

## **Pakistan Petroleum Limited: Corporate Overview**

The pioneer of the natural gas industry in the country, Pakistan Petroleum Limited (PPL) has been a frontline player in the energy sector since the mid-1950s. As a major supplier of natural gas, PPL today contributes over 20 percent of the country's total natural gas supplies besides producing crude oil, Natural Gas Liquid and Liquefied Petroleum Gas.

The company's history can be traced back to the establishment of a public limited company in June 1950, with major shareholding by Burmah Oil Company (BOC) of the United Kingdom for exploration, prospecting, development and production of oil and natural gas resources. In September 1997, BOC disinvested from the Exploration and Production (E&P) sector worldwide and sold its equity in PPL to the Government of Pakistan (GoP). Subsequently, the government reduced its holding through an initial public offer in June 2004, which was further decreased with the initiation of the Benazir Employees Stock Option Scheme (BESOS) in August 2009 when PPL employees were allotted 12 percent shares from the government's equity. More recently, GoP further disinvested its 5 percent shares, around 3.55 percent of the total paid-up capital, in PPL through Secondary Public Offering in 2014. Currently, the company's shareholding is divided between the government, which owns about 67.51 percent, PPL Employees Empowerment Trust that has approximately 7.35 percent — being shares transferred to employees under BESOS — and private investors, who hold nearly 25.14 percent.

PPL has acquired 100 percent shareholding of MND E&P Limited, a company incorporated in England and Wales. The name of the subsidiary was changed to PPL Europe E&P Limited.

The company has also established a wholly-owned subsidiary, PPL Asia E&P B.V. with corporate seat in Amsterdam, Kingdom of Netherlands. The subsidiary focuses on exploration and production of oil and gas in the region.

In August 2021, a PPL-led consortium was awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north east of Abu Dhabi city. The consortium includes four leading national E&P companies, PPL as operator, Oil and Gas Development Company Limited (ODGCL), Mari Petroleum Company Limited and Government Holdings (Private) Limited (GHPL) with an equal shareholding of 25 percent. To this end, a new company Pakistan International Oil Limited (PIOL) was incorporated in the UAE with PPL as the management shareholder and has entered into the concession agreement with Abu Dhabi National Oil Company.

PPL operates 16 producing fields across the country at Sui (Pakistan's largest gas field), Adhi, Kandhkot, Chachar, Mazarani, Adam, Adam West, Shadadpur, Shahdadpur West, Shahdadpur East, Zafir, Fazal, Kabir, Hadaf, Dhok Sultan and Shahpur Chakar North and holds working interest in 24 partner-operated producing fields, including Qadirpur the country's second largest gas field.

As a major stakeholder in securing a safe energy future for the country, PPL pursues an aggressive exploration agenda aimed at enhancing hydrocarbon recovery and replenish reserves. PPL together with its subsidiaries has a portfolio of 50 exploration assets of which the company operates 28, including an offshore Block 5 in Abu Dhabi, UAE and a local offshore lease in Pakistan, while 22 blocks, comprising an onshore concession in Yemen, are operated by joint venture partners.

As part of its diversification strategy, PPL has strengthened its mining operations through Bolan Mining Enterprises (BME), established in 1974 with an equal shareholding of 50 percent each between PPL and Government of Balochistan (GoB). To this end, PPL signed a mining lease (ML) deed for Lead and Zinc in District Khuzdar with GoB in December, 2021. According to the ML deed, PPL has been granted a large-scale mining lease over an area of 30 square kilometers for establishment of bayrite, lead and zinc (BLZ) processing/ beneficiation plant in District Khuzdar, Balochistan. The estimated recoverable reserves of BLZ are 69 million tonnes along with 32 years of life after commencement of production.

More recently, PPL in collaboration with Oil & Gas Development Company Limited and Government Holdings (Private) Limited (collectively, the SOEs), entered into agreements for the reconstitution of the Reko Diq project with Barrick Gold Corporation, Balochistan Mineral Resources Limited and Government of Balochistan in December 2022. The project is managed through Pakistan Minerals (Private) Limited, a special purpose entity equally owned by the SOEs, which holds a 25 percent equity stake in the project.

Over the years, PPL has developed a reliable foundation and infrastructure for providing clean and safe energy through sustainable exploitation of indigenous natural resources while adhering to best practices of corporate governance and employee health and safety and constraining the ecological footprint of its operations. As a result, Sui, Kandhkot, Adhi and Hala, Gambat South and Mazarani assets, Purification Plant, Sui, Sui Field Gas Compressor Station, Sui Production, Sui Field utility, Sui Stores, Sui Field Hospital and Quality, Health, Safety and Environment, Drilling & Well Engineering, Construction, Projects, Production Technology and Medical Services departments stand certified for ISO 9001 Quality Management System.

Similarly, Kandhkot, Adhi and Hala, Gambat South, Mazarani assets, Sui Field Gas Compressor Station, Sui Production, Sui Field utility, Sui Stores, Sui Field Hospital and Exploration, Quality, Health, Safety and Environment, Drilling & Well Engineering, Construction and Projects departments have been certified for ISO 14001 Environmental Management System and ISO 45001 Occupational Health & Safety Management System. Purification Plant, Sui, is also certified for ISO 45001 Occupational Health & Safety Management System.

PPL has played a significant role as a responsible corporate citizen since the inception of its commercial activities in Sui by establishing the Sui Model School in 1957 for children of workers and local communities. In order to increase reach, ensure geographical and thematic diversity, the company's CSR programme focuses on education, healthcare, infrastructure development, livelihoods generation and disaster relief and rehabilitation for disadvantaged communities living in and around its operating areas as well as other parts of the country. The company also initiated Corporate Donations programme to reach deserving population in urban areas. To this end, PPL has earmarked at least 1.5 percent of its annual pre-tax profit for CSR initiatives with actual spending crosses Rs. 3-billion-rupee mark.