HASCOL PETROLEUM LIMITED

HASCOL

30th October 2019

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sirs,

Re: **Declaration of Right Shares**

In accordance with the requirements of the applicable provisions of the Securities Act, 2015 and PSX Rule Book, we are pleased to inform you that the Board of Directors of Hascol Petroleum Limited (the 'Company'), in their meeting held on 30th October 2019, at the corporate office of the Company, has approved the increase in the ordinary paid up share capital of the Company by issue of a further 800,000,000 ordinary shares, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act 2017, at a price of PKR 10/- each per share, in the ratio of approximately 4 right shares for every 1 existing ordinary share of PKR 10/- each (i.e. 400%), which shares shall rank pari passu in all respect with the existing ordinary shares of the Company ("**Right Issue**").

In this respect the share transfer books of the Company will be closed from 21st November 2019 till 27th November 2019 (both days inclusive) to determine the entitlements of the shareholders of the Company with respect to the Right Issue. Physical transfers/CDS Transaction IDs received at the Company's Shares Registrar Messrs. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, by close of business on 20th November 2019 will be treated in time for the purpose of entitlement to right shares to the transferees.

We enclosed herewith the following information/ documents.

i) Statement with respect to the details of the Right Issue, including the purpose, benefits, use of funds and risk factor associated with the same, along with financial plan, as approved by the Board of Directors (Annexure "A")

ii) Financial Projections duly approved by the Board of Directors (Annexure "B")

iii) Certified true copy of the extract of the resolutions passed by the Board of Directors dated 30th October 2019. (Annexure "C")

iv) Draft copy of the Notice of the Right Issue and the book closure dates to the shareholders prior to its publication in the newspapers (Annexure "D").

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You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

Zeeshan Ul Haq
General Manager Legal &
Company Secretary

Enclosed as above.

Copy to.

The Director/HOD
Surveillance, Supervision and Enforcement Department
The Securities and Exchange Commission of Pakistan
NIC Building, 63- Jinnah Avenue, Blue Area,
Islamabad.

Share Registrar, Central Depository Company of Pakistan Limited.
CDC House, 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal,
Karachi.

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Annexure A

HASCOL PETROLEUM LIMITED

Statement pertaining to Quantum of Issue, Issue Price, Purpose and benefits, Use of Funds, Risk Factors and Financial Plan under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2018.

(a) Quantum of Issue i.e. as percentage of existing paid up capital

Approximately 400 % i.e. 4 shares for every 1 share held by the shareholders of the Company.

(b) Issue Size

800,000,000 ordinary shares with a face value of PKR 10/- each.

(c) Issue Price Per Share

PKR 10/- per share (at par).

(d) Purpose of Right Issue

The proceeds of the Right Issue shall be utilized for meeting capital requirements of the Company.

(e) Benefits to the Company and shareholders and underlying risks, if any

As the funds of the Right Issue will be utilized for working capital requirements, the same is expected to enable the Company to improve its performance in terms of profitability, thereby resulting in better returns to the shareholders.

The Right Issue of the Company is being made at a price which is less than the current market price and hence there is no major investment risk associated with the Right Issue.

Normal risks associated with the business will remain, however, the Company is well equipped and positioned in the market to mitigate such risk factors.

(f) Justification for issue of shares at Par

Considering the financial projections and current market price of the Company's shares, the directors have decided to issue right shares at par, which price is expected to attract public shareholders to further invest in the Company.

(g) Financial Plan

The funds raised will be used for the working capital requirements of the Company.

ANNEXURE B

FINANCIAL PROJECTIONS FOR FIVE YEARS

In PKR Million	FY2020	FY2021	FY2022	FY2023	FY2024
Sales	257,413	294,833	328,072	342,100	356,829
Profit before tax	158	2,105	3,227	3,786	4,463
(Loss)/ Profit after tax	(926)	857	1,830	2,319	2,923

The financial projections mentioned above are subject to change depending on the business future performance, current business environment and macro-economic condition of the country and global market trends. The Company and / or its directors shall accept no liability for any investment decisions or conclusion drawn by any person on the basis of the foregoing financial projections.

ANNEXURE C

Extracts from the Minutes of the Meeting of the Board of Directors of Hascol Petroleum Limited held on 30th October 2019 at the corporate office of the Company

A meeting of a Board of Directors of the Company was held on 30th October 2019 at 11 a.m. at the registered office of the Company.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further ordinary shares by the Company by way of Right Issue. The Board of Directors of the Company confirmed that all requirements of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2018 have been considered by the Board of Directors and shall be duly complied with.

In this respect, the management has also received the requisite confirmation / undertaking from all directors and Sponsors of the Company.

Accordingly, the following resolutions were passed by the Board of Directors:

RESOLVED that the ordinary paid up share capital of the Company be increased by issue of further 800,000,000 ordinary shares of the Company with a face value of PKR 10/- each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017, at a price of PKR 10/- per share, in the ratio of approximately 4 right shares for every 1 existing ordinary share of PKR 10/- each (i.e. 400%) which shares shall rank *pari passu* in all respect with all existing ordinary shares of the Company (the "**Right Issue**").

FURTHER RESOLVED THAT the quantum of the size, issue size, issue price, purpose of the Right Issue, the benefits of the same to the Company and the risk factors associated with the Right Issue and justification for issue of shares at par as per the following details are hereby approved:

Quantum of Issue i.e. as percentage of existing paid up capital

Approximately 400 % i.e. 4 shares for every 1 share held by the shareholders of the Company.

Issue Size

800,000,000 ordinary shares with a face value of PKR 10/- each.

Issue Price Per Share

PKR 10/- per share (at par).

Purpose of Right Issue

The proceeds of the Right Issue shall be utilized for meeting capital requirements of the Company.

Benefits to the Company and shareholders and underlying risks, if any

As the funds of the Right Issue will be utilized for working capital requirements, the same is expected to enable the Company to improve its performance in terms of profitability, thereby resulting in better returns to the shareholders.

The Right Issue of the Company is being made at a price which is less than the current market price and hence there is no major investment risk associated with the Right Issue.

Normal risks associated with the business will remain, however, the Company is well equipped and positioned in the market to mitigate such risk factors.

Justification for issue of shares at Par

Considering the financial projections and current market price of the Company's shares, the directors have decided to issue right shares at par, which price is expected to attract public shareholders to further invest in the Company.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized singly or any two jointly to take all necessary actions (including execution and delivery of all necessary instruments, notices and letters) (i) to ensure compliance of the requirements of Companies Act 2017, the Companies (Further Issue of Shares) Regulations 2018 ("Regulations 2018"), the Central Depository Company of Pakistan Limited Regulations and the Pakistan Stock Exchange Regulations; (ii) for issuance of letters of offer under section 83 of the Companies Act, 2017; and (iii) to file the requisite returns / notices with the Securities and Exchange Commission of Pakistan ("SECP") and the Pakistan Stock Exchange ("PSX").

FURTHER RESOLVED THAT the financial plan, along with the financial projections for five years as presented to the Board be and is hereby approved and the Chief Executive Officer, the Chief Financial Officer of the Company be and are hereby severally authorized to submit the same to the relevant authorities.

FURTHER RESOLVED THAT the Company be and is hereby authorized to close its share transfer books from 21st November 2019 to 27th November 2019 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue and the Company Secretary is hereby authorized to announce the book closure dates along with publication of notices in the newspapers.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and / or the Company Secretary be and are hereby jointly authorized to take any and all necessary steps for issuance of letters of offer under Section 83 of the Companies Act, 2017 (the "Act") and related Circular along with terms and Conditions therein, obtain signatures under the Act and file the requisite returns / notices in the Company Registration Office and / or to the Securities and Exchange Commission of Pakistan ("SECP") and PSX, as the case may be.

FURTHER RESOLVED THAT Mr. Mumtaz Hasan Khan, Chairman and Mr. Saleem Butt, Director be and are hereby jointly authorized to sign the letter of offer for right shares in accordance with Section 83(2) of the Act.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer be and are hereby jointly authorized to approach any bank(s) for appointment as banker to the Right Issue in order to collect the right subscription money against right shares and to open an account with any bank(s) so appointed and give instruction for transfer or proceeds from right subscription to the Company's account.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer be and are hereby jointly authorized to appoint consultant(s) / advisor(s) to the Right Issue and potential underwriter(s), and to negotiate and finalize the terms and conditions as they deem fit and appropriate and enter into underwriting agreements relating to the Right Issue.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and / or the Company Secretary be and are hereby jointly authorized to take all necessary actions as required by the Central Depository Company of Pakistan Limited (the "CDC") including but not limited to induction of the offer for right shares in Central Depository System of the CDC and in this connection to sign all requisite applications, forms, documents, undertakings and other papers on behalf of the Company.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and / or the Company Secretary be and are hereby singly authorized to allot / credit right shares and file returns as required by SECP / PSX/ CDC along with Auditors Certificate or any other authority, and to take all other necessary steps, and do all other acts, deeds and things, including any ancillary or incidental actions to give effect to the above resolutions.

FURTHER RESOLVED THAT fractional entitlements, if any, will be consolidated and unpaid letters of right in respect thereof shall be sold on the PSX, the net proceeds from which, once realized, will be paid as charity to a charitable institution.

FURTHER RESOLVED THAT the unsubscribed portion of the Right Issue, if any, may be offered and allotted to such persons at the Board of Directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby authorized singly or any two jointly to take all necessary steps for and in connection with the Rights Issue as may be required under the applicable laws or as deemed necessary for the Rights Issue.

HASCOL PETROLEUM LIMITED

ANNEXURE D

NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of Hascol Petroleum Limited (the "Company") in its meeting held on 30th October 2019 has decided to issue further shares by offering 800,000,000 ordinary right shares with a face value of PR 10/- each in proportion of approximately 4 ordinary right shares for every 1 ordinary share held.

The Share Transfer Books of the Company will remain closed from 21st November 2019 to 27th November 2019 (both days inclusive) to determine the entitlements of the shareholders of the Company. Physical transfers / CDS Transactions IDs received at the Company's share registrar. Messrs. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, by the close of business on 20th November 2019 will be considered in time for entitlement of right shares.

Zeeshan Ul Haq
Company Secretary

HASCOL PETROLEUM LIMITED

We, the Board of Directors of Hascol Petroleum Limited, have approved the announcement relating to Right Issue including financial Projections and all other details pertaining to the Right Issue, during the meeting held on 30th September 2019.

Mumtaz Hasan Khan: ______________________

Saleem Butt: ______________________

Farooq Rahmatullah Khan: ______________________

Najmus Saquib Hameed: ______________________

Farid Arshad Masood: ______________________

Abdul Aziz Khalid: ______________________

Aqeel Ahmed Khan: ______________________

Dated: 30th September 2019
Karachi.