

Statement of Corporate Intent

1. Name of the State-Owned Enterprise: Pakistan State Oil Company Limited
2. Incorporated/established on: June 03, 1974
3. Subsidiaries included in this statement of corporate intent:
Pakistan Refinery Limited

Newly established subsidiaries include:
 - i. CERISMA (Private) Limited
 - ii. PSO Renewable Energy (Private) Limited
 - iii. PSO Venture Capital (Private) Limited
4. Description of the main business of the state-owned enterprise:
Principal activities of the company are procurement, storage and marketing of petroleum and related products. It also blends and markets various grades of lubricating oils.
5. Summary of the business goals of the state-owned enterprise:
 - **Sustaining Financial Resilience:** PSO aims for a disciplined approach to financial management, ensuring the company's continued ability to weather economic uncertainties and invest in strategic growth initiatives
 - **Operational Excellence:** The company's relentless pursuit of efficiency, safety, and service excellence will persist, driving continuous improvement across all aspects of its operations
 - **Innovation and Diversification:** Embracing a forward-thinking mindset, PSO will explore pioneering technologies, alternative energy sources, and innovative business models to address the evolving needs of its customers
 - **Social Responsibility:** PSO's social responsibility remains a priority as it strives to make a positive impact on community development and environmental sustainability
 - **Business Growth and Optimization:** Maintaining market share in MoGas and diesel, growing Lubricants and LPG businesses, while continuing to enhance operational efficiencies through business process re-engineering and digital transformation and forging strategic partnerships on projects to drive business forward
6. Summary of the performance measures and benchmarks against the state-owned enterprises business goals and its primary objective:
 - **Sustaining Financial Resilience:** Increase EBITDA by 10% along with 3% savings in controllable expenses
 - **Operational Excellence:** Ensure 90% availability of operational storages.
 - **Innovation and Diversification:** Terminal Automation at Faisalabad.
 - **Social Responsibility:** Support public charitable projects in the areas of education, healthcare, community building & disaster management and environment especially where PSO operates.
 - **Business Growth and Optimization:** Sustain/increase market share in key products including white oil, black oil, LPG and Lubricants.
7. Summary of the strategies of the state-owned enterprise for achieving its business goals and primary objective:
 - Ensure safe business operations through effective HSE compliance and implementation.
 - Maintain market shares in PMG & HSD by strengthening the retail network.

- Focus on high-margin products and Non-Fuel Retail business, by introducing AutoCare facilities to improve lubricant sales, and adding LPG sales points and a new chain of convenience stores at the company retail outlets.
 - Strive to reduce the receivables from government entities by consistently following-up with relevant departments and pursue implementation of the receivable-equity swap proposals.
 - Increase reliability of asset infrastructure to meet demand through effective predictive maintenance and rehabilitation plans.
 - Continuation of operational optimization through business process reengineering and digital transformation.
8. The current or anticipated borrowing of the state-owned enterprise, including borrowing by a subsidiary:
As of June 30, 2024, PSO's borrowings were Rs. 391 billion, whereas projected borrowings may vary between Rs. 450 and Rs. 475 billion. PRL's borrowings as of June 30, 2024 were Rs. 28.5 billion and are projected to increase by Rs. 6-9 billion in the next year.
 9. The accounting policies that the state-owned enterprise will apply for financial records and reporting:
Accounting policies may be viewed in PSO's financial statements available on the company's website: www.psopk.com.
 10. Summary indicative balance sheet and profit and loss statement for the state-owned enterprise:
Will be provided after approval from the Board of Management.
 11. Consolidated summary indicative balance sheet and profit and loss statement for the state-owned enterprise and its subsidiaries as a group:
Will be provided after approval from the Board of Management.
 12. The proposed dividend declaration and distribution policy of the state-owned enterprise:
As and when approved by the Board of Management.
 13. Description of any public service obligations and their impact on the forecasted financial outcomes of the state-owned enterprise:
As the designated importer on behalf of the Government of Pakistan, PSO has two sale purchase agreements with Qatar Energy for the import of LNG for onward sale to Sui companies. PSO is selling LNG to SNGPL since 2015 against which SNGPL has not been able to make the complete payments. During this period our outstanding amount for LNG stands at Rs. 516 billion inclusive of LPS (as of August 20, 2024). This has resulted in severe cash flow issues and very high finance costs.
 14. Any other matter directed to be included in this statement by the Federal Government:
None.