

Directors' Report 2022-23

The Board of Directors of Khyber Pakhtunkhwa Oil & Gas Company Limited (KPOGCL) is pleased to present the Directors' Report along with the Audited Financial Statements for the year ended June 30, 2023 together with Auditors' Report thereon.

The Chairman's Message

It is my privilege to present the Directors' Report for FY 2022-23, reflecting on a year of significant progress, growth, and transformation for KPOGCL as an Exploration & Production (E&P) company. Despite the dynamic challenges of the energy sector, we have continued to advance our strategic objectives and operational excellence to strengthen our position in the industry.

On behalf of the KPOGCL Board of Directors, I extend profound appreciation to the Government of Khyber Pakhtunkhwa for their unwavering trust and confidence in the capabilities of the Board members. As a testament to its faith and commitment to the betterment of the company and the province, the Board remains resolute in its pursuit of the objectives.

Recognizing the evolving landscape, the incumbent Board has undertaken a thorough revision of its business and corporate strategy, resulting in an updated vision and mission statement that reflects our long-term business objectives. Specific targets / KPIs have been devised to ensure alignment with the strategic business goals, enhancing the focus and direction of our initiatives.

A significant development during this reporting period is the approval of the execution of the Petroleum Concession Agreement (PCA) of Miran Block in the 51st Council of Common Interests (CCI) meeting dated January 29, 2024. Following the directive issued to the Petroleum Division, the Miran PCA was formally executed on May 7, 2024. Subsequently, the BOD KPOGCL expeditiously initiated the bidding process for farming-out of 49% shares of Miran Block in light of the 51st CCI decision to all the eligible public sector companies (OGDCL, PPL, MPCL and GHPL). Later on, OGDCL, PPL and GHPL participated as a consortium led by OGDCL, whereas MPCL participated individually. The bidding response was unprecedented and overwhelmingly positive, marking a significant milestone for KPOGCL. Both bidders offered to carry 100% of KPOGCL's 51% share, along with a full waiver of KPOGCL's reimbursable carried costs, resulting in a tie. Consequently, the BOD KPOGCL initiated a second bidding round, focused on a premium (in USD) above the already offered quotes to reach a conclusion.

KPOGCL's commitment to progress is further demonstrated by relentless efforts to significantly enhance oil and gas production in the Baratai Block. This includes the Acid Stimulation job at the Siab-1 well and the Workover at the Dhok Hussain-1 well, a testament to the sustained partnership with our valued joint venture partner, OGDCL.

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Most importantly, the Board has implemented a rightsizing initiative to optimize the Company's organizational structure, successfully reducing the sanctioned strength from 134 to 63 positions. This strategic adjustment aligns our human resources with operational needs, promoting greater efficiency and agility within the organization.

Moreover, the Board of Directors of KPOGCL has successfully completed the appointment process for the Chief Executive Officer, following the Provincial Cabinet's approval of Mr. Nasir Khan as CEO-KPOGCL during its meeting on September 18, 2024.

These updates exemplify KPOGCL's proactive governance approach and commitment to operational excellence, ensuring that we remain responsive to the evolving dynamics of the energy sector while fulfilling our obligations to both shareholders and stakeholders.

In conclusion, the Board reaffirms its unwavering commitment to KPOGCL's mission and vision, as well as to the valued stakeholders who have played an integral role in this journey. The Board looks forward to a future marked by continued growth, success, and prosperity.

State of the Company's Affairs

The year 2022-2023 marked a significant period for KPOGCL as it actively pursued its corporate strategic business targets envisaged by the Board of Directors. During this period, the Company focused primarily on developing a balanced Exploration and Production (E&P) portfolio in line with the industry standards, particularly the public sector companies. This was predominantly achieved through non-operatorship arrangements principally aligned with the strategic vision of both the previous and the incumbent Board of Directors (BODs), as communicated to the management of KPOGCL.

During this period, KPOGCL successfully executed the Deed of Assignments (DOAs) with OGDCL and the regulator (DGPC) for Tirah (15%) & Orakzai (20%). Whereas, the formal execution of DOA with MPCL and the regulator (DGPC) for the additional 7.5% Working Interests (WIs) in Wali West Block is pending for execution. These initiatives were in accordance with the strategic business model presented to the Provincial Cabinet and approved dated June 16, 2020 for securing further Joint Venture (JV) partnerships with reputed Exploration & Production National Oil Companies such as OGDCL, MPCL, etc. in prospective Blocks located in the settled areas and Newly Merged Districts (NMDs) of KP province.

Moreover, KPOGCL continued its efforts to achieve the significant milestone by replacing the non-prospective Lakki Block with the more promising Miran Block pursuant to the decision of the Council of Common Interests (CCI) on November 11, 2020. In this regard, exhaustive efforts were made by KPOGCL at various levels to resolve issues related to execution of Miran PCA. Technically, the petroleum system of

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Miran area has successfully been proven by the three high-impact/play-opening hydrocarbon discoveries by OGDCL (2021), MPCL (2022), AEPL (2022) in the nearby/adjacent Blocks. This strategic decision of aligning KPOGCL's business portfolio towards its principal business objectives demonstrates KPOGCL's prudent use of public funds, redirecting investments towards blocks with higher prospects.

During the year, oil and gas production continued from the Dhok Hussain field (Dhok Hussain-1 & Siab-1) in Baratai Block operated by OGDCL, yielding promising results from the Cretaceous and Paleocene formations. The net revenue generation amounting to approximately Rs. 138.9 million by the end of June 2023.

It is pertinent to mention that joint efforts of both OGDCL and KPOGCL professionals led to two oil and gas discoveries so far out of the four wells drilled in Baratai JV. As far as the upside potential is concerned in the Baratai Block, the existing Geological & Geophysical (G&G) data sets are being evaluated for any upside potential within the Baratai Block including the post-drill re-processed RTM version by Petrotrace, Moscow.

As far as the remaining exploration Blocks are concerned, it is important to note that they are still in the exploration phase where either 2D seismic data acquisition has already been acquired such as Tirah & Orakzai Blocks or being acquired such as Wali West Block. In Tirah & Orakzai Blocks, seismic interpretation has been carried out to mature the identified leads into drillable prospects for which the JV partners (OGDCL & KPOGCL) have agreed to proceed with the acquisition of infill 2D seismic lines to resolve uncertainties related to the subsurface structures. Moreover, 2D seismic operations are in progress in Wali West Block. However, the field crew remained mostly on standby due to security concerns in the Block area. Furthermore, the ongoing collaboration between KPOGCL and its JV partners has been instrumental in adding value through participation in Technical Workshops, Finance and Operating Committee Meetings.

These developments reflect KPOGCL's commitment to exploring and harnessing the hydrocarbon potential within the KP province, while strategically collaborating with reputable E&P companies to drive growth and maximize the value of these exploration Blocks.

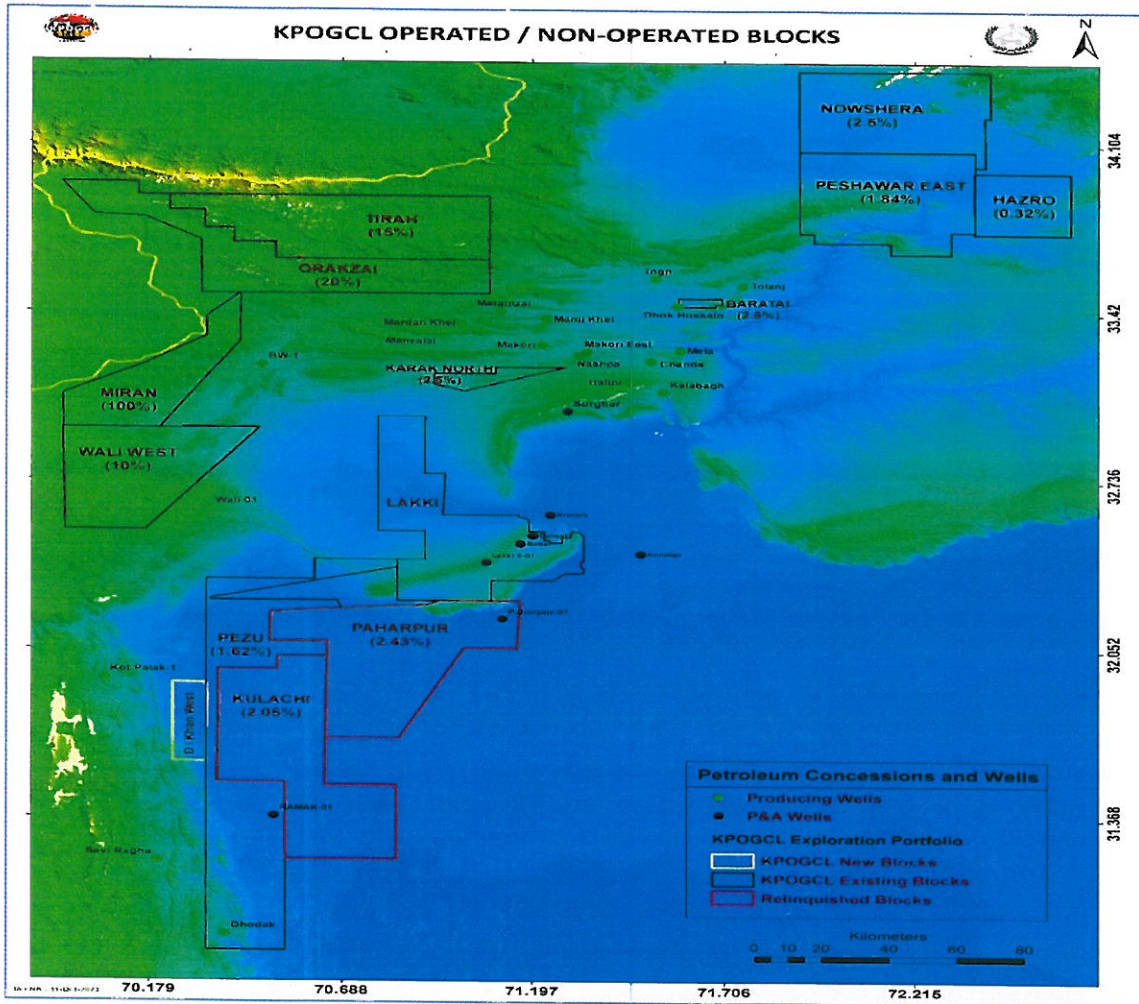
Exploration & Production (E&P) activities carried out in the company's operated and non-operated joint ventures during the FY 2022-23 are tabulated below:

S/N	Exploration Block	Operator	KPOGCL Working Interest (WI)	Current Status
1.	Baratai	OGDCL	2.50 %	02 discoveries; Revenue from 02 wells

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2.	Pezu	OGDCL	1.62%	G&G activities in progress; 3D seismic planned. Pending for security NOC.
3.	Kulachi	OGDCL	2.05%	Surrendered: Jan 07, 2021. Regulator's approval in progress.
4.	Karak North	Tallahassee	2.50%	Sub-judice in court
5.	Peshawar East	MPCL	1.84%	Operator applied to the Regulator for Force Majeure (Feb 2019), which has been lifted in Sept-2023.
6.	Paharpur	KUFPEC	2.43%	Surrendered: Feb 2020. Transfer of KPOGCL's leftover WUs is pending.
7.	Orakzai	OGDCL	20%	DOA executed with OGDCL and the regulator (DGPC). 2D infill seismic planned and pending for security NOC.
8.	Tirah	OGDCL	15%	DOA executed with OGDCL and the regulator (DGPC). 2D infill seismic planned and pending for security NOC.
9.	Wali West	MPCL	2.5% & 7.5%	DOA for 2.5% executed in March 2021. FOA executed with MPCL for the additional 7.5% WIs. Draft DOA approved by DGPC for the additional 7.5%. Execution of DOA with MPCL and DGPC is pending.
10.	Miran	KPOGCL (Operator)	100%	Application submitted to the Regulator for swap of Lakki block with Miran block Jan 2021. Security NOC granted by MOD. PCA executed in May-2024.

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Health, Safety & Environment (HSE) Management System

KPOGCL is committed to prioritizing the health, safety, and environmental well-being of its employees, stakeholders, and Joint Venture Partners in compliance with the Pakistan Petroleum Policy 2012, E&P rules 2013, Miran PCA, and other relevant HSE legislations and regulations adopted by the Government of Pakistan from time to time.

Recently, a comprehensive “Health and Safety Risk Assessment” of KPOGCL was conducted. The Assessment includes the potential hazards and the proactive measures to ensure the well-being of KPOGCL employees and resources. These hazards have been thoroughly analyzed and a detailed action plan has been prepared to mitigate each risk effectively. Accordingly, most of the action plans and proactive measures have been implemented. Moreover, a comprehensive training session on Fire-Safety and First-Aid has been arranged in KPOGCL head office, Peshawar provided by the professional team members of RESCUE-1122 Khyber Pakhtunkhwa. Seventeen professionals of KPOGCL participated in the training session. This training session was valuable for KPOGCL’s ongoing commitment to maintaining standard oil and gas industry practices both at its

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HO in Peshawar and field operations across the KP Province by equipping our employees to handle emergencies effectively and ensuring a safer workplace for all.

Furthermore, the Company is acutely aware of the urgent need for environmental protection and acknowledges that environmental sustainability stands as one of the paramount imperatives. The Company actively monitors and minimizes emissions, waste, and resource consumption by adopting eco-friendly practices to reduce environmental impact in compliance with relevant global and local environmental standards and regulations.

Operational Results

The operational results of the company for Financial Year (FY) 2022-23 are as follows:

Statement of Profit or Loss for the FY 2022-23	
	Amount (PKR)
Revenue	138,944,634
Operating Expenses	(40,290,273)
Royalty	(16,800,234)
Gross Profit/ (loss)	81,854,127
Exploration and Prospecting Expenditure	(97,347,136)
General and Administration Expenses	(224,302,423)
Exchange loss for the year	(457, 590, 043)
Finance Cost	(8,274,797)
Other Income	164,417,702
Loss before taxation	(541,242,570)
Taxation	-
Loss after tax	(541, 242, 570)

The company is not involved in debt financing nor has taken any sort of loan. Since KPOGCL's capital is totally equity based, there is no debt liability on the company to date. Other liabilities include normal operational liabilities at the year-end which are subsequently cleared in routine business.

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Key Operating and Financial Data

The financial data for current and previous years is as follows:

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
	PKR	PKR	PKR	PKR	PKR	PKR
Revenue	138,944,634	86,032,516	80,300,874	650,700	-	3,628,538
Operating Cost (Including Royalty)	-57,090,507	-53,917,864	-48,442,618	-15,607,073	-	-424,130
Gross Profit	81,854,127	32,114,652	31,858,256	-14,956,373	-	3,204,408
Exploration and Prospecting Expenditure	-97,347,136	-927,692,448	-7,192,659	-31,894,607	-27,086,858	-39,036,433
General and Admin Expenses	-224,302,423	-312,908,388	-225,091,553	-211,579,128	-236,598,903	-312,149,908
Other Income	164,417,702	56,407,883	37,701,457	104,545,627	91,170,679	84,061,242
Finance cost	-8,274,797	-3,207,110	-1,902,829	-2,714,369	-	-
Exchange loss for the year	-457,590,043	-	-	-	-	-
Profit/ (loss) before taxation	-541,242,570	-1,155,285,411	-164,627,327	-156,598,850	-172,515,082	-263,920,061
Taxation	-	-	-	-	-	-223,171
Loss after tax	-541,242,570	-1,155,285,411	-164,627,327	-156,598,850	-172,515,082	-264,143,862
No of contract employees	115	125	117	78	81	87
No. of daily wages employees	12	12	30	109	113	122

In the financial year 2022-23, KPOGCL reported a significant increase in revenue, totaling PKR 138,944,634, compared to PKR 86,032,516 in the previous financial year. The growth is primarily attributed to the cumulative production from two wells, Dhok Hussain-01 and Siab-01, in the Baratai Block.

Operating costs, including royalties, amounted to PKR 57,090,507, which represents a slight increase from PKR 53,917,864 in FY 2021-22 due to enhanced production. The company achieved a gross profit of PKR 81,854,127, a notable improvement from PKR 32,114,652 in the previous year. This increase in gross profit reflects the positive impact of higher revenue on the company's financial performance.

Exploration and prospecting expenditures amounted to PKR 97,347,136, highlighting ongoing investments in exploration activities across various blocks in which KPOGCL holds a working interest. General and administrative expenses decreased to PKR

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224,302,423 from PKR 312,908,388, demonstrating the company's commitment to optimizing its cost structure.

Other income reflected a substantial increase from profits on bank deposits, rising to PKR 164,417,702 from PKR 56,407,883 in FY 2021-22, which positively impacted the overall financial position.

Overall, while the company has incurred reasonable operating expenses, the significant increase in the dollar-to-PKR exchange rate has resulted in exchange losses which mainly pertain to the past costs and signature bonuses committed by the company to acquire working interest in Orakzai and Tirah Blocks. Despite these challenges, the increase in revenue and gross profit, along with reduced administrative costs, reflects a positive trajectory for KPOGCL. The board remains committed to implementing strategies that enhance operational efficiency and drive future profitability.

Principal Risks and Mitigation Measures

KPOGCL's core business involves the exploration and commercial production of oil and gas reserves to help bridge the gap between the country's fossil fuel demand and supply. These activities are speculative in nature and characterized by inherent uncertainties, including geological surprises and complexities, which may potentially impact the Company's financial conditions and the results of exploration, development and production operations. However, the risk of failures, such as encountering dry wells in Khyber Pakhtunkhwa, is relatively low, i.e., 1:2, as compared to other regions of Pakistan (1:3). Additionally, this risk is mitigated through multiple Joint Venture partnerships with reputable public sector operators, diversifying the exposure.

The Company's principal risks and uncertainties in the recent times have emanated from the depreciation of the rupee against dollar and potential impacts on Company's investments in new Blocks, particularly acquisition of Geological & Geophysical (G&G) data and drilling of exploration wells. These extraordinary risks, coupled with the normal risks and uncertainties that exists in the E&P sector which are depletion in existing oil & gas reserves in Baratai block, security concerns that limit the access to exploration and development areas and fluctuating prices are potential major risks, and uncertainties for the company.

The future results of business operations depend on the ability to timely identify and mitigate the risks and hazards inherent to operating in the challenging oil and gas exploration and production industry. KPOGCL's Board of Directors and management are keen to ensure quality decision making and to regularly monitor material business risks and take appropriate actions to mitigate their adverse impact.

Corporate Social Responsibility (CSR)

KPOGCL Board of Directors and management recognize the importance of balancing the pursuit of corporate excellence with a strong commitment to social responsibility

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within the communities we serve. In alignment with our Corporate Social Responsibility (CSR) objectives, KPOGCL is dedicated to fulfilling its Social Welfare Obligations as per guidelines issued by the Directorate General Petroleum Concession (DGPC). As we advance our operations in the Miran Block, which represents our initial foray into exploration, we remain committed to conducting our activities in a manner that respects and supports local communities.

Our focus will extend beyond exploration; we are actively planning to engage in social welfare initiatives that benefit the communities near our operational areas. This includes investments in education, healthcare, water supply, infrastructure development, and charitable donations aimed at uplifting underprivileged populations. In accordance with DGPC guidelines, KPOGCL will ensure the effective and transparent management of social welfare funds, striving to make both our voluntary and obligatory contributions in a manner that exemplifies our core values of ethical and responsible business practices.

Good Governance

The Board of Directors and management team continue to fully recognize the significance of their roles in ensuring that KPOGCL operates with the highest standards of transparency, integrity, and efficiency. Our priority remains to provide both financial and non-financial information that is accurate, comprehensive, and transparent. In line with this, KPOGCL rigorously adheres to the Code of Corporate Governance, ensuring compliance across all areas of operation. For a detailed overview of the Company's compliance, please refer to Annexure-A.

KPOGCL remains committed to upholding high standards of corporate governance, continually working toward greater transparency, timely disclosures, and ethical conduct. The Board of Directors and management prioritize these values across all areas of the Company's operations, even as the business environment evolves.

KPOGCL's proactive approach to governance and risk management is not only reflective of our ability to adapt to changing circumstances but also of our commitment to continual improvement. As we look ahead, the Company is well-prepared to address future challenges, further strengthening its governance structure and reinforcing the trust and confidence of our stakeholders. Through enhanced accountability and a culture of responsible decision-making, KPOGCL aims to set a benchmark in corporate leadership and operational excellence.

Appointment of Auditors

The present auditors M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants have completed their assignment for the year ended June 30, 2023 and shall retire on the conclusion of the Annual General Meeting.

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Government Levies

The Company has regularly paid income tax withheld, KP Sales Tax & GST from payments made to employees, suppliers and consultants, etcetera, while outstanding tax is disclosed in Note 09 of the audited financial statements).

Dividend

Considering the operational results and future plans the Board of Directors does not recommend any dividend.

Auditors Report

The auditor has given unqualified report on the financial statements for the year ended June 30, 2023.

Pattern of Shareholding

The pattern of shareholding of the Company as on June 30, 2023 is as under;

Shareholder	Percentage	Number of Shares
Government of Khyber Pakhtunkhwa	99.99999900	299,999,970
Mr. Sahibzada Saeed	00.00000033	10
Mr Shumail Butt	00.00000033	10
Mr. Zafar Iqbal	00.00000033	10
	100.000000	300,000,000

Earnings Per Share

KPOGCL earning per share as on June 30, 2023 is Rs. -1.80 per share.

Corporate Governance & Financial Reporting Framework

As required by Public Sector Companies (Corporate Governance) Rules 2013, we are pleased to report the following;

- The financial statements prepared by the management of the Company, presents fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of the Company have been maintained.
- The board has complied with the relevant principles of corporate governance and has identified the rules that have not been complied with.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

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- e) The internal control system is designed to uphold the integrity of financial reporting and ensure compliance with relevant laws and regulations. It incorporates best practices tailored to our organization and undergoes regular reviews to assess its effectiveness. Continuous monitoring ensures that these controls function as intended, allowing for proactive identification and management of potential risks. This comprehensive approach reflects our unwavering commitment to maintaining high standards of corporate governance and financial reporting.
- f) The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interest of the Public Sector Company as well as in line with the best practices.
- g) The remuneration of directors is in accordance with the trend and practice in other public sector entities beside size of the Company and duties to be discharged by the director. Disclosure of remuneration of Chief Executive, Directors and Executives is given in Note 33 of the annexed financial statements.

Board of Directors

The composition of the Board of directors as on June 30, 2023 is as follows:

Mr. Khalid Majid	Director (Chairman)
Mr. Muhammad Yahya	Director
Mr. Muhammad Ishaq Saqi	Director
Dr. Muhammad Tahir Shah	Director
Mr. Ejaz Khan Afridi	Director (President SCCI)
Mr. Zulfiqar Ali Shah	Director (Secretary Energy & Power, KPK)
Mr. Muhammad Ayaz	Director (Secretary Finance, KPK)
Mr. Abid Majeed	Director (Secretary Home & TA's, KPK)
Mr. Nasir Khan	Acting Chief Executive Officer/Director

Changes in the composition of the Board during the Financial Year 2022-23 are as follows:

- Mr. Hifz Ur Rehman Resigned from the Board of Directors, KPOGCL on 13-Mar-2023.
- Mr. Hasnain Khurshid Ahmad (President SCCI) was replaced by Mr. Muhammad Ishaq on 01-Oct-2022.
- Mr. Muhammad Ishaq (President SCCI) was replaced by Mr. Ejaz Khan Afridi on 26-May-2023.
- Mr. Ikramullah Khan (Secretary Finance Dept, KP) was replaced by Mr. Muhammad Ayaz on 13-Jan-2023.
- Mr. Khushal Khan (Secretary Home & Tribal Affairs Dept, KP) was replaced by Mr. Abid Majeed on 30-Mar-2023.
- Syed Imtiaz Hussain Shah (Secretary Energy & Power Dept, KP) was replaced by Mr. Nisar Ahmad on 21-Sep-2022.

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- Mr. Nisar Ahmad (Secretary Energy & Power Dept, KP) was replaced by Mr. Zulfiqar Ali Shah on 28-April-2023.

The Chairman appreciated the professional acumen and services rendered by the outgoing directors and welcomed the new members.

Board Structure and Committees

KPOGCL's Board is comprised of ten nominated directors, including six (6) Independent Directors, three (3) Non-Executive Directors, and one (1) Executive Director. Currently, the Board consists of nine (9) serving directors following the resignation of one Independent Member. To ensure effective implementation of sound internal control system and compliance with the Code of Corporate Governance, Board has constituted various committees; Human Resource and Nomination (HRN), Audit and Technical Committee.

Election of Directors

According to Section 165 of the Companies Act 2017, certain provisions not to apply to directors representing special interest, provisions regarding election, term of office and removal of directors do not apply to the directors appointed/nominated by the Provincial Government.

Meetings of Board of Directors

Attendance of members during the respective board/committee meetings held during the year is as follows:

Name of Director	Board of Directors Meetings	HR Committee Meetings	Technical Committee Meetings	Audit Committee Meetings
Mr. Khalid Majid (Chairman)	10/10	6/6	4/4	N/A
Mr. Muhammad Ishaq Saqi	10/10	6/6	4/4	3/3
Dr. Muhammad Tahir Shah	10/10	6/6	4/4	N/A
Mr. Muhammad Yahya	09/10	6/6	N/A	3/3
Secretary Energy & Power GoKP	10/10 (Sec.E&P or through Rep.)	6/6 (Sec.E&P or through Rep.)	3/4 (Sec.E&P or through Rep.)	3/3 (Sec.E&P or through Rep.)
Secretary Finance GoKP	09/10 (Sec. Finance or through Rep.)	N/A	N/A	3/3 (Sec. Finance or through Rep.)
Secretary Home & Tribal Affairs GoKP	09/10 (Sec. Home & TA or through	N/A	3/4 (Sec. Home & TA or through Rep.)	N/A

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	Rep.)			
President SCCI	08/10	N/A	N/A	1/3
CEO KPOGCL	8/8	6/6	4/4	3/3

Remuneration of Directors

Each Director including representatives of Ex-officio received a meeting fee of Rs. 75,000/- for each meeting attended. The meeting fee was approved by the Board of Directors for all board members excluding Chief Executive in its 55th Board of directors meeting held on 31-Oct-2022. The Board/Committee meeting fee paid to the Directors during the year is annexed to the note 33 of the financial statements.

Future Outlook

The new investments secured for KPOGCL fall in the emerging petroleum region in the NMDs of KP province, which are mostly unexplored for various political and security related reasons and hence potential hydrocarbon resources remained untapped. Field exploration activities, such as 2D seismic acquisition, have been carried out in Orakzai and Tirah Blocks. The acquired seismic data has been processed both in-house at OGDCL and from abroad (TBI, Canada) and subsequently interpreted, which has identified potential leads. JV partners have agreed to acquire infill 2D seismic data to mature the potential leads into drillable prospects at the earliest. However, field operations are pending for security NOC. Moreover, field seismic acquisition crew mobilized in Wali West Block for delineation of the subsurface structures through 2D seismic data acquisition. KPOGCL, being a PHC and a prudent JV partner, will ensure timely completion of all field and office based technical and operational matters in order to realize the benefits of the oil and gas resources at the earliest as we are committed to such goals and hard work to achieve them.

As the operator of Miran Block, KPOGCL plans to move prudently by mitigating financial risks during the exploration phase through farming out up to 49% of its share, along with carrying KPOGCL's 51% share, to other public sector exploration and production companies. KPOGCL remains optimistic about its ability to recover the losses it has endured to date in the near future through prudently strategizing the Miran farm-out option.

It is pertinent to mention that oil & gas is a risky business; however, due diligence will be the key in each and every step. Quality of decisions and operations shall be ensured through efficient and transparent communications with all the stakeholders involved.

KPOGCL being the PHC of Khyber Pakhtunkhwa stands firm in its resolve to intensify exploration, development and production operations by entering into new potential Joint Venture partnerships on non-operatorship basis in the exploration blocks across the country in line with the short term to long term corporate strategy approved by the Board of Directors.

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Company's long-term exploration strategy in line with the BOD's vision is to maintain and further enhance the exploration portfolio in order to add reserves by leveraging value-driven exploration ensuring sustainable growth and optimizing operational efficiency by implementing effective project planning.

Acknowledgement

At the end, we would like to emphasize that KPOGCL's operational and financial performance is due to the ongoing collaboration with all of the Company's stakeholders. We remain deeply thankful to the Energy and Power Department of Khyber Pakhtunkhwa, the Finance Department, and other Provincial Government entities whose consistent support has played a vital role in enabling our progress.

Our sincere gratitude goes to the Board of Directors for their insightful leadership and guidance, steering the company towards growth and sustainability. We also extend our appreciation to our valued shareholders for their continued trust in KPOGCL's vision. Additionally, we would like to recognize the unwavering commitment of our management and employees who have been instrumental in driving the company's accomplishments.

Looking ahead, KPOGCL is dedicated to securing its position as one of the leading oil and gas exploration and production (E&P) companies of Pakistan. We are fully committed to addressing the country's energy challenges and ensuring that we return lasting value to our shareholders while upholding our social and environmental responsibilities. Together, we aim to contribute meaningfully to the energy security of the nation.

On behalf of the Board

October 30, 2024


Signature

Chief Executive


Signature

Director