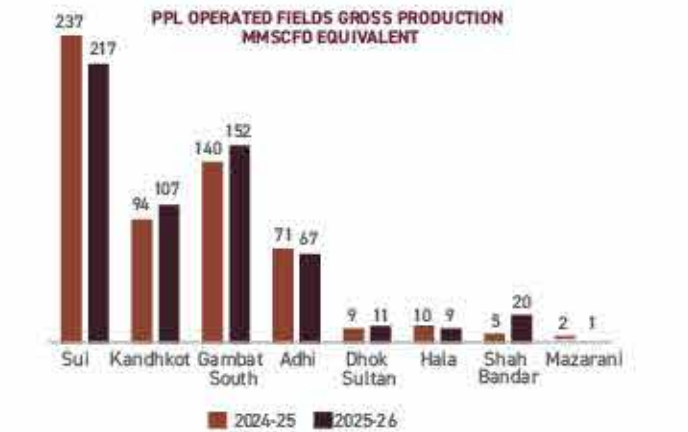
- بلاک 8 سے متعلق تمام معاملے حل کر لیے گئے ہیں اور اسے باضابطہ طور پر ختم کر دیا گیا ہے۔ - کمپنی عراق میں ممکنہ مواقع کی تلاش جاری رکھے ہوئے ہے۔	بلاک 8، عراق
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پاکستان انٹرنیشنل آئل لمیٹڈ (ایسوسی ایٹ)

- ایکسپلوریشن جریڈ-1 کی تکمیل کے بعد، آف شور بلاک-5 ایکسپلوریشن جریڈ-2 میں داخل ہو گیا ہے۔ - سال کے دوران، بلاک کی سطح پر متوقع امکانات کے تخمینہ نے باقی ماندہ دریافتی امکانات اور مواقع کی فہرست کو مزید بہتر اور واضح کیا۔ - دیگر معاونتی مطالعہ جات، بشمول اسٹرکچرل ماڈلنگ، 3D پیٹرولیم سسٹم ماڈلنگ، اور سائزنگ ایجنٹ بھی مکمل کر لی گئی۔ - تین دریافتی ذخائر (بودانہ، البلین اور کھمبل) کے لیے اسٹیک اور ڈائنامک فیلڈ ڈیو پلنٹ پلان (FDP) ریزروائر ماڈل کو پی آئی او ایل (PIOL) کی جانب سے کھوئے ہوئے تجویزاتی کنومیں کے نتائج شامل کرنے کے لیے اپ ڈیٹ کیا گیا، - ADNOC اپ سٹریم نے ان کا جائزہ لے کر توثیق کی، اور انہیں ADNOC آف شور کے حوالے کر دیا گیا۔ فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) اسٹڈی اور عمل درآمد کی پلاننگ کو تقویت دینے کے لیے سال کے دوران انٹرسرکچرل تجویزاتی اور ریزروائر ماڈل کی بہتری کا کام جاری رہا۔	آف شور بلاک 5، ابوظہبی
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- گمبٹ ساؤتھ فیلڈ میں فیض X-1 کی پیداوار کو فروخت کے لیے دستیاب کرنے اور GPF-II کی صلاحیت میں اضافے کے ذریعے پیداوار میں بہتری لائی گئی۔
- ظافر/جی پی ایف-III کی تعمیر کا کام 80 فیصد مکمل ہو گیا۔
- گمبٹ ساؤتھ میں دریافتی کنومیں حاتم کی گیس SSGCL کو فروخت کرنے کی منظوری مل گئی ہے، جس سے اس گیس کو تجارتی استعمال میں لانے کا راستہ ہموار ہو گیا۔
- تچی X-1 دریافت سے پیداوار شروع ہونے کے باعث شاہ بندر کی پیداوار میں اضافہ ہوا، جسے حجم ایسٹ X-1 دریافت سے حاصل ہونے والے پیداواری حجم سے تقویت ملی۔ مزید برآں، سال کے دوران تچی-2 کی کھدائی اور گیس پروسیسنگ کی سہولیات کی اپ گریڈیشن کے لیے تیاریاں جاری رہیں۔
- مزارانی فیلڈ کی معاشی/منافع کے لحاظ سے کم از کم حد تک پختے کے بعد اس سے پیداوار بند ہو گئی ہے۔
- آدنی فیلڈ کے لیے 13 نومبر 2024 سے آئندہ 12 سال کے لیے ڈیو پلنٹ اینڈ پروڈکشن لیز منظوری کی گئی۔
- ڈھوک سلطان X-1 کے لیے 25 نومبر 2025 سے آئندہ 11 سال کے لیے ڈیو پلنٹ اینڈ پروڈکشن لیز منظوری کی گئی۔

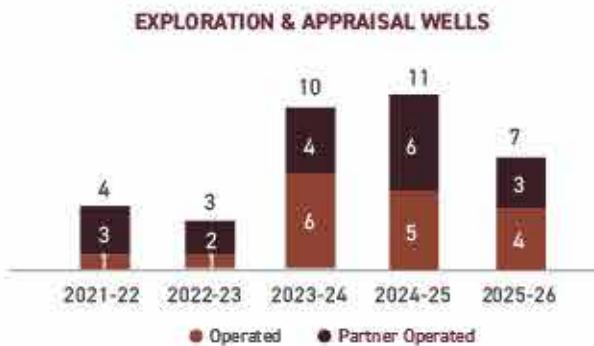
آپریٹڈ اور پارٹنر آپریٹڈ بلاکس میں دریافت کے اہم پروگراموں کی بلاک وار تفصیلات اس سالانہ رپورٹ کے 'دریافتی سرگرمیوں' کے سیکشن میں شامل کی گئی ہیں۔



دریافتی سرگرمیاں

اہم جھلکیاں

- پی پی ایل آپریٹڈ بلاکس میں 4 دریافتی اور تجویزاتی کنومیں کی کھدائی کی گئی، جبکہ پارٹنر آپریٹڈ بلاکس میں 3 کنومیں کی کھدائی شروع کی گئی۔
- پی پی ایل آپریٹڈ بلاکس میں 2 نئی دریافتیں ہوئیں: ڈھوک سلطان بلاک میں 'ڈھوک سلطان-3' اور کندھ کوٹ میں 'X-1'۔



موجودہ سال کی پیداوار کا گزشتہ سال سے تقابلی جائزہ (پی پی ایل کا حصہ)

2025-26	2024-25	
208,787	204,853	قدرتی گیس (ملین مکعب فٹ)
4,077	3,692	خام تیل / NGL / کنڈنسٹ (ہزار بیرل)
103,528	97,067	ایل پی جی (میٹرک ٹن)

زیر جائزہ سال کے دوران، جوائنٹ آپریشنز سمیت، کمپنی کی اوسط پیداوار یومیہ تقریباً 572 ایم ایم ایس سی ایف قدرتی گیس، یومیہ 11,171 بیرل مائع اور یومیہ 284 میٹرک ٹن ایل پی جی رہی۔

کمپنی کے بڑے صارفین میں سوئی سدرن گیس کمپنی لمیٹڈ، سوئی نارڈن گیس پائپ لائنز لمیٹڈ، سینٹرل پاور جنریشن کمپنی لمیٹڈ اور انک ریٹائزنگ لمیٹڈ شامل ہیں۔

پیداواری کنونٹیں

کمپنی نے مالی سال کے دوران چار پیداواری کنونٹیں کھودے، جوئل، مہانور اور کیرتھر کے پارنٹر آپریٹڈ علاقوں میں واقع تھے۔ ان سرگرمیوں سے پیداواری فیملڈز کی صلاحیت بہتر ہونے کی توقع کی جاتی ہے۔



اہم جھلکیاں: پیداواری فیملڈز

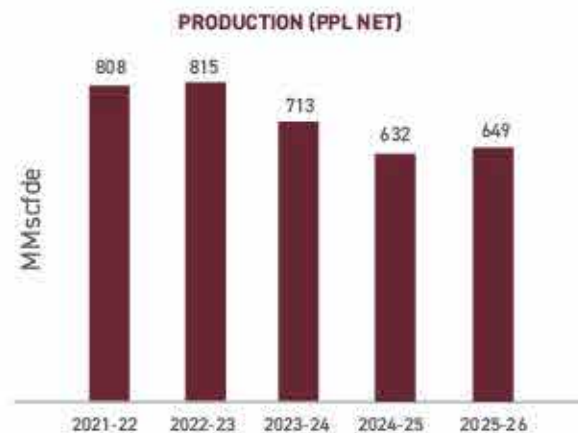
- سوئی فیملڈ کی پیداوار میں کمی کی بنیادی وجہ قدرتی تنزل کے ساتھ ساتھ سال کی پہلی ششماہی میں LNG کے بیک پریشر کے باعث SNGPL کی جانب سے کم خریداری رہی۔ قدرتی تنزل میں کمی کی تلافی جزوی طور پر ایسڈ انٹیولیشن پرفورمیشن، اور سطحی رکائوں کو دور کرنے کے اقدامات کے ذریعے کی گئی۔
- سوئی ڈیولپمنٹ اینڈ پروفیکشن لیز (D&PL) میں لاگو قواعد و ضوابط کے مطابق 1 جون 2025 سے دو سال کی توسیع کی گئی۔
- کندھ کوٹ فیملڈ میں GENCO-II کی جانب سے زیادہ خریداری کے باعث پیداوار میں 14 فیصد اضافہ ہوا۔



پیداوار کے اعداد و شمار

کمپنی کی جانب سے نئی دریافتوں سے تجارتی پیداوار اور آمدن پیدا کرنے کے قابل بنانے، نئے کنوؤں سے پیداوار کے حصول اور پیداوار بڑھانے کے مختلف اقدامات کے باعث مجموعی پیداوار میں گزشتہ سال کے مقابلے میں تقریباً 3 فیصد اضافہ ہوا۔ اس بہتری کو SNGPL کے میٹ ورک میں RLNG کے کم اخراج اور GENCO-II کی جانب سے زیادہ خریداری سے بھی تقویت ملی۔ درج ذیل اقدامات نے بنیادی طور پر تقریباً یومیہ 40 MMscfde کی اضافی فروخت میں اہم کردار ادا کیا:

- ٹیل، شپا، گمبٹ ساڈتھ، شاہ بندر، ڈھوک سلطان اور کوزی نارتھ میں نئے کنوؤں سے پیداوار کا حصول
- سوئی اور آدہی میں ایسڈ انٹیولیشن، پرفورمیشن اور سطحی رکائوں کو دور کرنے کی سرگرمیاں
- آدہی اور بالہ میں کنوؤں کی ورک اور سرگرمیاں
- گمبٹ ساڈتھ میں GPF-II کی پروسیسنگ کی صلاحیت میں اضافہ



*In addition to above, net production from PPLE during FY 2025-26 is 4 MMscfde.

التوا، پی ایم ای سے پیداوار میں کمی، اور ریکوڈک پروجیکٹ کے آپریٹنگ کی جانب سے ترقیاتی سرگرمیوں کی سست روی شامل ہیں۔ ان چیلنجز کے باعث اسٹینڈ بائی اخراجات میں اضافہ ہوا اور پروجیکٹ کے طے شدہ شیڈول متاثر ہوئے۔

گورنمنٹ سیکورٹی فورسز کی تعیناتی، تنصیبات کے تحفظ میں اضافہ اور ٹرانسپورٹیشن کے بہتر حفاظتی اقدامات کو باقاعدہ طور پر پروجیکٹ کے بجٹ اور طویل مدتی منصوبہ بندی میں شامل کیا جاتا ہے۔ اس سے مشکل آپریٹنگ ماحول میں آپریٹنگ تسلسل کو برقرار رکھتے ہوئے حفاظت کو ترجیح دینے کے لیے کمپنی کے عزم کی عکاسی ہوتی ہے۔

ہماری کارکردگی

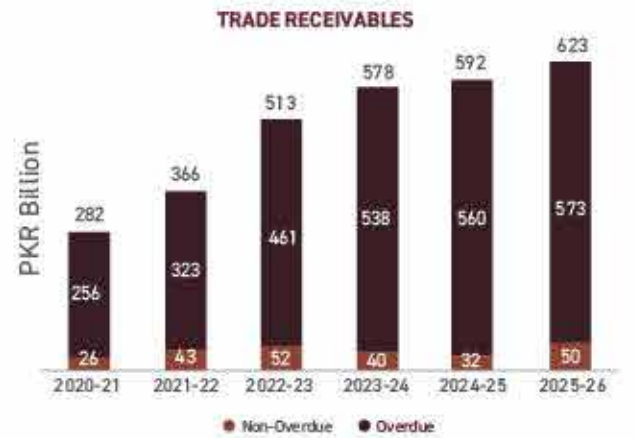
پیداواری سرگرمیاں

کمپنی اس وقت 8 پیداواری اثاثہ جات سوئی، کندھ کوٹ، آدہی، ڈھوک سلطان، چاچہ، بالہ، گمبٹ ساڈتھ اور شاہ بندر کو آپریٹ کر رہی ہے اس کے علاوہ کمپنی 12 پارنٹر آپریٹڈ فیملڈز میں بھی کاروباری حصہ داری رکھتی ہے۔ اس کے ساتھ کمپنی کے پاس حکومت بلوچستان کے ساتھ شراکت داری میں بولان مائننگ انٹرپرائزز (BME) میں انتظامی کاروباری حصہ داری ہے۔

سال کے دوران، کمپنی نے فیملڈز سے پیداوار میں بہتری، ابدائی کنوؤں میں پیداواری بہتری کے اقدامات، پروسیسنگ کی تنصیبات کی استعداد میں اضافہ اور جدید ٹیکنالوجیز کے استعمال کے ذریعے پیداوار میں اضافے کی کوششیں جاری رکھیں۔ پورٹ فولیو کے تمام شعبوں میں، ان اقدامات نے پیداوار کے اضافے میں مدد دی اور پختہ فیملڈز سے قدرتی کمی کو کسی حد تک پورا کیا۔ مزید برآں، نئی دریافتوں سے پیداوار کے آغاز اور پیداواری کنوؤں کو سسٹم میں شامل کرنے سے ذخائر میں قدرتی کمی کی رفتار کو سست کرنے میں مزید مدد ملی۔ تاہم، سال کی پہلی ششماہی کے دوران سوئی نارڈن گیس پائپ لائنز لمیٹڈ (SNGPL) کے میٹ ورک میں درآمد شدہ ایل این جی (LNG) کی شمولیت کے باعث مقامی گیس کی خرید کی مقدار میں جو کٹوتی کی گئی، اس نے مجموعی پیداواری حجم پر منفی اثر ڈالا۔ سال کے دوران BME کی فروخت بھی کم رہی، جس کی بنیادی وجہ علاقائی جغرافیائی و سیاسی کشیدگی کے باعث بیرائٹ (baryte) کی برآمدات میں ہونے والی تاخیر تھی۔

وصولیوں میں مسلسل بہتری کا انحصار صارفین کے لیے گیس کے ٹیرف میں بروقت ترمیم پر ہے، تاکہ گیس کی تقسیم کارکنوں کے لیے گیس کی خریداری کی لاگت کا مناسب بندوبست ہو سکے، خاص طور پر خام تیل کی بڑھتی ہوئی بین الاقوامی قیمتوں کے دوران اس پر قہر دی جائے۔ گیس کے شعبے کے گزشتہ قرضے کا حل حکومت کی اہم ترجیح رہنے اور روپے کے مستحکم نقطہ نظر کے ساتھ، کمپنی کو توقع ہے کہ وصولیوں کی کارکردگی حالیہ ماضی کے رجحان پر قائم رہے گی۔

کمپنی گزشتہ قرضے کے پائیدار حل کے لیے اہم اسٹیک ہولڈرز کے ساتھ روابط جاری رکھے ہوئے ہے۔ تاہم، نئی گزشتہ قرضے کا حل گیس کے شعبے کی لیکونڈی میں بہتری، دریافتی اور پیداواری سرگرمیوں میں سرمایہ کاری کو ممکن بنانے اور پاکستان کے توانائی کے شعبے کی طویل مدتی نمو کو فروغ دینے کے لیے نہایت اہم ہے۔



امن و امان کی صورتحال

کمپنی کئی حساس اور سیکورٹی کے لحاظ سے ہائی رسک علاقوں میں کام کرتی ہے، جن میں بلوچستان کے خطرناک علاقے، خیبر پختونخوا کے سرحدی اضلاع اور سندھ کے کریک ایریاز شامل ہیں۔ سال کے دوران، چند کاروباری علاقوں میں سیکورٹی کی صورت حال خراب ہونے کے باعث فیملڈز کی سرگرمیاں اور منصوبوں کی تکمیل مسلسل متاثر اور محدود رہیں۔

اضافہ، اثاثوں اور آپریشنز کو محفوظ بنانے کے لیے، کمپنی پروجیکٹ کی منصوبہ بندی اور ان پر عمل درآمد کے تمام مراحل میں سخت سیکورٹی پروٹوکولز برقرار رکھتی ہے۔ سائبرک سروسز، ڈرائنگ کے آپریشنز اور فیملڈز کی دیگر سرگرمیاں ضروری منظور یوں کے حصول کے بعد اور سرکاری سیکورٹی ایجنسیوں کے ساتھ قریبی رابطے میں رہ کر ہی انجام دی جاتی ہیں۔

سیکورٹی سے متعلق رکائوں اور احتیاطی تدابیر کے نتیجے میں سال کے دوران دریافتی اور پیداواری سرگرمیوں میں تاخیر ہوئی، جن میں قلات ویسٹ 2D سائبرک سروس کا

اہم جھلکیاں

پی پی ایل نے مالی سال 2025-26 کے دوران بھرپور ثابت قدمی اور حکمت عملی کا مظاہرہ کیا۔ پینٹ فیلڈز، سیکورٹی کے مسائل اور گیس کی کم خریداری کی بناء پر پیداوار میں کمی خصوصاً سال کی پہلی ششماہی میں جیسے وباؤ کے باوجود، کمپنی نے عملی کارکردگی، موثر انتظام اور مالی بصیرت میں نمایاں کارکردگی کا مظاہرہ کیا۔ سال کی اہم کامیابیاں درج ذیل ہیں:

- 1- دریافتوں میں کامیابی: کل گیارہ دریافتیں کی گئیں، جن میں دو پی پی ایل آپریٹڈ اور 9 پارٹنر آپریٹڈ بلاکس میں تھیں، جن میں پی پی ایل کا خالص حصہ تقریباً 67 MMscfde رہا ہے۔
- 2- آپریٹنگ مدد: کمپنی نے متعدد اقدامات کے ذریعے فروخت کے حجم میں تقریباً 40 MMscfde کا اضافہ کیا، جن میں نئی دریافتوں اور پیداواری کنوؤں سے پیداوار کا آغاز، ورک اوورز اور پیداوار کو بہتر بنانے کی سرگرمیاں شامل ہیں، جس سے قدرتی تھزل سے ہونے والی کمی کو پورا کرنے میں مدد ملی۔
- 3- خریداروں سے وصولی: کمپنی نے 284 ارب روپے کی اب تک کی سب سے زیادہ وصولی کی، جس سے وصولی کا تناسب 90 فیصد سے اوپر برقرار رہا۔
- 4- کھدائی کی سرگرمیاں: پی پی ایل آپریٹڈ اور پارٹنر آپریٹڈ اثاثوں میں 7 دریافتی اور تجزیاتی کنوؤں سمیت چار پیداواری کنوئیں کھوئے گئے۔
- 5- ریزرورجلیمینٹ ریشو (ذخائر کی تجدید کا تناسب): پی پی ایل نے سال کے دوران اپنی پیداوار سے زیادہ 2P ذخائر شامل کیے، جس کے نتیجے میں ریزرو ریشو 102 (RRR) فیصد رہا۔
- 6- دریافتی بلاکس کی تقویض: پی پی ایل کو 8 آف شور بلاکس دیئے گئے، جن میں سے 2 بلور آپریٹر اور 6 بلور جوائنٹ ونٹر پارٹنر شامل ہیں۔
- 7- سائزک ڈیٹا کا حصول: سال کے دوران کل 279 لاکھ کلومیٹر 2D سائزک ڈیٹا اور تقریباً 581 مربع کلومیٹر 3D سائزک ڈیٹا حاصل کیا گیا۔
- 8- بیریت، لیڈ اور زنک (BLZ) منصوبہ: ایک عالمی طور پر معروف پروجیکٹ منجمنٹ کنسلٹنٹ کا تعین کیا گیا، جس نے BLZ پروجیکٹ پر عمل درآمد کی راہ ہموار کی۔
- 9- اسٹریٹجک آف شور شراکت داری: پی پی ایل نے ترکش پیٹرولیم اور ریزر کمپنی (TPOC) کے ساتھ شراکت داری کی، اور انٹرن آف شور انڈس بلاک C میں آپریٹنگ اور جزوی درکنگ انٹرسٹ منتقل کیا تاکہ آف شور میں دریافتی سرگرمیوں کو فروغ دیا جاسکے اور پاکستان و ترکیہ توانائی تعاون کو مضبوط کیا جاسکے۔

10- SAFA ایوارڈ: پی پی ایل کو اپنی 2024 کی سالانہ رپورٹ پر ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAFA) کی جانب سے پبلک سیکٹر اداروں کے زمرے میں سلور ایوارڈ دیا گیا۔

11- IMAP ایوارڈ: پی پی ایل نے منجمنٹ ایسوسی ایشن آف پاکستان (MAP) کے 40 ویں کارپوریٹ ایکسی لینس ایوارڈز میں آئل اینڈ گیس ایکسپلوریشن سیکٹر کے صنعتی زمرے میں دوسری پوزیشن حاصل کی۔

12- کاروباری سماجی ذمہ داری (CSR): پی پی ایل کو نیشنل فورم فار انوومنٹ اینڈ ایلیٹھ کے 18 ویں سالانہ CSR سربراہی اجلاس میں CSR خدمات کے اعتراف میں 'راؤنڈ دی کلاک' CSR ایوارڈ سے نوازا گیا۔

13- پائیداری کا سبب میل: پی پی ایل نے اپنی پہلی ماحولیاتی، سماجی اور گورننس (ESG) رپورٹ شائع کی، جو بین الاقوامی سطح پر تسلیم شدہ ESG فریم ورکس اور بہترین طریقوں کے مطابق ہے۔

کاروباری ماحول

توانائی کے عالمی منظر نامے پر بڑھتی ہوئی جغرافیائی و سیاسی کشیدگی، معاشی غیر یقینی صورتحال اور قابل تجدید توانائی کی طرف تدریجی منتقلی کے اثرات غالب رہے۔ امریکہ اور ایران کے مابین جنگ میں شدت اور اہم سمندری راستوں سے شپنگ کی ترسیل میں قطل کی وجہ سے خام تیل اور ایل این جی (LNG) کی عالمی سپلائی متاثر ہوئی، جس کے نتیجے میں مارچ کے بعد سے خام تیل کی قیمتوں میں تیزی سے اضافہ دیکھا گیا۔ پاکستان جیسے ہائیڈروکاربن کے خالص امپورٹر ملک کے لیے مشکل بڑھ گئی، اس قسم کی غیر مستحکم صورتحال کے براہ راست اثرات ملک کے درآمدی بل، توانائی کی سپلائی اور مجموعی سلامتی پر پڑتے ہیں۔ نتیجتاً، پوری صنعت میں فیلڈز کی سرگرمیوں اور منصوبوں کے شیفڈول کی بروقت تکمیل بھی متاثر ہوئی۔

ملکی سطح پر، کمپنی پاور کے لیے گیس کی مہنگی قیمتوں اور قابل تجدید توانائی کی طرف تیزی سے منتقل ہونے کے رجحان کی وجہ سے بجلی کی پیداوار کے لیے گیس کی طلب میں کمی آئی۔ اس کے نتیجے میں سال کے پہلے نصف کے دوران مقامی گیس کی پیداوار میں نمایاں کمی ہوئی، جس سے کمپنی سمیت مقامی پروڈیوسرز کی پیداواری مقدار اور آمدن پر منفی اثرات مرتب ہوئے۔ حکومت نے بھی کچھ ملکوں سے درآمد کی جانے والی آرائیل این جی کی ترسیل کو مؤخر کرنے اور طلب و رسد کے موجودہ عدم توازن کو سنبھالنے کے لیے متعلقہ ممالک کے ساتھ بات چیت جاری رکھی۔ بعد ازاں، عالمی تنازع کے بعد درآمدی سپلائی میں پیدا ہونے والے قطل کی وجہ سے مقامی گیس پر انحصار بڑھ گیا، جس کے نتیجے میں مقامی پیداواری مقدار میں نمایاں کمی ہوئی۔

اس شعبے کو خاص طور پر سرحدی و دور دراز علاقوں میں سیکورٹی کے سنگین مسائل کا سامنا بھی جاری رہا، جس کی وجہ سے دریافتی سرگرمیاں متاثر ہوئیں اور آپریٹنگ اور سیکورٹی سے متعلقہ اخراجات میں اضافہ ہوا۔

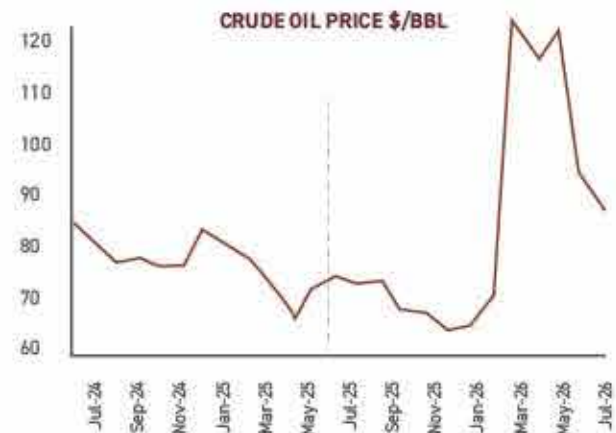
یہ صورتحال اس ساختی ضرورت کو مزید واضح کرتی ہے کہ مقامی سطح پر تیل و گیس کی تلاش اور پیداوار میں تیزی لاکر، ملکی ذخائر کو فروغ دے کر، توانائی کے ذرائع میں تنوع پیدا کر کے اور عالمی قیمتوں و سپلائی کے مسائل سے دوچار درآمدی ایندھن پر انحصار کم کر کے پاکستان کی انرجی سیکورٹی کو مضبوط بنایا جائے۔

بیرونی عوامل

ملکی تیل و گیس کے اپ اسٹریٹ سیکٹر پر اثر انداز ہونے والے اہم عوامل درج ذیل ہیں:

خام تیل کی قیمتیں

مالی سال 2025-26 کے دوران خام تیل کی قیمتوں میں اتار چڑھاؤ دیکھنے میں آیا۔ ابتدا میں عالمی سطح پر طلب میں کمی، رسد میں اضافے اور اوپیک + کی جانب سے پیداوار میں رضا کارانہ کوئٹہ ختم کرنے کی وجہ سے قیمتیں نیچے کی طرف آئیں۔ تاہم، مشرق وسطیٰ میں تنازع کی شدت اور توانائی کی فراہمی کے اہم راستوں پر قطل پڑنے کے بڑھتے ہوئے خدشات کے باعث سال کے آخری حصے میں قیمتوں میں تیزی سے اضافہ ہوا، جس نے ابتدائی کمی کے اثر کو ختم کر دیا۔ مستقبل پر نظر ڈالیں تو خام تیل کی قیمتیں جغرافیائی و سیاسی حالات، اہم تجارتی راہداریوں سے سپلائی کے تسلسل، عالمی سطح پر طلب کی صورت حال اور اوپیک پلس کے پیداواری فیصلوں کے مطابق حساس رہنے کی توقع ہے۔ مزید برآں، سپلائی میں قطل کے دوران استعمال ہونے والی حکمت عملی اور تجارتی ذخائر کو دوبارہ بھرنے میں وقت لگ سکتا ہے، جو طلب کو برقرار رکھنے کے ساتھ قلیل مدتی عرصے میں خام تیل کی قیمتوں کو بلند رکھ سکتا ہے۔



زیرمبادلہ میں اتار چڑھاؤ

مالی سال 2025-26 کے دوران، پاکستانی روپیہ مجموعی طور پر مستحکم رہا اور امریکی ڈالر کے مقابلے میں تقریباً 1 فیصد مضبوط ہوا، حالانکہ مشرق وسطیٰ کے تنازع کے باعث تیل اور توانائی کی درآمدات کا دباؤ موجود تھا۔ کرنسی کے اس استحکام کو مختلط مالیاتی اور مانیٹری منجمنٹ، لیکوئڈٹی کے موثر انتظام، بیرون ملک سے آنے والی ترسیلات زر میں بہتری اور بیرونی ذخائر میں بہتری سے تقویت ملی۔ پاکستان کی بڑھتی ہوئی حکمت عملی سے متعلق اہمیت۔ بشمول مشرق وسطیٰ میں اس کے تعمیری سفارتی اور سیکوریٹی کردار۔ نے بھی بین الاقوامی اعتماد کو بحال کرنے میں اہم کردار ادا کیا۔ ان مثبت پیش رفتوں کا عکس ایس اینڈ پی گلوبل رینٹگو کی جانب سے سال کے دوران کی جانے والی اپ گریڈیشن میں نظر آیا، جس کے بعد جولائی 2026 میں S&P اور اگست 2026 میں موڈیز رینٹگو کی طرف سے پاکستان کی کریڈٹ رینٹگ میں مزید بہتری لائی گئی۔



تجارتی وصولیاں

مالی سال 2025-26 کے دوران، کمپنی نے 90 فیصد سے زائد وصولی کا تناسب برقرار رکھا، جو بحالی کی مسلسل کوششوں، واجبات کی موثر نگرانی اور صارفین کے ساتھ بھرپور روابط کی عکاسی کرتا ہے۔ نقد رقم پر مشتمل وصولیاں 284 ارب روپے کی ریکارڈ سطح پر پہنچ گئیں، جبکہ مالی سال 2025 میں یہ 266 ارب روپے تھیں، جو کمپنی کی تاریخ کی بلند ترین سالانہ وصولی ہے۔

سال کے اختتام پر تجارتی واجبات بڑھ کر 623 ارب روپے ہو گئے، جبکہ گزشتہ سال یہ 592 ارب روپے تھے۔ اس اضافے کی بنیادی وجوہات میں گیس کی تقسیم کار کمپنیوں سے واجب الادا رقم میں معمولی اضافہ، جغرافیائی و سیاسی صورتحال کے باعث مالی سال کے اختتام پر خام تیل کی بین الاقوامی قیمتوں میں اضافہ، اور سال کے آخری حصے میں شپا بلاک میں بارگزی 1-X سے پیداوار کے آغاز کے بعد اضافی بلنگ شامل ہیں۔



ڈائریکٹرز کی رپورٹ

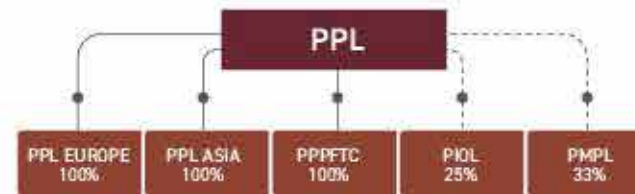
ہمیں 30 جون 2026 کو ختم شدہ سال کے لیے آپ کی کمپنی کی ڈائریکٹرز رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز رپورٹ کے ساتھ پیش کرتے ہوئے پرمسرت ہیں۔ سال بھر کی کاروباری کارکردگی اور اہم جھلکیاں درج ذیل پیراگرافس میں پیش کی جارہی ہیں۔

تعارف

پاکستان پیٹرولیم لمیٹڈ (پی پی ایل) پاکستان میں تیل و گیس کی تلاش اور پیداوار کی صف اول کی کمپنیوں میں شامل ہے جو 1950 کی دہائی کے اوائل سے ملک کی توانائی کی ضروریات کو پورا کرنے میں نمایاں کردار ادا کر رہی ہے۔ کمپنی کی سرگرمیاں پاکستان کے مختلف علاقوں میں پھیلی ہوئی ہیں اور عالمی سطح پر کمپنی متحدہ عرب امارات اور بحین میں بھی کاروباری امور جاری رکھے ہوئے ہے۔ تیل و گیس کی تلاش اور پیداوار پر مشتمل اپنے بنیادی کاروبار کے علاوہ، پی پی ایل توانائی کے متعلق دیگر شعبوں اور کان کنی میں بھی توسیع کے لیے کوشاں ہے۔ کمپنی نے بلوچستان میں حکومت بلوچستان اور ڈیپان ایکسپلوریشن ورکس کے ساتھ شراکت داری کے ذریعے معدنیات کی تلاش اور پیداوار کے حقوق حاصل کر رکھے ہیں۔ اس کے علاوہ، کمپنی پاکستان منرلز (پرائیویٹ) لمیٹڈ میں بھی شراکت دار ہے جس کے تحت بلوچستان میں ریکوڈک منصوبے میں بالواسطہ، نان آپریٹنگ کاروباری شراکت رکھتی ہے۔

گروپ کی ساخت

کمپنی کی تین مکمل ملکیتی ذیلی کمپنیاں ہیں۔ جن کے نام پی پی ایل یو پ E&P لمیٹڈ (PPL)، پی پی ایل ایشیائی اینڈ پی بی وی (PPLA) اور پاکستان پیٹرولیم پروڈیونٹ فنڈ فرسٹ کمپنی (پرائیویٹ) لمیٹڈ (PPFETC) ہیں۔ پی پی ایل سمیت یہ تمام کمپنیاں مجموعی طور پر ”گروپ“ کہلاتی ہیں۔ کمپنی کی ابوظہبی، متحدہ عرب امارات میں قائم ایک ایسوسی ایٹ کمپنی پاکستان انٹر نیٹس آئل لمیٹڈ (PIOL) میں 25% حصہ داری ہے۔ کمپنی کے پاس پاکستان منرلز (پرائیویٹ) لمیٹڈ (PMPL) میں بھی 33.33% حصہ داری ہے، جو سونے اور تانبے کی کان کنی کے ریکوڈک پروجیکٹ میں 25% نان آپریٹنگ شیئر رکھتی ہے۔ PPPETC کے علاوہ، مذکورہ تمام کمپنیاں بنیادی طور پر تیل، قدرتی گیس اور معدنی وسائل کی تلاش، دریافت، ترقی اور پیداوار کے شعبے میں سرگرم عمل ہیں۔



کاروباری حکمت عملی

پاکستان پیٹرولیم لمیٹڈ (پی پی ایل) توانائی کے ایک بدلے ہوئے منظر نامے میں سرگرم عمل ہے، جس پر مقامی ہائیڈروکاربن کے ذخائر میں کمی، جغرافیائی و سیاسی غیر یقینی صورتحال، سیکورٹی کے بڑھتے ہوئے مسائل اور توانائی کی عالمی منتقلی کے اثرات غالب ہیں۔ اس صورتحال کے پیش نظر، اپنے ہائیڈروکاربن کے بنیادی کاروبار سے حاصل شدہ قدرتی حفاظت اور اسے بڑھانا کمپنی کی حکمت عملی کا بنیادی مقصد ہے، ساتھ ہی ملکی اور بین الاقوامی مارکیٹوں میں توانائی اور معدنیات کی کمپنی کے طور پر توسیع حاصل کرنے کے لیے ضروری صلاحیتیں پیدا کرنا ہے۔

پی پی ایل کی کوشش ہے کہ پیداواری اثاثوں، ترقیاتی منصوبوں اور دریافتوں پر مشتمل ایک متوازن اور مضبوط پورٹ فولیو کو برقرار رکھا جائے، جبکہ بری اور بحری دریافتی علاقوں میں نئے مواقع کی تلاش بھی جاری رکھی جائے۔ اس مقصد کے لیے اسٹرٹجک شراکت داری، جدید ٹیکنیک، ڈیجیٹل ٹولز اور ڈیٹا اینالیٹکس کے ذریعے، کمپنی پیداوار کو بہتر بنانے، آپریشنل کارکردگی میں اضافہ کرنے اور اپنے ذخائر کی بنیاد کو مضبوط بنانے پر توجہ مرکوز کیے ہوئے ہے، جبکہ حفاظتی اور ماحولیاتی معیار کی بھی بھرپور پاسداری کی جارہی ہے۔

پائیدار ترقی کو جاری رکھنے کے لیے، پی پی ایل دریافتی اور پیداواری کنوؤں کی کھدائی کی مہم، کاروبار میں حصہ داری اور شراکت داری کے ذریعے اپنے کاروبار کو وسعت دینے پر



توجہ مرکوز کر رہی ہے۔ ساتھ ہی معدنیات کی تلاش میں بھی تیزی لائی جارہی ہے جس میں لائسنس کا حصول، فزیکلٹی اسٹڈیز اور جیوسائنس کی مہارت کا استعمال شامل ہے تاکہ ہائیڈروکاربن کے علاوہ معدنی شعبے میں بھی اپنی بھرپور موجودگی کو یقینی بنایا جائے۔ مستقبل کی ضروریات کو مد نظر رکھتے ہوئے، پی پی ایل عالمی توانائی کے بدلے ہوئے منظر نامے کے عین مطابق توانائی کی پوری ویلیو چین میں نئے مواقع تلاش کر رہی ہے۔ یہ تمام اقدامات لاگت میں کمی، مالیاتی نظم و ضبط اور کاروباری مددگی پر مسلسل توجہ کے ساتھ اٹھائے جارہے ہیں۔ انسانی وسائل کی ترقی، جدت اور مضبوط QHSE کلچر بھی اس حکمت عملی کے اہم ستون ہیں۔

پی پی ایل اپنے وژن اور مشن سے ہم آہنگ کرتے ہوئے اپنی کاروباری سرگرمیوں کو اسی انداز میں آگے بڑھانے کے لئے کوشاں ہے کہ کاروباری استحکام کو مزید تقویت دی جا سکے۔ قومی توانائی کے تحفظ کو یقینی بنانے میں معاونت کی جائے اور اپنے حصص یافتگان، ملازمین اور پیداواری علاقوں اور اس سے ملحقہ آبادیوں کے لئے طویل المدتی اور پائیدار قدر میں اضافہ کی جائے۔

NOTICE OF 75TH ANNUAL GENERAL MEETING

Notice is hereby given that the 75th Annual General Meeting of the Company will be held on Tuesday, 27 October 2026 at 11:00 A.M. at Pearl Continental Hotel, Karachi, as well as via video link facility (Zoom Cloud Meetings), for transacting the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the year ended 30 June 2026, together with the auditor's report thereon.
2. To approve and declare a final cash dividend of Rs. 6.00 per share (60%) on Ordinary Shares for the financial year ended 30 June 2026, as recommended by the Board of Directors at its meeting held on 14 September 2026.
3. To appoint auditors of the Company and fix their audit fee for the financial year 2026-27.

BY THE ORDER OF THE BOARD

Ali Jaffar
Company Secretary
6 October 2026
Karachi

NOTES:

1. Circulation of Annual Report through QR Code and Weblink

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP's SRO 389(I)/2023 dated 21st March 2023, the Annual Report of the Company is available through following QR Code and Weblink:

<https://www.ppl.com.pk/sites/default/files/2026-10/PPL%20AR%202026.pdf>

OR

<https://www.ppl.com.pk/content/reports-and-accounts>



2. Video Link Facility for Attending the Meeting

The AGM shall also be convened electronically through zoom cloud meetings. Members interested in attending the AGM online are requested to register for participation in the AGM via video link, latest by close of business on Monday, 26 October 2026, by providing the following information at agm@ppl.com.pk. If the information is couriered, it should reach the Company's registered office latest by the close of business on Monday, 26 October 2026.

Full Name	CNIC Number	Folio / CDC Account Number	Email Address	Cell Number

The Company Secretary, Pakistan Petroleum Limited, 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Telephone: +(92 21) 111 568 568, Fax: +(92 21) 35680005, 35682125 Email: agm@ppl.com.pk

The video link and login details for attending the Meeting will be emailed to the interested members accordingly.

3. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed as of 21 October 2026 until 27 October 2026 (both days inclusive). Only persons whose names appear in the register of members of the Company as at close of business on Tuesday, 20 October 2026 shall be entitled to attend and participate at the Meeting.

A member entitled to attend and vote at the Meeting may appoint another member as proxy to attend, participate in, and vote on his / her behalf at the Meeting. Proxies must be received at the registered office of the Company not later than 48 hours before the time for holding the Meeting. A form of proxy may be downloaded from the Company's website: www.ppl.com.pk

4. Guidelines for CDC Account Holders

CDC account holders should comply with the following guidelines of the Securities and Exchange Commission of Pakistan:

A For Attendance at AGM:

- a) Individuals should be account or sub-account holder(s) and their registration details should be uploaded according to the CDC Regulations. They must establish their identity by providing a copy of their CNIC or passport.
- b) Representatives of corporate entities must furnish a certified copy of a resolution of their respective boards of directors, or a power of attorney for attending the Meeting, in their favor, which should bear the attorney's specimen signature.

B For Appointing Proxies at AGM:

- a) Individuals should be account or sub-account holder(s) whose registration details should be uploaded according to CDC Regulations and their forms of proxy must be lodged at the registered office of the Company not later than 48 hours before the time for holding the Meeting.
- b) The form of proxy must be attested by two persons whose names, addresses and CNIC numbers should be given underneath their signatures.
- c) Attested copies of CNIC or passport of the member and proxy must be submitted with the form of proxy

5. Tax Implications on Dividends

Tax Rates

Currently, the deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, is as follows:

- (a) For Persons in Active Tax Payer List 15%
- (b) For Persons not in Active Tax Payer List 30%

Shareholders who have filed their returns are advised to make sure their names are entered in the latest Active Tax Payer List (ATL) on the website of FBR at the time of dividend payment; otherwise they shall be treated as persons not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

The ATL may be viewed on the FBR's website: <http://fbr.gov.pk>. The Company will ascertain the tax status of members as at the first day of book closure and will deduct withholding tax accordingly.

National Tax Number (NTN) should be provided to the concerned participants by corporate members holding CDC accounts. A copy of NTN certificate together with the Company's name and the respective folio numbers should be submitted by members holding share certificates to Messrs. FAMCO Share Registration Services (Pvt.) Limited (Share Registrar) at 8-F, Adjacent to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

Tax on Joint Shareholding

Tax will be deducted in proportion to shareholding in joint names or joint accounts. Holders will be treated individually as filers or non-filers in accordance with their respective status.

The proportion of shareholding should be submitted by joint shareholders in the following form to the Share Registrar latest by 20 October 2026:

CDC Account Number	Name of Shareholders (Principal / Joint Holders)	Number or Percentage of Shares Held (Proportion)	CNIC Number	Signature

In case the proportion of shareholding is not submitted, each joint shareholder will be presumed to hold an equal proportion of shares.

Tax Exemption Certificate

A valid tax exemption certificate is necessary pursuant to Section 150 of the Income Tax Ordinance, 2001 for claiming an exemption from deduction of withholding tax. A copy of valid tax exemption certificate should be submitted to the Share Registrar before the date of book closure by members wishing to avail exemption to avoid deduction of tax.

6. Dividend Bank Mandate

The following information should be provided to enable the electronic transfer of dividend to designated bank accounts:

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
International Bank Account Number (24 digit IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of Shareholder:	
Landline Number, if any, of Shareholder:	
CNIC or NTN Number (Copy to be attached):	
Signature of Member:	
Note: Signature must match specimen [signature] registered with the Company.	

Members who hold shares in CDC and / or CDC sub-accounts should provide their bank mandates to the CDC and / or to the concerned participants.

7. Conversion of Physical Shares into Book-Entry Form (i.e. CDC Account)

Section 72 of the Companies Act, 2017, requires all listed companies to replace shares held in physical form with shares to be issued in Book-Entry form within four (04) years from the date of the promulgation of the Companies Act 2017. The shareholders holding shares in physical form are requested to convert their shares in Book-Entry form in order to comply with the provisions of the Companies Act, 2017. Shareholders are requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form, into Book-Entry form.

8. Intimation of Change of Address and Declaration for Non-Deduction of Zakat

Members who hold share certificates should submit any change in registered address as well as their declarations for the non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC and / or CDC sub-accounts should submit any change in address and their declarations for the non-deduction of zakat, if applicable, to the CDC and / or to the concerned participants.

9. CNIC

Dividend will be paid only to members who have submitted copies of their valid CNIC. The names of members who have not submitted copies of their CNIC may be viewed on the website of the Company: www.ppl.com.pk.

10. No Gifts at AGM

In accordance with the directives of SECP, no gifts will be distributed at the general meeting.



FORM OF PROXY

The Company Secretary
Pakistan Petroleum Limited
PIDC House
Dr. Ziauddin Ahmed Road
Karachi.



I/ We, _____ of _____, being a Member of Pakistan Petroleum Limited, holder of _____ Ordinary Share(s) as per Register Folio No. _____/ CDC Account No. _____ hereby appoint Mr. _____, Folio No. _____/ CDC Account No. _____ (if member) of _____, as my/ our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on 27 October 2026 and at any adjournment thereof.

Signed under my / our hand this _____ day of October 2026.

Signature should tally with the
specimen signature registered with
the Company

Signed in the presence of:

Signature of Witness:

Name: _____

CNIC No.: _____

Address: _____

Signature of Witness:

Name: _____

CNIC No.: _____

Address: _____

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney duly authorized, or if the appointer is a corporation either under the common seal or under the hand of a duly authorized official or attorney. No person shall be appointed proxy who is not a member of the Company and qualified to vote except a corporation being a member may appoint a non-member.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of such power of authority shall be lodged with the share registrars of the Company, Messrs. FAMCO Share Registration Service (Private) Limited, 8-F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Karachi, not less than 48 hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and if it is not so lodged the instrument of a proxy shall not be deemed valid. CDC shareholders and their proxies are required to append an attested photocopy of their computerized national identity card (CNIC) or passport with the proxy form.

پراکسی فارم

کمپنی سیکریٹری
پاکستان پیٹرولیم لمیٹڈ
پی آئی ڈی سی ہاؤس
ڈاکٹر ضیاء الدین احمد روڈ
کراچی

میں / ہم _____ پاکستان پیٹرولیم لمیٹڈ کے ممبر کی حیثیت سے کمپنی کے _____ عمومی شیئر (ز) رجسٹرڈ کنندہ رجسٹرڈ فلیو نمبر / CDC A/c No.

_____ جناب _____ فلیو نمبر / CDC A/c No. (اگر ممبر) ہے _____ یا ان کے بجائے،

_____ جناب _____ فلیو نمبر / CDC A/c No. (اگر ممبر ہے) _____ بذریعہ ہذا کو اپنا / ہمارا پراکسی مقرر کرتا ہوں تاکہ میری غیر موجودگی

میں کمپنی کے سالانہ اجلاس عام میں جو 27 اکتوبر 2026 کو منعقد ہو رہا ہے یا اس کے اتوائی اجلاس میں میری / ہماری طرف سے شرکت کر سکے یا ووٹ دے سکے۔

دستخط منظور کنندہ، _____ اکتوبر 2026۔

دستخط، کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہونے چاہیں

_____ گواہ کے دستخط:	_____ گواہ کے دستخط:
_____ نام:	_____ نام:
_____ سی این آئی سی نمبر:	_____ سی این آئی سی نمبر:
_____ پتہ:	_____ پتہ:

نوٹس:

1- پراکسی مقرر کرنے کا اختیار اجازت نامہ یا اس کے اتوائی کی طرف سے تحریری طور پر دینا ہو گا یا کارپوریشن / کمپنی ہونے کی صورت میں کامن سیل کے تحت یا اختیار شخص یا اتوائی کی طرف سے دینا ہو گا۔ کوئی بھی ایسا شخص پراکسی مقرر نہیں ہو سکتا جو کمپنی کا ممبر نہ ہو یا سوائے کارپوریشن / کمپنی کے ممبر ہونے کی صورت میں ایسے شخص کو پراکسی مقرر کر سکتی ہے۔

2- پراکسی اور پاور آف اتوائی یا دیگر اتھارٹی کا تقرر کرنے والے طریقہ کار، اگر کوئی ہو، جس کے تحت یہ دستخط شدہ ہے یا اس طرح کے اختیار کی ایک نوٹری شدہ کاپی کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروس (پرائیویٹ) لمیٹڈ کے پاس F-8 ہوٹل فاران سے متصل، زمزمی بلاک 6 پی ای سی ایچ ایس، کراچی اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے درج کروائی جائیں۔ جس میں یہ واضح ہو کہ طریقہ کار میں نامزد شخص ووٹ دینے کا اہل ہے اور اگر ایسا نہیں کیا گیا ہے تو پراکسی کو تسلیم نہیں کیا جائے گا۔ سی ڈی سی کے شیئر یافتگان اور ان کے پراکسیوں کے لئے لازم ہے کہ وہ پراکسی فارم کے ساتھ ان کے کمپیوٹر انڈرڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ نقول منسلک کریں۔

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