

Pakistan Petroleum Limited

Corporate Briefing Takeaways

- PPL senior management held an analyst briefing today to discuss financial performance of FY25 and the future outlook. **REP-300**
- Company has diversified away from oil and gas production towards mining through Pakistan Minerals Limited (Reko Diq) and Barite Lead Zinc (BLZ) project. Management expects a significant portion of company's revenue being generated from mining 5 years down the line.
- Operating and Financing Agreements have been finalized for the BLZ project with production expected to start by FY29. Reko Diq's feasibility study has been completed and financial close is in progress.
- PPL's portfolio includes 21 total producing fields and 46 exploratory blocks of which 25 are company operated.
- Company delivered a target of 11 exploration wells (6 PPL operated) and 4 development wells (all partner operated) in FY25. For FY26, management has set an ambitious target of 15 wells which includes exploratory wells.
- Reserve Replacement Ratio (2P) of the company stood at 129% in FY25. Recently, 8 discoveries have been made with 6 partner operated areas.
- PCA has been signed with ADNOC for development of the 3 pre-existing discoveries at Abu Dhabi block. Management expects drilling of wells to commence from 1QCY27.
- Pakistan's domestic gas production in FY25 stood at 2.9bcfd with PPL's share standing at ~19%. Country's gas production declined by 6.5% mainly due to curtailment on SNGPL network due to RLNG back-pressure.
- PPL's production for FY25 declined by 11% in FY25 mainly due to gas curtailment caused by RLNG back pressure and lower offtakes from Kandhkot. Curtailment of gas is mainly from Sui, Nashpa, and TAL.
- Management expects negotiations on reallocation of gas from Kandhkot to be concluded in a few months. Regarding deferment of Qatar RLNG cargoes, management expects a positive impact on production with impact of more than 50mmcf.
- Field wise gas production in FY25 was 42% from Sui, 17% from Kandhkot, 15% from Gambat South, 2% from Adhi and 24% from partner operated fields.
- PPL expects production of 600-650 mmcf depending on gas curtailment in FY26. A seismic campaign of ~700 line km 2D and ~600 Sq km 3D acquisition is planned. Development wells are also planned in Gambat South and Shah Bandar (operated areas).
- Dhok sultan production can be enhanced in the range of 1,000-1,400 bopd in the medium term. Hala field is currently not facing any curtailment due to connection with SSGC, therefore, allocation to fertilizer plants is not possible.

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