



Pakistan Petroleum Limited

Corporate Briefing Session
2021-22

November 14, 2022



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

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Capital & Shareholding



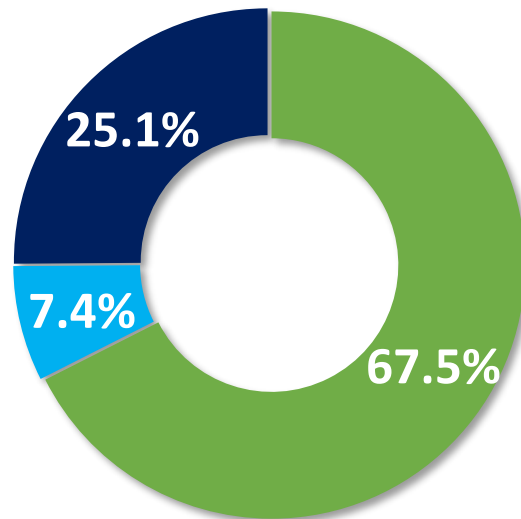
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The authorized capital of the Company is PKR 35 billion.

The subscribed capital of the Company is PKR 27.21 billion.

Pattern of Shareholding (%)

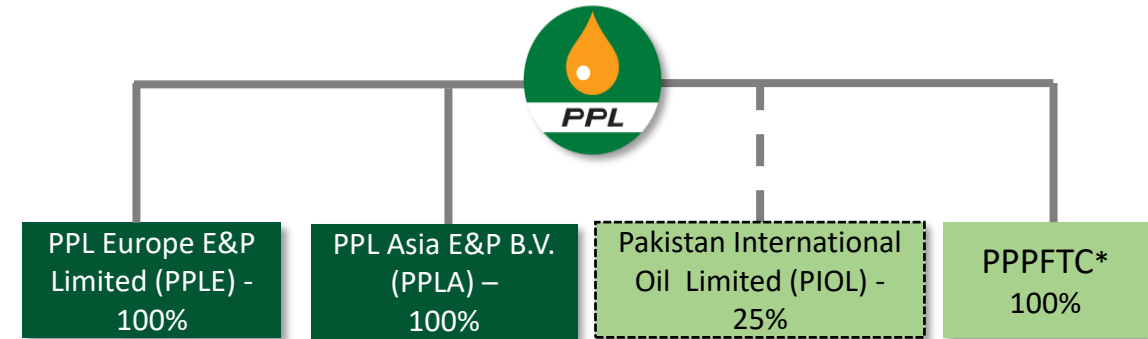
June 30, 2022



- Government of Pakistan
- PPL Employees Empowerment Trust**
- Others

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

Group Structure



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

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

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



Our Footprint & Energy Scenario



Our Portfolio



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Portfolio

Producing fields

| | |
|------------------|----|
| PPL Operated | 9 |
| Partner Operated | 13 |
| Total | 22 |

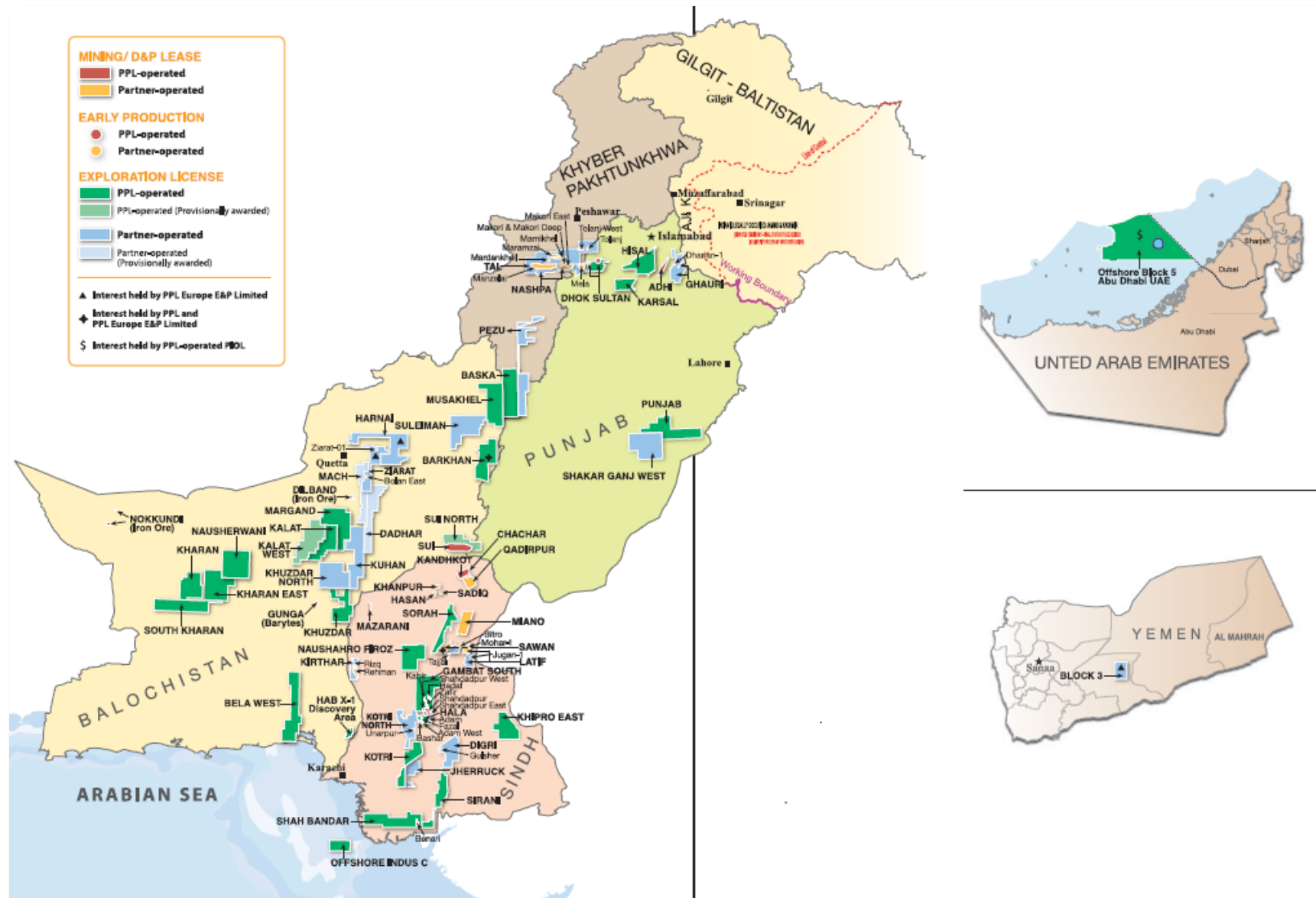
Exploratory blocks

| | |
|------------------|------|
| PPL Operated | 29* |
| Partner Operated | 21** |
| Total | 50 |

8 blocks provisionally awarded: 4 during the year and 4 subsequent to the year end:

* 3 Operated: Kalat West, Sui North & Shaigalu

** 5 Partner Operated: Dadhar, Mach, South Pishin, Tanishpa and Lugai

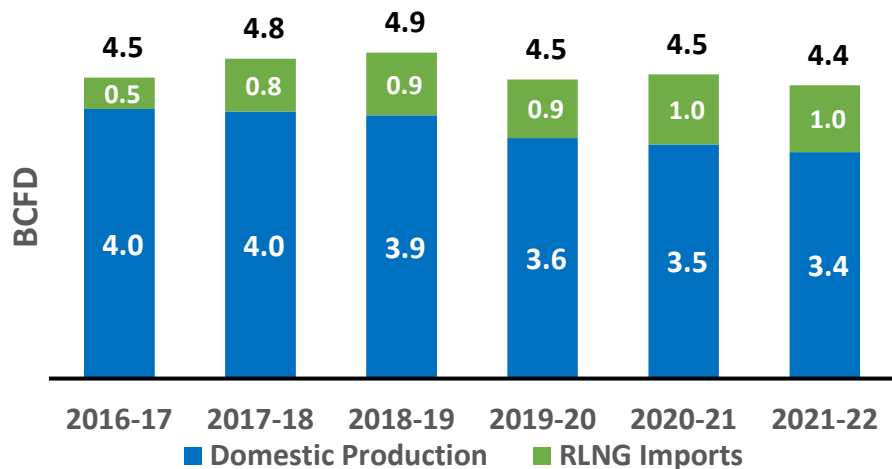


Pakistan Energy Scenario



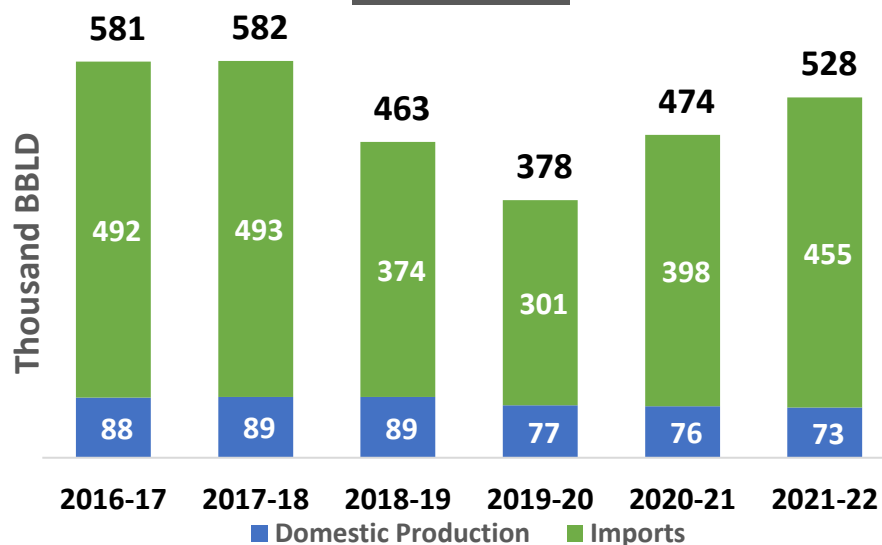
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Gas Supply



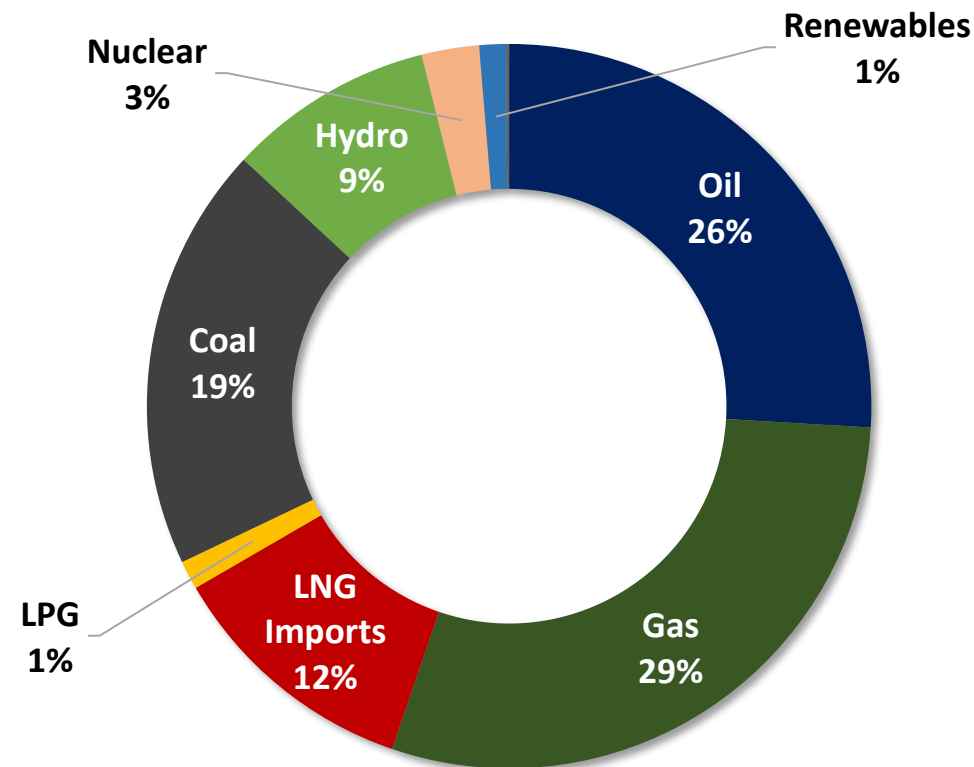
- Local production on a downward trajectory
- Increasing share of imported RLNG
- PPL Share ~ 21% of local prod (~0.72 Bcfde)

Oil Supply



- Local production is only ~ 17%
- Increase in imports due to resumption of activities post COVID-19
- PPL Share ~ 17% of local prod (12.5 kbpd)

Pakistan's Energy Mix 2020-21



- Heavy reliance on Gas and Oil
- Significant increase in LNG and Coal from previous years
- Renewables share is low

• Source: Pakistan Energy Yearbook and external sources



Operational Overview



Key Achievements in 2021-22



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Farm-ins
Operatorships in
Baska & Indus-C



Highest ever Profit Before Tax
Rs. 98 Billion

Corporate Achievements

- One of largest corporate giver ~ Rs 2 Billion
- 1st prize: "SAFA best presented Corporate Report 2020" in Public Sector Category
- 2nd prize: "Annual Report Awards 2021" in Fuel & Energy category



Awarded Exploration Blocks

2 Operated
2 Partner Operated

4 awarded
subsequent to year
end

2 Discoveries
Jugan-1, Mohar-1



3 discoveries
subsequent to year
end (Shahpur Chakar
and 2 in Tal)



International Exploration

PPL-led consortium awarded
Offshore block-5 in Abu Dhabi

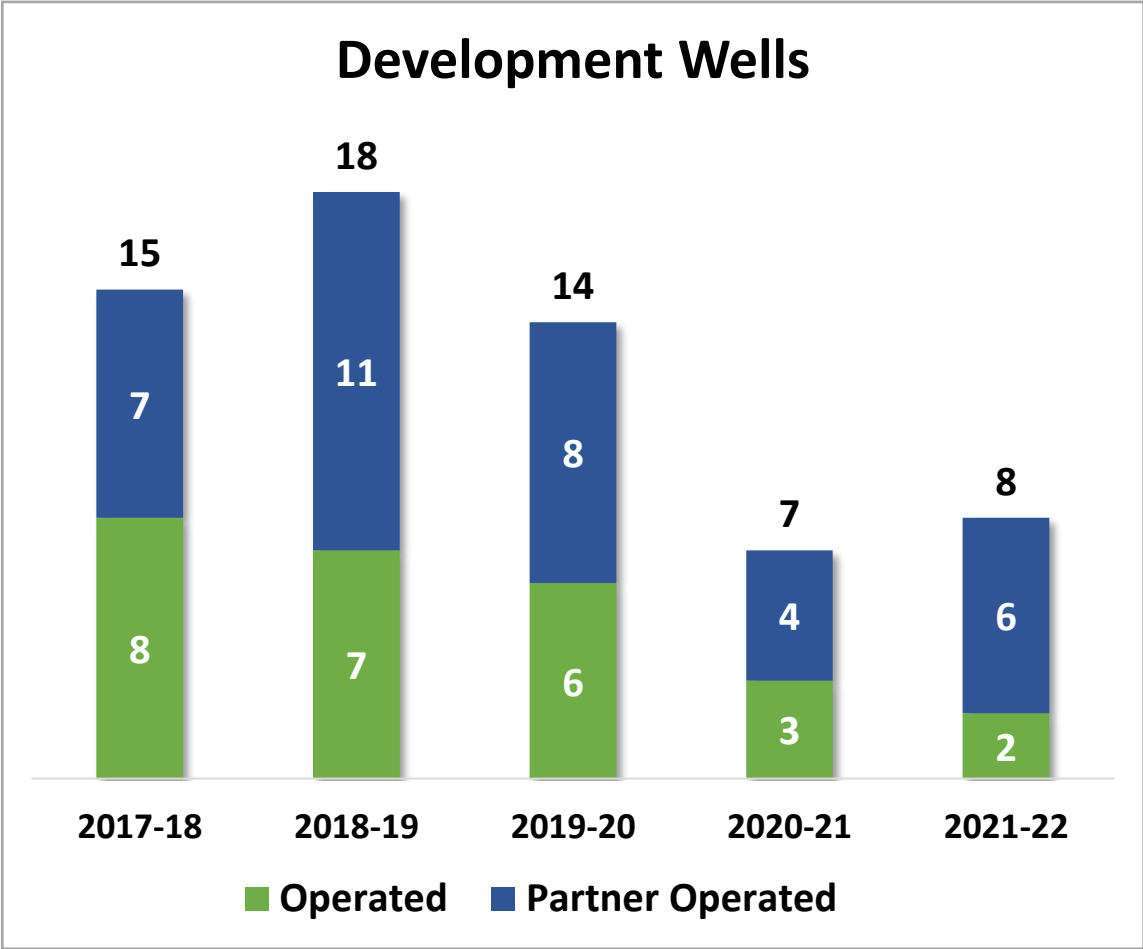
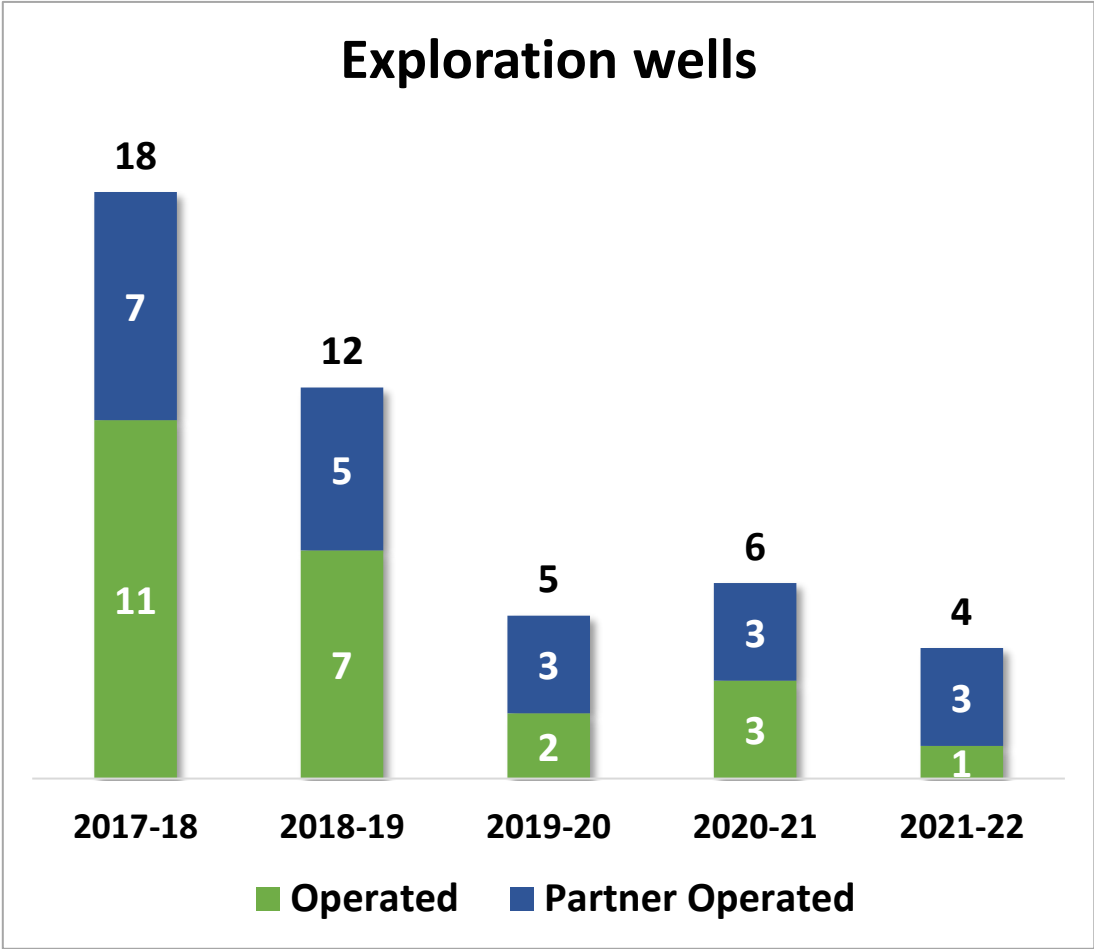
Production Start-ups

Operated: Dhok Sultan X-1
Partner Operated: Latif South-1,
Jugan-1, Mohar-1



Diversification

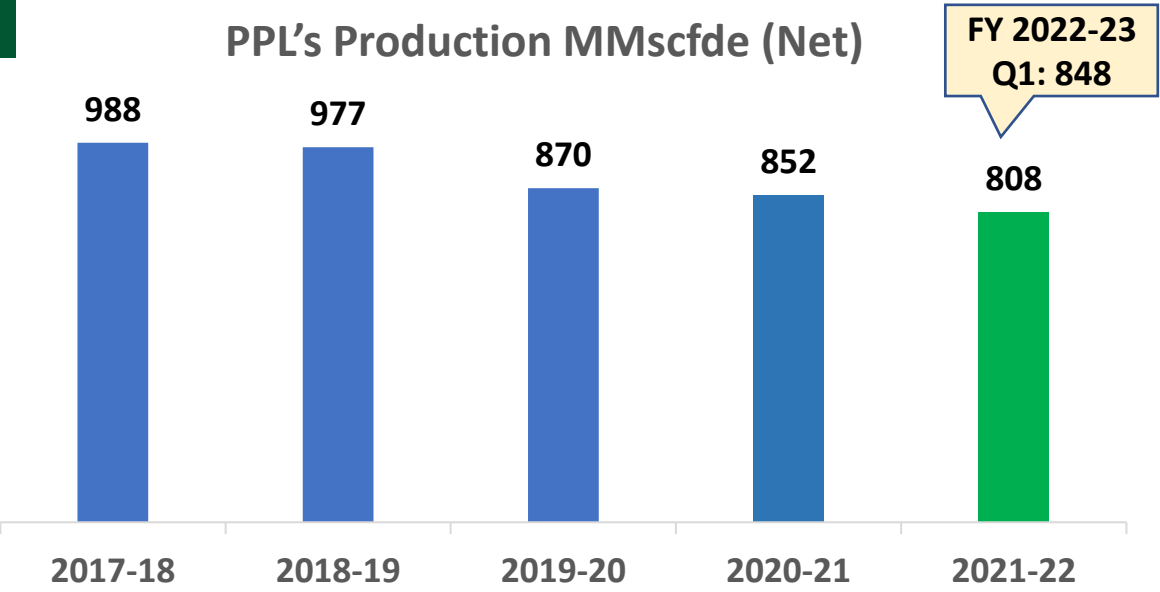
Framework agreement for participation
in Reko Diq Project has been completed



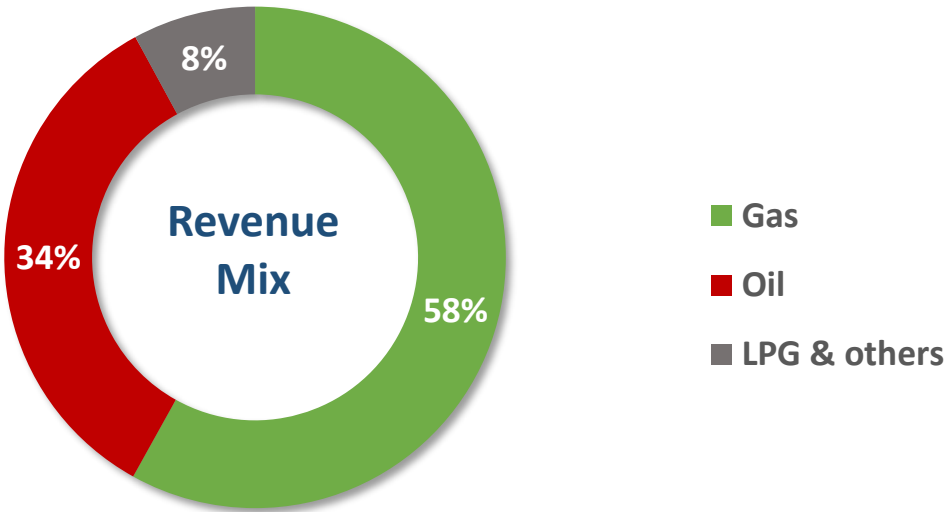
Production



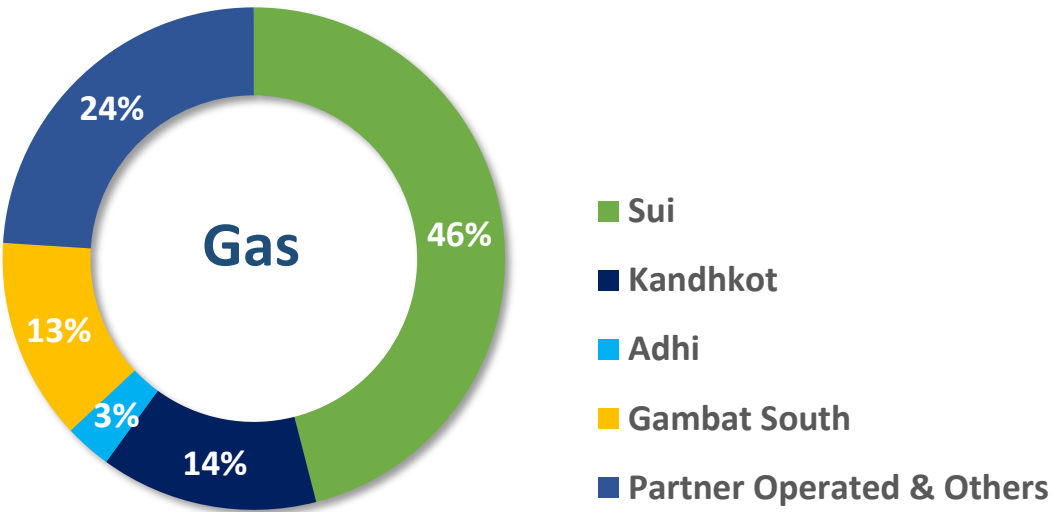
PPL's Production MMscfde (Net)



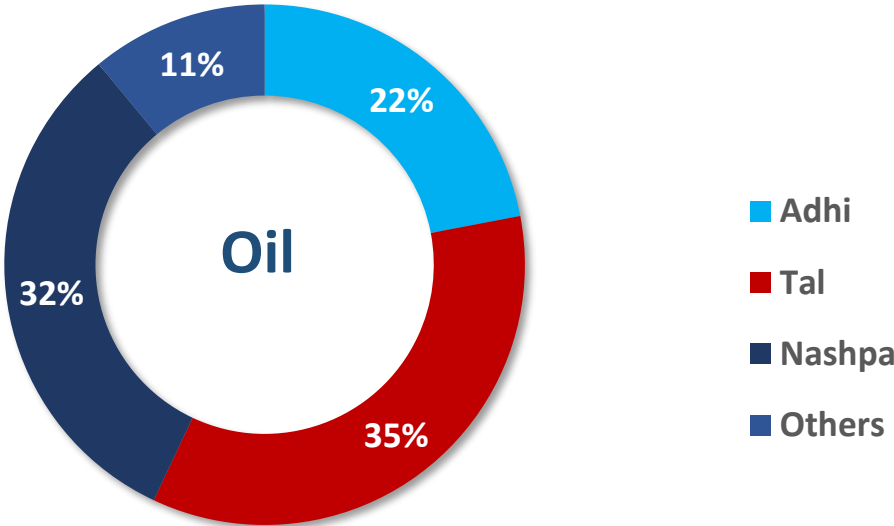
PPL's Revenue Mix FY 2021-22 (Net)



PPL's Field-wise Production FY 2022 (Net)



PPL's Field-wise Production 2021-22 (Net)





Financial Overview



Exploration well

Financial Highlights



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Highest ever
Net Sales

PKR 202 Billion

36%
Increase

Highest ever
Profit Before Tax

PKR 98 Billion

43%
Increase

Earnings per share

PKR 19.68

2%
Increase

Total Assets

PKR 625 Billion

16%
Increase

Income Tax

PKR 45 Billion

176%
Increase

**Net
Sales**

Increase in Sales Revenue:

Mainly due to increase in crude oil price and surge in exchange rate

PBT

Increase in Profit Before Tax:

Due to higher revenue, further augmented by exchange gain due to PKR devaluation and higher other income on account of better interest rates, partially offset by high dry wells, windfall levy & royalties.

Tax

Increase in Tax for the year:

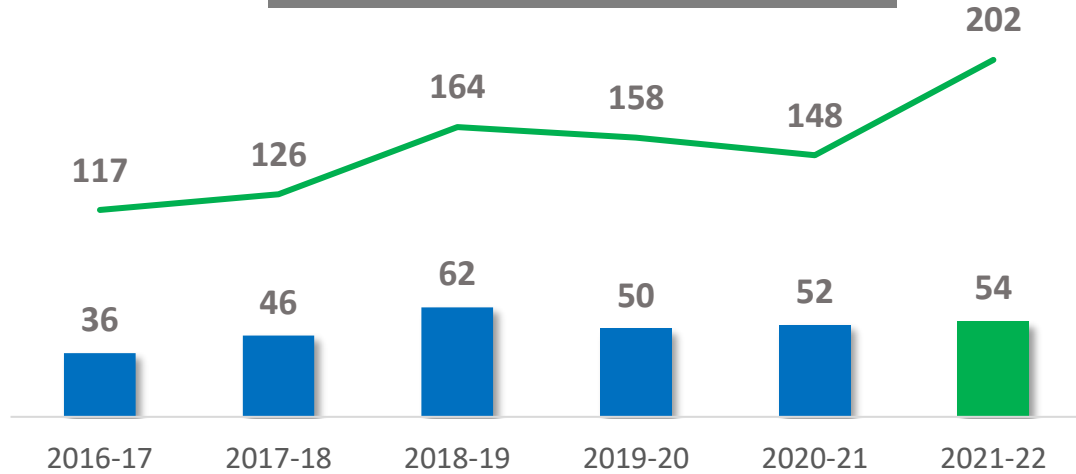
- Higher Profit before Tax
- 10% Super Tax imposed

Key Financial Indicators

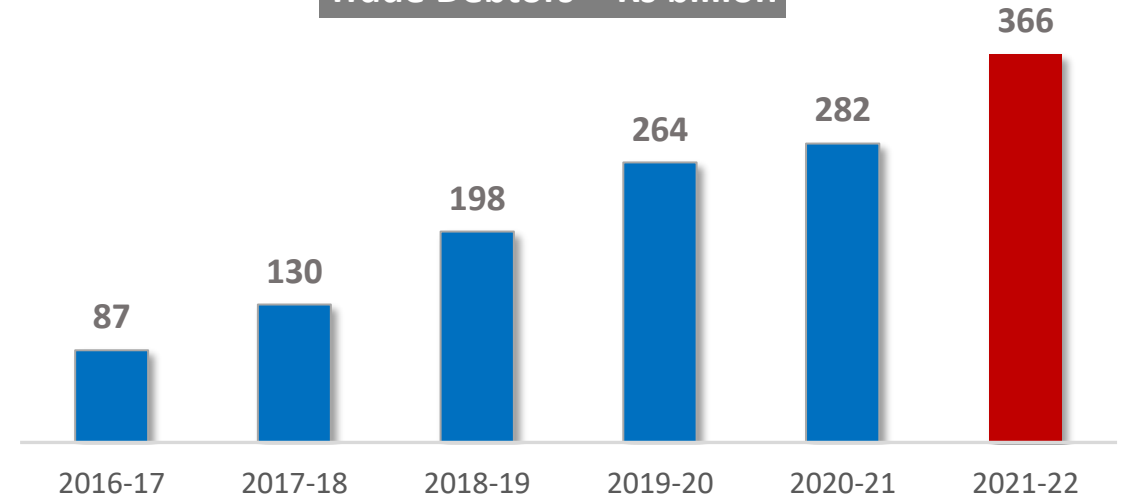


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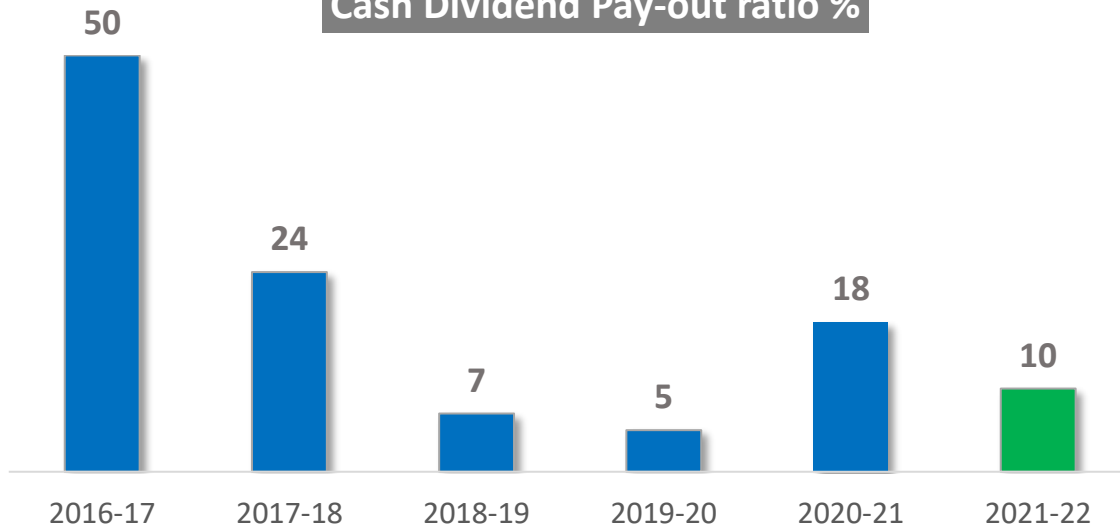
Revenue vs Profitability - Rs billion



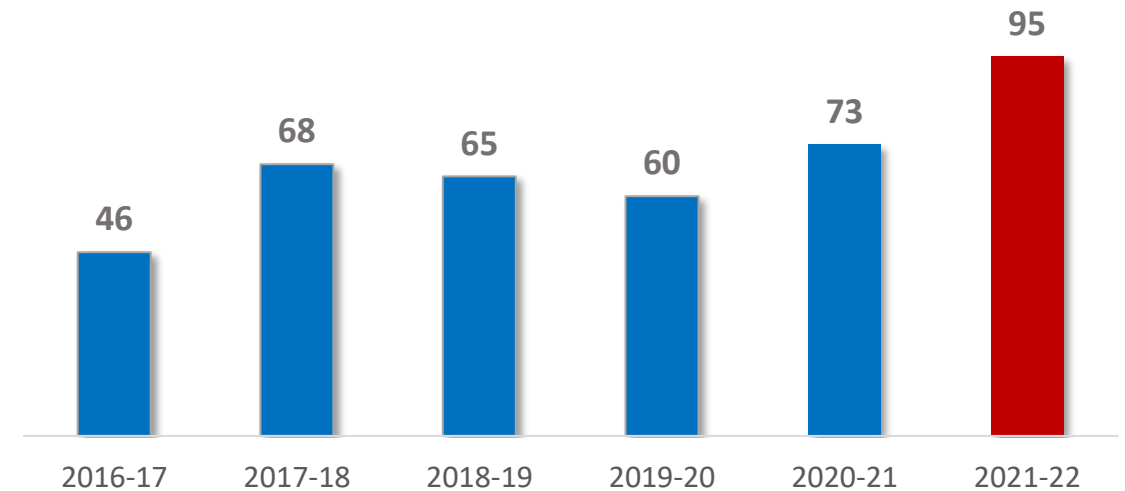
Trade Debtors – Rs billion



Cash Dividend Pay-out ratio %



Payments to Government Exchequer -Rs billion

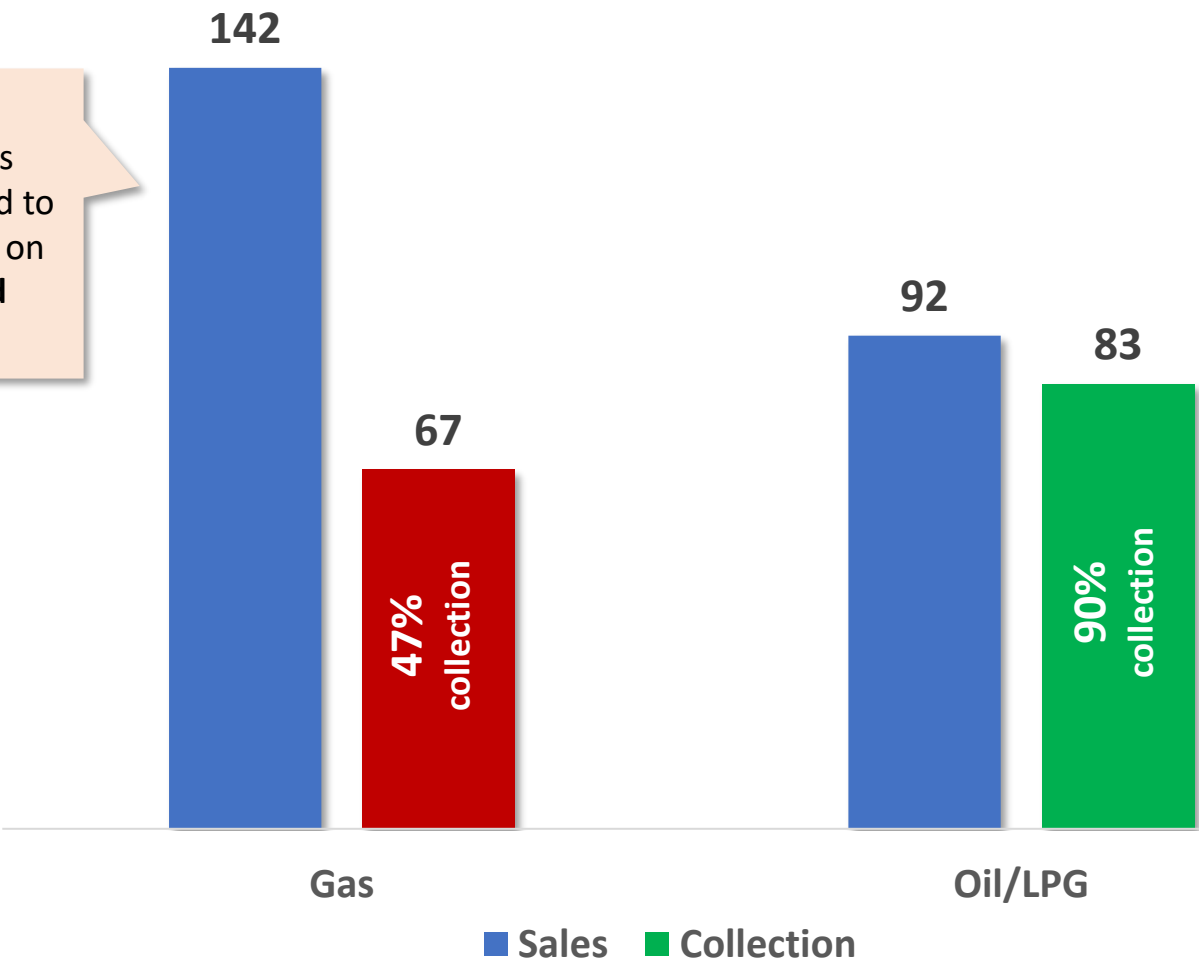


Sales vs Collection

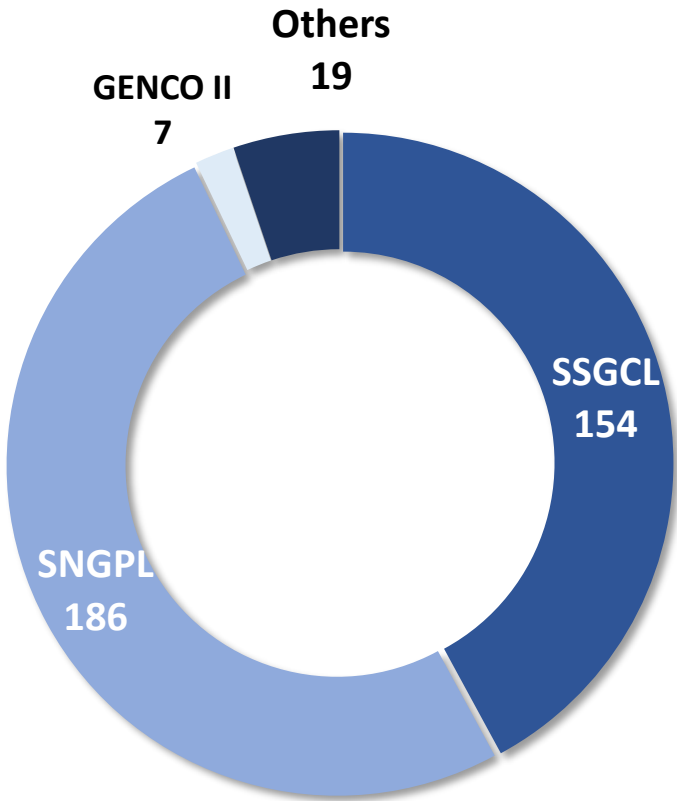


Sales vs Collection
Rs. Billion (FY 2021-22)

Taxes & royalties required to be paid on accrued sales



Receivables as at
June 30, 2022



- Highlighting major root causes of gas sector circular debt along with **formulation of mitigation plans** at the highest levels in the Ministry of Energy and Finance Division.
- These plans are currently under implementation phase and the Company is hopeful that, if implemented, will improve cashflows
- Focusing on **oil resources** to diffuse Circular Debt impact - Startup of Dhok Sultan. Investment in **PIOL** in Abu Dhabi (as Operator)
- **Diversifying** in Circular Debt free strategic investments - returns expected in mid to long term
 - **Reko Diq** Project – one of the largest undeveloped copper-gold mine in the World
 - Barite, Lead and Zinc (**BLZ**) project through BME





Challenges & Outlook

Key challenges



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| Challenges | Mitigations |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Surge in trade receivables | High level engagement with Ministry to resolve the root causes. Strategic investments to create alternate revenue streams. |
| Higher levies/taxes on account of higher revenues and profits – Deteriorating cash to current liabilities | Submission of request to GoP for payment of royalties and sales tax on receipt basis |
| Legal impediments in Zafir project | Matter being pursued for expeditious resolution |
| Arresting the natural decline in mature fields | Continuation of development activities |
| Depleting exploration portfolio and slowdown in large discoveries | <ul style="list-style-type: none">• Participation in new bid rounds / Farm-ins• Evaluating international opportunities• Drill in high risk/high reward areas to target bigger discoveries• Hedging depletion via diversification through alternate revenue streams |

- Production forecast around 0.8 Bcfde
- Seismic campaign of ~1,800 line km 2D and 1,000 Sq km 3D
- Drill 7 exploration wells and 9 development wells
- Mix of high/ medium risk exploration wells - Shah bandar, Kalat, Baska and Hala
- Exploration and appraisal activities in PIOL
- Close out of reconstitution activities in the Reko Diq Project, buyout of 8.33% equity stake by the Company and start-up of feasibility study
- Close out proceedings commenced in Block-8, Iraq
- Projects:
 - BLZ mining
 - Compression revamp in Sui
 - GPF IV compression
 - Continue Zafir project



Questions & Answers

Thanks