**PAKISTAN STOCK EXCHANGE LIMITED**
(formerly: Karachi Stock Exchange Limited)

**PSX/N-295** **NOTICE** **January 16, 2017**

Reproduced hereunder letter No. PSX/C-1079-9656 dated December 29, 2016 sent to **PAKISTAN PETROLEUM LIMITED**, by the Exchange and response received from the Company vide its letter No. **CS/SE-0030** dated **January 12, 2017,** for information of all concerned.
(Copy of the same is also available on our Website www.psx.com.pk).
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PAKISTAN STOCK EXCHANGE LIMITED
(Formerly Karachi Stock Exchange Limited)
Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.
UAN: 111-001-122 Fax: 32410825
Website: www.psx.com.pk Email: info@psx.com.pk

Ref. No. PSX/ C-1079-9656

December 29, 2016

Courier Service

**The Company Secretary**
Pakistan Petrolium Limited
P.I.D.C House, Dr. Ziauddin Ahmed Road
P.O. Box 3942
Karachi-75530

Subject: **Non-Disclosure of Inside Information by Listed Companies**

Dear Madam,

Attached please find herewith an email received through Securities & Exchange Commission of Pakistan regarding complaint received from Mr. Khaleeq Nazar pertaining to non-disclosure of material information by the Company in light of the news item published in the Daily Dawn and Express tribune.

The complainant has informed that PPL has been allowed to continue operations in the Sui Field for further 10 years which has not been communicated by the Company as material information to PSX.

You are requested to please let us have your comments to the above immediately.

Yours sincerely,

**Muhammad Ghufran**
Deputy General Manager – Operations

**Copy to:**
**Ms. Najia Ubaid**
Joint Director (SSED)
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad

**Managing Director – PSX**

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**Pakistan Petroleum Limited**

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P. O. Box 3942, Karachi-75530, Pakistan
Tel: 92-21-35681391-95, 35683853-57, 35657730-39
UAN: 92-21-111-568-568
Fax: 92-21-35680005 & 35682125
Website: www.ppl.com.pk

Our reference: CS/SE-0030 Your reference: Date: 12th January 2017

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Attention: Mr. Muhammad Ghufran
Deputy General Manager - Operations

Dear Sir,

Re: ***Non-Disclosure of Inside Information by Listed Companies***

We refer to your letter No. C-1079-9656, dated 29th December 2016, and the copy of the email of even date from Ms. Najia Ubaid, Joint Director, Securities and Exchange Commission of Pakistan regarding the above matter.

We regret the delay in our response and hasten to clarify that an in principle decision has been taken by the Economic Coordination Committee of the Federal Cabinet ("ECC") to allow the Company to continue as operator of the Sui gas field subject to fulfillment of a host of conditions. The decision was communicated to the Company by the Directorate General of Petroleum Concessions of the Ministry of Petroleum and Natural Resources ("DGPC") vide letter dated 19th December 2016, a copy whereof is enclosed for reference.

As would be noted from the enclosed copy of the DGPC's letter, at this stage only the summary moved by the Ministry of Petroleum and Natural Resources has been approved by the ECC and a formal application pursuant to the Petroleum Concession Rules for grant of the lease has to be filed by the Company and a Development and Production Lease ("D&PL) will be executed once the stipulated conditions have been fulfilled. Upon execution whereof the Company would acquire the right to operate the Sui field for a further period.

Please be assured that as soon as the Development & Production Lease in respect of the Sui gas field is executed we will duly disclose this material information to the Exchange as required. Since the decision in respect of the Sui field has yet to be finalized and given effect, it would be incorrect for the Company to claim a ten year extension and disseminate the information to the Exchange.

*(saa/ppl/cs-psx22-mh/060117)*

We trust the foregoing facts clarify the Company's position in the matter.

Yours truly,

**Shahana Ahmed Ali**
Company Secretary

Copies: (1) Ms. Najia Ubaid
Joint Director (SSED)
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad.

(2) Managing Director - PSX

*(saa/ppl/cs-psx22-mh/060117)*

No. Expl-3(3)PPL-SuiML/2016
Government of Pakistan
Ministry of Petroleum and Natural Resources
(Policy Wing)
Directorate General of Petroleum Concessions

Islamabad, the December 19, 2016

Ashon
19/12/16

The Managing Director
Pakistan Petroleum Limited
Karachi

Subject: Sui Gas Field – Expiry of Mining Lease

Dear Sir,

I am directed to state that the Economic Coordination Committee (ECC) of the Cabinet considered the summary dated 28th Nov 2016 regarding "Sui Gas Field – Expiry of Mining Lease" and vide case No. ECC-144/24/2016 dated 13th Dec 2016 approved the proposals contained at paras 9-11 of the summary. Extracts of said paras 9-11 are reproduced hereunder:

*"9. Based on deliberations of the meeting, a Memorandum of Agreement (MoA) has been signed on 20th May 2016 between MPNR and Government of Balochistan, which is subject to approval of the respective competent forums. Salient features of the MoA are as under;*

i. *PPL shall continue to be the Operator of the said field.*
ii. *The ML shall be converted from a Mining Lease to a Development and Production Lease and effective 1st June 2015 shall be extended under and pursuant to 2012 Policy and 2013 Rules.*
iii. *The Field Development Plan shall be submitted by PPL and approved by the DGPC in consultation with the Government of Baluchistan.*
iv. *The D&PL shall be executed jointly by the Government of Pakistan and Government of Baluchistan subject to the Policy.*
v. *The Wellhead price of the D&PL shall be fixed at 55% of 2012 Policy price.*
vi. *PPL shall pay 10% of wellhead value as lease extension bonus to the Government of Balochistan.*
vii. *All financial obligations of 2012 Policy including Employment, Training, Social Welfare and Production Bonus will be applicable on PPL. Special package has been included for scholarships for people of Dera Bugti and rest of Balochistan. All CSR related activities shall be carried out in consultation with provincial government.*
viii. *PPL shall invest Rs 20 billion in exploration activities in Balochistan during lease period.*

*To overleaf*

*From overleaf*



*10. To introduce enabling provisions in 2013 Rules to grant a Development Production Lease to PPL, suitable amendments in said Rules will be made in consultation with Law & Justice Division.*

*11. PPL will enter into a new Gas Pricing Agreement (GPA) with Federal Government to incorporate the revised wellhead gas pricing formula w.e.f. 1st June 2015. The new GPA, for Sui D&PL subject to eligibility, shall also allow application of incentives given to existing leases under Tight, Marginal, Low BTU, Shale Gas policies, Petroleum Policy 2012 and any other Policies issued from time to time."*

2. PPL is advised to initiate requisite actions for implementation of above decision.

Yours sincerely,

o/c

(Gul Munir)
Deputy Director (Exploration)
Tele: 9201767

Copy to:

(i) Chief Secretary, Government of Balochistan, Quetta
(ii) Secretary, Energy Department, Government of Balochistan, Quetta
(iii) Director to the Minister for P&NR
(iv) SPS to the Secretary P&NR
(v) SPS to the AS (A&D)
(vi) PA to DG(PC)
(vii) PA to DG (Gas)

PPL

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