



**Pakistan Petroleum Limited**

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Website: www.ppl.com.pk

Our reference: CS/PSX-0056

Your reference:

Date: 21<sup>st</sup> March 2022

**Ms. Asmaa Saleem Malik**  
Deputy General Manager  
Listing Department  
Pakistan Stock Exchange Limited  
PSX Building, PSX Road  
Karachi

Dear Madam,

Re: **Reconstitution of the Reko Diq Project**

In accordance with the Securities Act, 2015 and the Rule Book of the Pakistan Stock Exchange, it is hereby conveyed that the Board of Directors of the Company has, on the basis of directions issued by the Federal Cabinet, resolved to enter into a non-binding framework agreement (Framework Agreement) with: The President of the Islamic Republic of Pakistan on behalf of the Islamic Republic of Pakistan, the Governor of Balochistan on behalf of the Province of Balochistan, Oil & Gas Development Company Limited (OGDCL), Government Holdings (Private) Limited (GHPL) and Barrick Gold Corporation (Barrick), which sets out, *inter alia*, the ownership/transaction structure, rights, obligations and common objectives of the parties towards facilitating the implementation of the reconstitution of a joint mining project at Reko Diq (the "**Project**"), on an expedited basis. Through the Framework Agreement, the Company has, in principle, agreed to participate in 8.33% equity (which may be held through onshore or offshore holding companies) along with OGDCL and GHPL, in aggregate amounting to 25% of equity in the Project divided equally amongst the Company, OGDCL and GHPL (the "State Owned Entities"). 50% of the equity will be held by Barrick who shall also have management and operator rights. Remaining 25% of the equity will be held by the Government of Balochistan directly and/or through any of its owned entity, out of which 10% shall be free carry of the Government of Balochistan. To the extent of agreed initial entry fee amounting to \$187.5 million attributable to the Company, the Company has, on the basis of directions issued by the Federal Cabinet, agreed to support the Government of Pakistan (through cash collateral, contribution of funds or availing such other funded or unfunded facilities) with respect to payment obligations of the Government of Pakistan for settlement of the historic Reko Diq dispute. The Company's participation in the Project remains subject to, *inter alia*, receipt of internal and corporate approvals, regulatory approvals, execution of definitive long form agreements and other conditions precedent stated in the Framework Agreement. The process to finalize and approve definitive agreements, including the stabilization of the fiscal regime pursuant to the mineral agreement, would involve legislative and judicial validation. The State Owned Entities had also engaged reputable financial, technical, legal and tax consultants to advise on the transaction.



The Company shall continue to notify the Pakistan Stock Exchange / Securities & Exchange Commission of Pakistan of any material information or developments that may arise with respect to the Company's participation in the Project.

The foregoing information may be disseminated to your members.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Ali Jaffar', is written over a light blue circular stamp.

**Ali Jaffar**  
Company Secretary

Copy: Executive Director/HOD, Offsite-II Department, Supervision Division, SECP, Islamabad.