

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 , marketing and distribution 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:**
 - **Sustainable Business Growth:** PSO's business objectives and strategies are focused on ensuring sustainable growth, increasing market participation in key products, and maintaining a prominent position in the energy sector.
 - **Enhancing value for stakeholders:** The company's primary objective is to meet the energy needs of the nation, while simultaneously maximizing shareholder value. 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 and Digital Transformation:** The company's relentless pursuit of efficiency, safety, and service excellence will persist, driving continuous improvement across all aspects of its operations. Furthermore, company continues to strengthen its digital transformation journey.
 - **Social Responsibility:** PSO's social responsibility remains a priority as it strives to make a positive impact on community development and environmental sustainability.
6. **Summary of the performance measures and benchmarks against the state-owned enterprises business goals and its primary objective:**
 - **Sustain business growth by increasing market participation** in key products with a focus on growing Lubricants, LPG businesses, Non-fuel retail network, and maintaining share in MoGas and Diesel
 - **The company aims to make capital investments** of ~ Rs. 13 billion in the coming year to enhance value for stakeholders by expanding existing portfolio
 - Rs. 5 billion worth of investments pertains to enhancing the retail and marketing network.
 - ~Rs. 2.5 billion pertains to digital transformation, automation and optimization of processes
 - ~Rs. 2 billion pertains to investments in infrastructure upgrade, asset reliability enhancement / maintenance and HSE related projects
 - Additionally, diversification into new businesses remains significant such as investment in renewable /alternative energy solutions, and innovative fintech business models
 - **Operational Excellence:** Ensure above 90% availability of operational storages.
 - **Social Responsibility:** Support public charitable projects in the areas of education, healthcare, community building & disaster management especially where PSO operates.
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.
 - PSO is making significant strides in the execution of its long-term corporate strategy by venturing into the dynamic fintech industry with Cerisma (Pvt.) Limited. With the establishment of PSO Renewable Energy (Pvt.) Limited, a pioneering entity, we are dedicated to developing and implementing renewable energy assets and commercial projects in alignment with the government's renewable energy policy.
 - PSO places great emphasis on customer-centricity, recognizing that customer satisfaction is crucial for long-term success. Therefore, the company continually endeavours to provide superior customer service, develop innovative

products, and build strong relationships with its customers. Focus shall be on enhancing Non-Fuel Retail business, by introducing AutoCare facilities to improve lubricant sales, and adding LPG sales platform

- Strive to reduce the receivables from government entities by consistently following-up with relevant departments and pursue implementation of the receivable-equity swap proposals.
- 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 13, 2025, PSO's borrowings stands at Rs. 343 billion, whereas projected borrowings may vary between Rs. 325 and Rs. 400 billion. PRL's borrowings as of June 30, 2025, are expected to be Rs. 25 billion and are projected to remain within the range of Rs. 25 to 26 billion over the following 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. 573.9 billion inclusive of LPS (as of June 11, 2025). 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.