

POL Pakistan Oilfields Ltd.

PSX · OIL & GAS EXPLORATION COMPANIES

What underpins Pakistan Oilfields Limited's investment profile: an established production base, diversified energy exposure, and a substantial cash position, set against exposure to oil price, production and policy risk

THE STORY

Established Presence in Pakistan's E&P Sector

Pakistan Oilfields Limited (POL) is an established exploration and production (E&P) company headquartered in Rawalpindi, Punjab. The company operates as a subsidiary of the UK-domiciled Attock Oil Company (AOC) and forms part of the Attock Group's energy operations in Pakistan. POL has a long-standing presence in the country's upstream sector, with operating interests in several fields across the Potohar region, including Khaur, Balkassar, Dhulian, Joya Mair, Meyal, Pariwali, and Pindori. It also holds non-operating interests in joint ventures such as Tal, Nashpa, and Adhi, providing exposure to a broader portfolio of producing assets.

Diversified Exposure Across the Energy Value Chain

POL's operations extend beyond exploration and production. The company holds a **25%** stake in National Refinery Limited (NRL) and operates crude-oil pipeline infrastructure supplying Attock Refinery Limited (ARL). It also has a presence in the LPG business through its POLGAS brand and subsidiary, CAPGAS (Pvt.) Limited. This gives POL exposure to different stages of the domestic energy value chain, with upstream operations remaining the core component of its business.

Strong Profitability and Cash Position

POL reported revenue of **PKR 68.764 billion** in FY26, with a gross margin of **67%** and a net profit margin of **50.6%**. Financial performance is influenced by production volumes, realized oil and gas prices, operating costs, and developments in the regulatory environment. The company reported cash and bank balances of **PKR 86.26 billion**, while long-term investments stood at **PKR 9.615 billion**. This sizeable cash position represents an important component of the company's balance sheet and provides flexibility for investment and capital allocation.

Established Dividend Distribution

POL has a history of distributing cash dividends to shareholders. The dividend for FY26 stood at **PKR 72.50/sh**.

Key Investment Considerations

THE NUMBERS

Revenue, FY26

PKR 68.764 billion

reported revenue for FY26

Gross margin

67%

Net profit margin

50.6%

Cash and bank balances

PKR 86.26 billion

Long-term investments

PKR 9.615 billion

Dividend, FY26

PKR 72.50/sh

Stake in National Refinery Limited (NRL)

25%

THE STORY (CONT.)

The investment profile of POL is shaped by its established producing asset base, participation in multiple oil and gas fields, diversified energy interests, substantial liquidity, and dividend distribution history. At the same time, the company's financial performance remains exposed to changes in international oil and gas prices, production levels, reserve additions, development activity, taxation, and Pakistan's broader energy-sector policies. These factors remain important when assessing the company's future earnings and cash flows.

THE NUMBERS (CONT.)

WHAT WE ARE WATCHING

- ▶ Movements in international oil and gas prices and their effect on realized prices and revenue
- ▶ Production levels across operated and non-operated fields, including Khaur, Balkassar, Dhulian, Joya Mair, Meyal, Pariwali, Pindori, Tal, Nashpa, and Adhi
- ▶ Progress on reserve additions and development activity across the portfolio
- ▶ Changes in taxation and Pakistan's broader energy-sector policy environment

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK

Exploration and Production (E&P) business model

An E&P company earns revenue by locating, developing, and producing oil and gas from fields it operates or holds interests in, sometimes directly and sometimes through joint ventures with other partners. Because output and pricing depend on geology, field maturity, and global commodity markets, earnings for this type of business can vary with production volumes, realized prices, and the cost of extracting and developing reserves. Investors typically look at the breadth of a company's asset base and its mix of operated versus non-operated interests when assessing the durability of its production profile.

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK

Profitability margins and cash position

Gross margin and net profit margin describe how much of a company's revenue is retained after production costs and after all costs respectively, and are useful for comparing profitability across periods or peers. A company's cash and bank balances, together with any long-term investments it holds, describe its liquidity and financial flexibility: a larger balance can support dividend payments, new investment, or acts as a buffer against periods of lower earnings, though it does not by itself guarantee future returns.