



HOUSE OF MAGNA CUM LAUDE

Barristers & Masters at Law

To,

13/08/2024

Mr. Riz Ali
Director General Petroleum Concession
Directorate General Petroleum Concessions
Ministry of Energy (Petroleum Division)
3rd Floor, Petroleum House, Ataturk Avenue, G-5/2,
Islamabad

Subject: **COMPLAINT REGARDING UNAUTHORIZED THIRD-PARTY GAS SALE BY KONNECT GAS (PRIVATE) LIMITED, A SUBSIDIARY OF JURA ENERGY CORPORATION - SPUD ENERGY PTY LTD, FRONTIER HOLDINGS LTD AND KONNECT GAS PVT LTD**

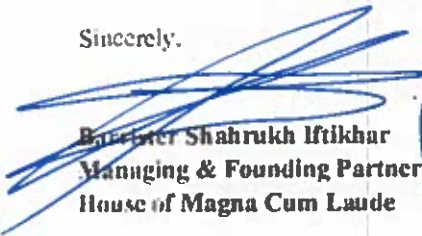
Dear Sir,

We refer to our previous correspondence concerning the illegal activities, defaults, gas theft, and mismanagement perpetrated by the subsidiaries of Jura Energy Corp (JEC), specifically Spud Energy Pty Ltd (SPUD), Frontier Holdings Ltd (FHL), and Konnect Gas Pvt Ltd (KGPL). We wish to bring the following critical points to your attention.

1. SPUD and KGPL engaged in the illegal third-party sale of unprocessed gas, as confirmed by the DGPC in letters No. 8(4) Spud. Suri Filed/2023-pt dated 13/10/2023 and 26/10/2023 (Annex-1 & 2).
2. SPUD conducted the illegal third-party sale of unprocessed gas to its unlicensed affiliate, KGPL, as confirmed by OGRA in its letter No. OGRA-9/(518)/2024 dated 12/02/2024 (Annex-3).
3. This illegal third-party sale of unprocessed gas by SPUD and KGPL has also been confirmed by Transparency International in its letter No. TL2023/1102/1A dated 02/11/2023 (Annex-4).
4. SPUD is established as willful defaulter and party to illegal sale of gas, as confirmed by the DGPC in its letter No. 8(4) Spud. Suri Filed/2023-pt dated 29/11/2023 (Annex-5).
5. SPUD has shown breach of trust with the Government of Pakistan and carried out check fraud, as confirmed by the DGPC in its letter No. Accounts-1(24)2014-15 Monitoring dated 06/08/2018 (Annex-6 to 8).

In light of the aforementioned violations, we request the immediate issuance of revocation letters and to suspend all pending assignments, notices, and transfers involving JEC and its subsidiaries until proper accountability is enforced.

Sincerely,


Barrister Shahrukh Iftikhar
Managing & Founding Partner
House of Magna Cum Laude



13 AUG 2024

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• Copy to:

SPM
Prime Minister's Office
Islamabad

Mr. Musadliq Malik
Minister of Energy (Petroleum Division)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Momin Agha
Secretary Petroleum
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Zafar Abbas
Additional Secretary Petroleum - Policy
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Hassan Yousafzai
Additional Secretary Petroleum - Admin
3rd Floor, A block Pak Secretariat
Islamabad

Capt (R) Shahbaz Tahir Nadeem
Joint Secretary (I/IV)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Kashif Ali
Director General
3rd Floor, Petroleum House, Ataturk
Avenue, Sector G-5/2, Islamabad

Mr. Abdul Rasheed Jokhio
Director General Gas
Petroleum House, Ataturk Avenue, Sector G-
5/2, Islamabad

Mr. Imran Ali
Director General Oil
Petroleum House, Ataturk Avenue,
Sector G-5/2, Islamabad

Mr. Hafiz Mubashir
Director General Liquefied Gases
Petroleum House, Ataturk Avenue,
Sector G-5/2, Islamabad

Mr. Masroor Khan
Chairman OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Shahzad Iqbal
Senior Executive Director (Gas) - OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Zain-ul-Abideen Qureshi
Member Gas - OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Naeem Ghouri
Member Finance - OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Dr. Abdul Basit Qureshi
Senior Registrar - OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

Mr. Ahmed Hayat Lak
Managing Director OGDCL
OGDCL House, Plot No. 3, Jinnah Avenue,
Blue Area, Islamabad

Mr. Faheem Haider
Managing Director/CEO - Mari Petroleum
21, Mauve Area, 3rd Road, G-10/4,
Islamabad

Registrar Supreme Court
Supreme Court of Islamabad,
Islamabad

MD PRI,
Pakistan Refinery Limited
P.O. Box 4612
Karachi

MD SNGPL
Gas House, 21 Kashmir Road,
P.O. Box No. 56,
Lahore

MD SSGCL
SSGC, St-4/B, Block 14, SSir Shah Suleman
Road Gulshane Iqbal
Karachi

Transparency International
4-C, Mezzanine Floor, Khayaban-e-Ittehad,
Phase 7, DHA,
Karachi

Mr. Imran Abbasy
MD PPI,
37-B Service Rd W, G 6/1
Islamabad

Mr. Masood Nabi
MD GHPL
Petroleum House G-5/2 Islamabad,

MD Al-Haj
Plot#145, Ittehad Plaza IT&T Center, Street
29, G-9, Islamabad

Mr. Shahzad Zaheer
MD PEL
20, Main Margalla Rd, F-8/3
Islamabad

Mr. Akeel Karim Dhedi
Suite-602, Continental Trade Centre, Block 8
Clifton, Karachi - 75600

Chairman NAB
NAB HQ, Shahrah-e-Jamhuriat, G-5/1,
Islamabad

Mr. Akif Saeed
Chairman SECP
SECP Head office, NIC Building, 63 Jinnah
Avenue, Blue Area, Islamabad

Mr. Malik Amjed Zubair Tiwana
Chairman FBR
FBR House, Constitution Avenue, G-5/2,
Islamabad

MD ENGRO
8th Floor, The Harbour Front Building, HC #
3, Marine Drive, Block 4, Clifton,
Karachi



No. 8(4) Spud. Suri Filed/2023-pt
Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General Petroleum Concessions
3rd Floor, Petroleum House, Sector G-5/2, Islamabad

13th October, 2023

Chief Executive Officer,
Spud Energy Pty Limited
3rd Floor, 22 East, Saeed Plaza,
Jinnah Avenue, Blue Area,
Islamabad.

Subject:- NOTICE UNDER RULE 68 OF PETROLEUM (EXPLORATION AND PRODUCTION) RULES 1986 (THE RULES, 1986) FOR ILLEGAL SALE OF NATURAL GAS BY M/S SPUD ENERGY PTY. LTD. FROM THE SARA & SURI D&PLS TO THE UNLICENSED ENTITY M/S KONNECT GAS PVT. LTD.

Whereas, M/s Spud Energy (SEPL) is sixty percent (60%) Working Interest Owner and Operator in the Sara & Suri Development and Production Leases.

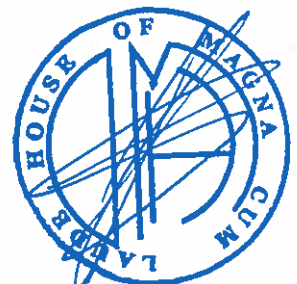
Whereas, House of Magna Cum Laude (HoMCL) wrote a letter to OGRA on 18/08/2023 inquiring about the OGRA license of M/s Konnect Gas Private Limited (KGPL) to undertake the regulated activity of gas sale.

Whereas, OGRA vide its letter No. OGRA-6(1)-KGL/2019 dated 08/09/2023 responded to HoMCL intimating that M/s KGPL failed to secure a license under the NGRA Rules, 2000 and stated that M/s KGPL is not a licensee of OGRA to undertake the regulated activities.

Whereas, HoMCL filed a complaint against M/s SEPL and M/s KGPL on 12/09/2023 with the office of DGPC, requesting to inquire into the matter of the illegal sale of natural gas by M/s Spud Energy to M/s KGPL.

Whereas, HoMCL submitted further grievances in continuation of its complaint vide its letter dated 21/09/2023 to the office of DGPC. Wherein, it was intimated that M/s Konnect Gas is not a licensee of OGRA, that M/s Spud Energy has been illegally selling unprocessed gas to M/s Konnect Gas since the year 2020, and that M/s Konnect Gas is further selling the unprocessed gas to CNG stations/ end-consumers, posing direct threat to the lives of the people.

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Whereas, HoMCL in its letter dated 26/09/2023 to OGRA intimated that the unprocessed gas is being sold by M/s Konnect Gas to CNG stations in Sukkur, Sindh and that among the various CNG stations, one station to which M/s Konnect Gas has been illegally selling natural gas is the 'Ansari CNG' Station.


Whereas, Transparency International filed a complaint against M/s Spud Energy and M/s Konnect Gas on illegal sale of natural gas on 2/10/2023 to the office of DGPC. Wherein, it was intimated that M/s Spud Energy has been illegally selling unprocessed gas to M/s Konnect Gas, and that M/s Konnect Gas is selling the unprocessed gas to CNG stations/ end-consumers, posing direct threat to the lives of the citizens.

Whereas, OGRA wrote letter No. OGRA-9(518)/2019 dated 6/10/2023 to M/s Spud Energy intimating that M/s Konnect Gas is not a licensee of OGRA to undertake any regulated activity and that M/s Spud Energy is required to furnish their comments within fourteen (14) days.

Whereas company is required to operate in accordance with the Good Oil Industry Practices and obtain all the necessary Licenses / NOCs from relevant authorities.

Now, therefore, in accordance with Rule-68(a) of the Rules, 1986, M/s Spud Energy is hereby served a Notice, to explain within thirty (60) days from the issuance of this notice to remedy the breach, or where the breach is not capable of being remedied, offer reasonable compensation within 60 days. If spud energy fails to satisfy the Authority within 60 days, the office of DGPC will initiate action against the company in accordance with applicable PCA/Rules.

It may please be noted that this notice does not prejudice any other action against the company under any provision of the Rules, 1986.


(Nawaz Sharif)
Expert (Production)
13-10-2023

CC:

- Chairman OGRA, Oil and Gas Regulatory Authority
- Managing Director, OGDCL, Islamabad
- PS to AS(P), Petroleum Division
- APS to DG (PC), Petroleum Division
- APS to DG(Gas), Petroleum Division

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Annex 2

No. 8(4) Spud. Suri Filed/2023-pt
Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General Petroleum Concessions
3rd Floor, Petroleum House, Sector G-5/2, Islamabad

Islamabad the 26th October, 2023

Chief Executive Officer,
Spud Energy Pty Limited
3rd Floor, 22 East, Saeed Plaza,
Jinnah Avenue, Blue Area,
Islamabad.

Subject:- NOTICE UNDER RULE 68 OF PETROLEUM (EXPLORATION AND PRODUCTION) RULES 1986 (THE RULES, 1986) FOR ILLEGAL SALE OF NATURAL GAS BY M/S SPUD ENERGY PTY. LTD. FROM THE SARA & SURID&PLS TO THE UNLICENSED ENTITY M/S KONNECT GAS PVT. LTD.

Dear Sir,

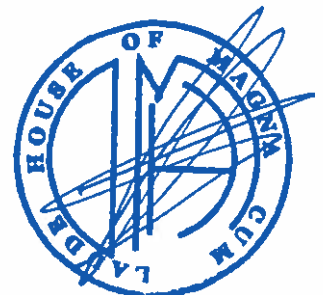
I am directed to refer to your letter No. Nil dated October 20, 2023 on the subject cited above and to say that, the notice has been duly served to you in response to the formal complaints submitted by House of Magna Cum Laude (HoMCL) on September 12, 2023, Transparency International Pakistan (TI) on October 2, 2023, and confirmation of M/s Konnect Gas Pvt Ltd (KGPL) as an unlicensed entity by OGRA vide its letters dated September 8 and October 6, 2023.

Whereas, the aforementioned complaints submitted by HoMCL and TI allege that M/s KGPL, a subsidiary of Jura Energy Corporation, and an affiliate of M/s Spud Energy Pty Ltd (SEPL), does not have a valid license to undertake any regulated activity and that M/s SEPL has been illegally selling gas to M/s KGPL, an unlicensed entity.

Whereas, OGRA vide letter No. OGRA-6(1)-KGL/2019 dated September 8, 2023 has confirmed that "Konnect Gas (Pvt.) Ltd is not a Licensee of OGRA to undertake any regulated activities."

Whereas, OGRA duly sent a copy of its letter No. OGRA-9(518)/2019 dated October 6, 2023, to the office of DGPC. Wherein, it was intimated to the Managing Director of M/s SEPL that "It is however, important to note that sale of natural gas/flare

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gas requires a license from the Oil and Gas Regulatory Authority (OGRA), as mandated by the OGRA Ordinance, 2002 and the Flare Gas Utilization Guidelines 2016. In this context, it is also apprised that Konnect Gas Pvt Ltd earlier submitted an application to OGRA for the grant of license for Sale of Flare Gas in April 2019 however, the said application was rejected in April 2022, due to constant failure on part of the applicant for submission of requisite information / data under NGRA (Licensing) Rules, 2002. Therefore, M/s Konnect Gas Pvt Ltd is not a licensee of OGRA to undertake any regulated activity."

Whereas, OGRA vide letter No. OGRA-9(518)/2019 dated October 6, 2023, has requested the Managing Director of M/s SEPL to provide their comments on the matter of third-party sale to an unlicensed entity within fourteen (14) days of the issuance of the said letter.

Whereas, it is affirmed that M/s SEPL has engaged in third-party sales to its affiliate and an unlicensed entity, M/s KGPL, and that OGRA in its letters dated September 8 and October 6, 2023, has officially confirmed that M/s KGPL has never been granted a licence to undertake any regulated activities.

Whereas, the aforementioned complaints submitted by HoMCL and TI further assert the following allegations against M/s SEPL and M/s KGPL:

- i. Illegal sale of unprocessed gas
- ii. Illegal sale of unprocessed gas from expired leases
- iii. Illegal sale of unprocessed gas as an environmental hazard
- iv. Illegal sale of unprocessed gas to end consumers through CNG stations endangering lives of the people

Whereas, M/s SEPL has not discharged Royalty, Area Rental, Training Fund & Social Welfare Obligations. Moreover company is not submitting production reports on regular basis.

Whereas, M/s SEPL is required to carry out all operations in accordance with good oil field practices and good oil industry practices and to obtain all necessary Licenses / NOCs from relevant authorities, to have minimal impact on the environment, and to have due regard for safety and other factors.

Whereas, M/s SEPL is in serious breach of all of the above.

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Whereas, it is incumbent upon M/s SEPL to address its own irregularities and refrain from offering advisory comments to the Authority and the non-compliance and deficiencies exhibited by one company does not, under any circumstances, validate or exonerate the actions of another, nor does it absolve the responsibility of M/s SEPL to the violations.

Whereas, the comments submitted by M/s SEPL vide its letter dated October 20, 2023, in response to the notice issued pursuant to Rule-68(a) of the Rules, 1986, do not adequately redress the concerns of the Authority and are deemed as unsatisfactory.

Now, therefore, in accordance with the notice served pursuant to Rule-68(a) of the Rules, 1986, to M/s SEPL, the company is once again instructed to remedy the breach. If M/s SEPL fails to satisfy the Authority, the office of DGPC will initiate action against the company in accordance with applicable PCA/Rules.

Yours truly,



(Nawaz Sharif)

Expert (Production)

For Director General Petroleum Concessions

CC:

- Chairman OGRA, Oil and Gas Regulatory Authority
- Managing Director, OGDCL, Islamabad
- PS to AS(P), Petroleum Division
- APS to DG (PC), Petroleum Division
- APS to DG(Gas), Petroleum Division

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آئل اینڈ گیس
ریگولیری اتھارٹی



Oil & Gas
Regulatory Authority

OGRA-9(518)/2024
12th February 2024

Director General (Petroleum Concessions),
Government of Pakistan
Ministry of Energy (Petroleum Division)
Petroleum House, Atta Turk Avenue
G-5/2, Islamabad.

Subject: **COMPLAINT REGARDING UNAUTHORIZED THIRD-PARTY GAS SALE
BY SPUD ENERGY PTY LIMITED, FRONTIER HOLDINGS LTD.**

Dear Sir,

This is with reference to letters dated 26-09-2023, 17-10-2023 and 19-10-2023 (copies enclosed), received from House of Magna Cum Laude (HoMCL) Barristers & Master at Law on the above noted subject.

- In this regard, it is apprised that OGRA vide letters dated 06-10-2023 and 27-10-2023 advised M/s Spud Energy Pty Ltd and Konnect Gas Pvt Ltd respectively, to furnish their comments in the matter. The replies of M/s Spud Energy dated 11-10-2023 (Annex-A) and M/s Konnect Gas dated 08-11-2023 (Annex-B) are enclosed herewith. The self-explanatory letters of both M/s Spud Energy and M/s Konnect Gas reflect self-admission on their part with regards to sale and off-take of gas from the Sara-Suri fields. However, the companies have further mentioned that the sale and off-take of gas from the Sara and Suri fields has ceased due to depletion of fields.
- It is pertinent to highlight that M/s Konnect Gas Pvt Ltd is not a licensee of OGRA to undertake any regulated activities. Since, M/s Spud Energy is an upstream entity and regulated by MoE (PD) under the relevant rules, therefore the matter is hereby referred to your esteemed office to initiate necessary action as per law against the entities engaged in illegal sale of flare gas, keeping in view the public safety and property.

Sincerely,

(Shahzad Iqbal)

Senior Executive Director (Gas)

C.C: ✓ Managing and Founding Partner, House of Magna Cum Laude
House No.12, Main Ataturk Avenue, F-6/3 Islamabad

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October 11, 2023 ✓

Mr. Zain-ul-Abideen Qureshi
Member Oil
Oil and Gas Regulatory Authority
54-B, Fazalul Haq Road, Blue Area
Islamabad

SPUD ENERGY PTY LIMITED

AN 28 073 847 613

Level 8, 1 O'Connell St
Sydney NSW 2000
Australia

Plot 56-G, 4th Floor
Beverly Center, Jinnah Avenue
Blue Area, Islamabad - Pakistan
Tel: (+92-51) 227 0702-5
Fax: (+92-51) 227 0701

Complaint Regarding Unauthorized Third-Party Gas Sale by Konnect Gas Pvt Ltd

Dear Sir,

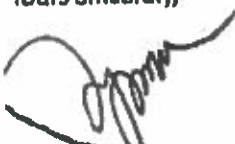
We write with reference to your letter OGRA-9(518)/2019 dated October 6, 2023 vis-à-vis an anonymous complaint filed by a law firm re alleged unauthorized third-party gas sale by Konnect Gas (Pvt) Limited ("KGL").

At the outset we would like to clarify that complaint is totally false and frivolous, since Spud Energy Pty Limited ("SEPL") as operator of Sara Suri Gas Fields ("Sara-Suri") has duly observed with all regulatory compliance for third party gas sale to KGL, accordingly the question of unauthorized third party gas sale by SEPL does not arise. We may add that currently we are not selling any gas volumes from the Sara-Suri due to the complete depletion of reserves, watering out of wells and the cessation of well operations. Also, we are contemplating to surrender Sara-Suri in accordance with the applicable exploration and production rules.

We understand that the above referred anonymous complaint is part of a smear campaign orchestrated against us, by a private Exploration and Production Company ("E&P company"). This E&P company has been exposed by Frontier Holdings Limited (an affiliate of SEPL) for its irrefutable involvement in the unauthorized sale of gas from the Badin South field to a third-party, its affiliate. The operator of gas fields in Badin South commenced third party gas sale without obtaining requisite regulatory approvals from Ministry of Energy (Petroleum Division), Pakistan ("MOEP"). Furthermore, the affiliate company involved in gas offtake from Badin South does not have a valid license from OGRA for such operations. It is pertinent to note that the illegal third party gas sale from Badin South commenced in January 2022 and is still continuing. Please see enclosed copies of letters sent to MOEP (with copy to Oil and Gas Regulatory Authority) re illegal gas sale from Badin South as Annexure - A for ease of your reference.

Should you have any questions or need further information/clarifications, please advise.

Yours Sincerely,



Muhammad Nadeem Farooq
Chief Executive Officer

Encl: as above

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November 8, 2023

Mr. Zain-ul-Abideen Qureshi
Member Oil
Oil and Gas Regulatory Authority
54-B, Fazal ul Haq Road, Blue Area
Islamabad

Attention: Mr. Muhammad Asif, Joint Executive Director (Gas)

Complaint Regarding Unauthorized Third-Party Gas Sale by Konnect Gas Pvt Ltd, a Subsidiary of Jura Corporation

Dear Sir,

We write with reference to your letter No. OGRA-9(518)/2019 dated October 27, 2023, wherein you conveyed a complaint lodged by Managing and Founding Partner of House of Magna Cum Laude Barristers & Master at Law regarding alleged unauthorized third-party gas off-take by Konnect Gas (Pvt) Limited ("KGL") from Sara and Suri Development and Production Leases ("Sara-Suri").

In this respect, we would like to bring to your attention that KGL ceased all gas off-take operations from Sara-Suri fields as of July 22, 2023 owing to depletion of reserves from Sara and Suri fields. We further confirm that KGL will always remain committed to adhere to compliance with prevailing industry regulations and guidelines.

Further, we would like to clarify that KGL is not a subsidiary of Jura Energy Corporation ("JEC"). It is important to note that while there were discussions at one point with the Sponsors of Spud Energy Pty Limited, a subsidiary of Jura Energy Corporation ("JEC"), regarding the potential purchase of KGL by JEC's sponsors, such an arrangement was never finalized.

We assure you that KGL places the utmost importance on adherence to all legal and safety requirements, as they are fundamental to ensuring the safety and well-being of the public.

Yours Sincerely,


Faisal Hameed
Project Manager

CC: DG (PC), MoE (PD)

House #77, Street # 45, F-10/4, Islamabad, Ph # 051-2110591, 051-8356316

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2nd November, 2023

Principal Secretary to Caretaker PM,
PM House,
Islamabad.

Sub: Complaint on the Violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation.

Dear Sir,

Transparency International Pakistan refers to its letter No. TL2023/1002/1A dated 02 October 2023 on complaint on the violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002 due to Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation. (Annex-A).

TI Pakistan had pointed out serious allegations against violation of Pakistan Petroleum (E&P) Rules 2001 and OGRA License by M/s Konnect Gas (Pvt) Ltd for its illegal activities of providing unprocessed gas to CNG stations posing threat to the lives of citizens. On TI Pakistan's letter, the Prime Minister of Pakistan took notice of the complaint and the PM Office on 06-10-2023 directed the Petroleum Division to furnish comments regarding TIP complaint at the earliest (Annex-B).

OGRA had written a letter to M/s Spud Energy on 06/10/2023 and intimated that M/s Konnect Gas is not a licensee of OGRA to undertake any regulated activity and the M/s Spud Energy is required to furnish comments within 14 days (Annex-C).

Transparency International Pakistan has received another complaint against M/s Jura Energy Corporation subsidiaries namely M/s SPUD Energy PVT Ltd and Konnect Gas Pvt. Ltd regarding violation of rules and regulations (Annex-D).

The complainant has made the following allegations.

That:

1. The Sara Suri leases had expired in February 2020. Despite the expiration of the leases, M/s Spud Energy initiated operations and continues to operate within the expired leases.
2. During the operation of the expired leases, M/s Spud Energy engaged in the unlawful sale of unprocessed gas to the unlicensed entity, Konnect Gas, whereby OGRA vide letter No. OGRA-6(1)-KGL/2019 dated September 08, 2023 had explicitly stated that Konnect Gas has never been granted a license from OGRA to transport and sell natural gas (Annex-E).
3. OGDCL, a Joint Venture Partner in the Sara Suri JV, has already suspended gas sales to Konnect Gas in lieu of the expired lease and violation of regulatory and contractual obligations by M/s Spud Energy
4. The parent company, Jura Energy Corporation has publicly acknowledged that M/s Spud Energy engaged in illegal gas sales from the Sara Suri Leases to the unlicensed entity, Konnect Gas, as evidenced by their own publication (Annex-E).

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Transparency International Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, the allegations seem correct and are self-explanatory.

Following are TI Pakistan comments:

1. The culpability of malpractice and illegal activity by M/s SPUD and the parent company M/s Jura Energy Corporation for its illegal activities to sale gas to an unlicensed entity and providing unprocessed gas to GNG stations posing threat to lives of citizens, require stern action by the Government of Pakistan under relevant laws and regulatory framework.
2. On 16th December 2022, Transparency International Pakistan received another complaint against M/s SPUD Energy and M/s Frontier Holdings, subsidiaries of Jura Corporation for deliberately defaulting on their financial obligations, failing to pay approximately PKR 1.13 billion in outstanding royalties, which accounts for 12.5% of the proceeds from the sale of natural gas and crude oil from various fields.
3. On TI Pakistan letter, the Prime Minister took action and the the Ministry of Energy (Petroleum Division) successfully recovered an amount of PKR 1.13 billion from M/s SPUD and M/s Frontier and deposited in national exchequer (Annex-G)
4. It appears that M/s Spud Energy and Konnect Gas from 2020 onwards have engaged in violation of Pakistan Petroleum (E&P) Rules 2001 and Natural Gas Regulatory (Licensing) Rules 2002.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests Caretaker Prime Minister of Pakistan to look into the allegations of the complaint and if found correct, ensure all the requisite measures are taken by the Federal Government to take appropriate action Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation, posing direct threat to the lives of the citizens.

The new allegations that the parent company, Jura Energy, has publicly acknowledged that Spud Energy engaged in illegal gas sales from the Sara Suri Leases to the unlicensed entity, and that M/s Spud Energy has despite the expiration of the Sara Suri leases, continues to operate within the expired leases, must be investigated under relevant laws and regulatory frameworks.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve against Zero tolerance against corruption

With Regards,

(Advocate Daniyal Muzaffar)
Trusted Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. Principal Secretary to PM, PM House, Islamabad
2. Minister, Minister of Energy, Islamabad
3. DG Petroleum Concessions, Ministry of Petroleum, Islamabad
4. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
5. Chairman, NAB, Islamabad
6. Registrar, Supreme Court of Islamabad, Islamabad.

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Annex 5

No. 8(4) Spud. Suri Filed/2023-pt
Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General Petroleum Concessions
3rd Floor, Petroleum House, Sector G-5/2, Islamabad

Islamabad, the 29th November, 2023

Chief Executive Officer,
Spud Energy Pty Limited
3rd Floor, 22 East, Saeed Plaza,
Jinnah Avenue, Blue Area,
Islamabad.

Subject:- NOTICE UNDER RULE 68 OF PETROLEUM (EXPLORATION AND PRODUCTION) RULES 1986 (THE RULES, 1986) FOR ILLEGAL SALE OF NATURAL GAS BY M/S SPUD ENERGY PTY. LTD. FROM THE SARA & SURI D&PLS TO THE UNLICENSED ENTITY M/s KONNECT GAS PVT. LTD

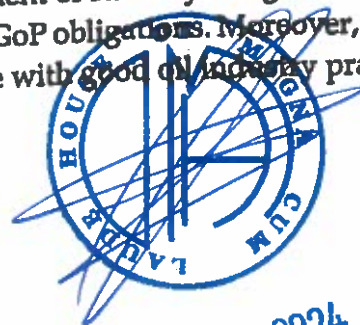
Dear Sir,

I am directed to refer to your letter No. Nil dated November 21, 2023 on the subject cited above and to say that, the comments submitted by M/s SEPL vide its letter dated November 21, 2023, in response to the notice issued pursuant to Rule-68(a) of the Rules, 1986, do not adequately redress the concerns of the Authority regarding gas sale to unlicensed entity and therefore deemed as unsatisfactory.

Whereas, M/s SEPL has not discharged Royalty, Area Rental, Training Fund & Social Welfare Obligations. M/s SEPL vide its letter dated 21st November, 2023, failed to provide any ostensive information or date in relation to discharging any amount of Royalty, and Area Rental, as well as any outstanding amount of Social Welfare obligation.

Whereas, according to aforesaid letter, it has been mentioned that production from Sar Suri leases has been suspended nearly four months ago. In accordance with the Rule 43 of the E&P Rules 1986, lease may be revoked if production seized for more than ninety days.

M/s SEPL is avoiding to address the fulfillment of statutory obligation mentioned above, whereas company is obligated to pay all the GoP obligations. Moreover, M/s SEPL is required to carry out all operations in accordance with good oil industry practices and



03 AUG 2024

to obtain all necessary Licenses / NOCs from relevant authorities, to have minimal impact on the environment, and to have due regard for safety and other factors. M/s SBPL is not addressing and operating in accordance with the principles of sound operation.

Now, therefore, in accordance with the notice served pursuant to Rule-68(a) and Rule 43 of the Rules, 1986, why the lease may not be revoked. Moreover, company is once again instructed to immediately remedy the breach, pay all outstanding GoP statutory obligations without any further delay. If M/s SBPL fails to remedy the breach within stipulated time, further action will be initiated against the company in accordance with applicable PCA/Rules.



(Nawaz Sharif)
Expert (Production)
29-11-2023

CC:

- Chairman OGRA, Oil and Gas Regulatory Authority
- Managing Director, OGDCL, Islamabad
- PS to AS(P), Petroleum Division
- APS to DG(PC), Petroleum Division
- APR to DG(Gas), Petroleum Division



13 AUG 2024

Amer 6

No.Accounts-1(24)2014-15 Monitoring
Government of Pakistan
Ministry of Energy (Petroleum Division)
(Directorate General of Petroleum Concessions)
4th Floor, Petroleum House, Ataturk Avenue, G-5/2,

Islamabad, the August 6th , 2018

✓ The Chief Executive Officer
Spud Energy Pty Limited
3rd Floor, 22 East, Blue Area
Islamabad.

Subject:- **SETTLEMENT OF OUTSTANDING ROYALTY OBLIGATION- BOLAN AND GUDDU BLOCKS.**

Dear Sir,

I directed to refer to this Ministry's letter of even number dated 12.06.2018 on the subject cited above and to say that M/s Spud Energy vide letter dated 10.04.2018 committed that they will clear all outstanding obligations up to June 2018 by 30th July 2018, however no payment evidence has yet been received.

2. This Division has deposited following cheques in the Government treasury, therefore you are advised to make sure that the cheques will be honored, otherwise consequences shall follow.

Bank	Cheque No	Date	Amount (PKR)
alBaraka ISD	19359149	28.04.2018	100,238,089/-
alBaraka ISD	19359148	28.03.2018	100,238,089/-
alBaraka ISD	19359147	28.02.2018	100,238,089/-

Yours truly,

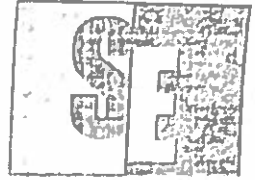

(M. Asif Hafeez)
Financial Analyst
051-9206124

Copy to:-
SPE
PA to DGPC

13 AUG 2024



Annex 7



SPUD ENERGY PTY LIMITED

Formerly Novus Pakistan Pty Limited
AN 28 073 847 613

Level 8, 1 O'Connell St
Sydney NSW 2000
Australia

3rd Floor, 22 East
Saeed Plaza, Jinnah Avenue
Blue Area, Islamabad - Pakistan
Tel: (+92-51) 227 0702-5
Fax: (+92-51) 227 0701

February 1, 2018

Mr. Qazi Mohammad Saleem Siddiqui
Director General Petroleum Concessions
Directorate General of Petroleum Concessions
Ministry of Petroleum & Natural Resources
Petroleum House, Sector G-5
Islamabad

SETTLEMENT OF OUTSTANDING ROYALTY OBLIGATION - BOLAN AND GUDDU BLOCKS

Dear Sir

Reference is made to the meeting held on January 31, 2018 in your office regarding the above-mentioned subject.

As agreed, we are pleased to enclose the self-explanatory undertaking and duly executed post-dated cheques representing settlement of royalty obligation of the Company.

Should you require any further information, please feel free to contact the undersigned.

Yours truly

A handwritten signature in black ink, appearing to read 'Imran Shahid', written over a horizontal line.

Muhammad Imran Shahid
Manager (JV & BD)

Encls: As above



13 AUG 2024

alBaraka

Al Baraka Bank (Pakistan) Limited

BLUE AREA BRANCH-ISLAMABAD
11-C, JINNAH AVE, ISLAMABAD

Cheque No: 19359149

Date: 28/02/2018

Pay State Bank of Pakistan or bearer

Rupees One hundred million two hundred thirty eight thousand eighty nine only

PKR=100,238,089

PK39A1IN0000102141383026
SPUD ENERGY PTY LIMITED

[Handwritten Signatures]



Please do not write below this line.

⑈ 19359149⑈03 10804⑈0 10 2 14 13830 26⑈000⑈

alBaraka

Al Baraka Bank (Pakistan) Limited

BLUE AREA BRANCH-ISLAMABAD
11-C, JINNAH AVE, ISLAMABAD

Cheque No 19359148

Date: 28/02/2018

Pay State Bank of Pakistan or bearer

Rupees One hundred million two hundred thirty eight thousand eighty nine only

PKR=100,238,089

PK39A1IN0000102141383026
SPUD ENERGY PTY LIMITED

[Handwritten Signatures]



Please do not write below this line.

⑈ 19359148⑈03 10804⑈0 10 2 14 13830 26⑈000⑈

alBaraka

Al Baraka Bank (Pakistan) Limited

BLUE AREA BRANCH-ISLAMABAD
11-C, JINNAH AVE, ISLAMABAD

Cheque No 19359147

Date: 28/02/2018

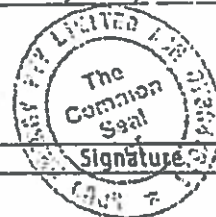
Pay State Bank of Pakistan or bearer

Rupees One hundred million two hundred thirty eight thousand eighty nine only

PKR=100,238,089

PK39A1IN0000102141383026
SPUD ENERGY PTY LIMITED

[Handwritten Signatures]

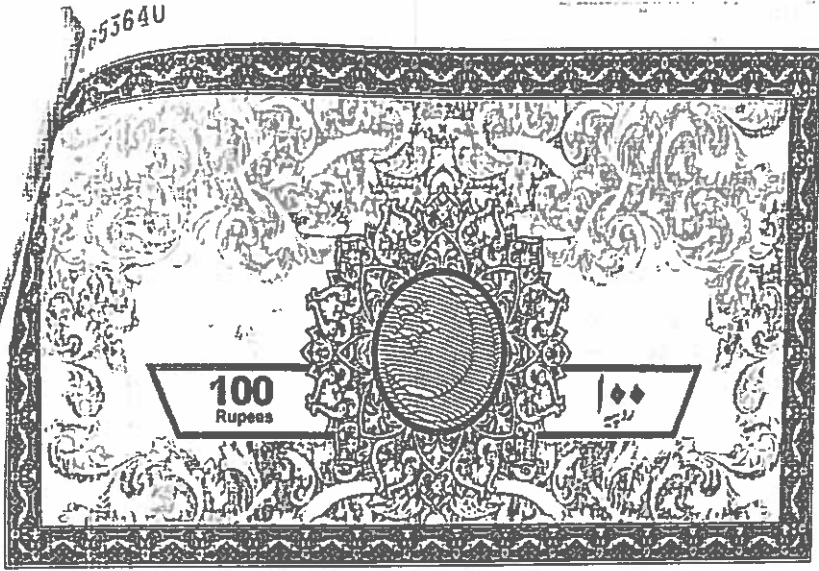


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⑈ 19359147⑈03 10804⑈0 10 2 14 13830 26⑈000⑈



13 AUG 2024



UNDERTAKING

M/s. Spud Energy Pty Ltd (SEPL) is the lessee and working interest owner in Zarghun South Lease (Bolan Block) and Reti Maru Leases (Guddu Block).

2. The undersigned being the Chief Executive Officer of SEPL do hereby unconditionally and irrevocably undertakes and confirms for and on behalf of SEPL that SEPL shall discharge its following outstanding royalty obligation by or before April 30, 2018 in three equal installments.

Field	Royalty on Mineral Oil	Royalty on Natural Gas	Period
Zarghun South	Rs.1,859,833	Rs.240,316,978	Up to October 2017
Reti Maru	NIL	Rs.58,537,456	Up to November 2017

3. The above said payment shall be secured by three post-dated cheques along with treasury challans which the Government may deposit for payment on the dates mentioned in the cheques. SEPL shall ensure that the cheques when presented are not dishonored for any reason whatsoever.

4. The installment plan for payment shall be as follows:

Installment	Cheque No.	Date	Amount
First	19359147	28-02-2018	100,238,089
Second	19359148	28-03-2018	100,238,089
Third	19359149	28-04-2018	100,238,089

4. SEPL shall replace the third Cheque in case the Government confirms to SEPL that the royalty amount is adjustable on account of any difference in the royalty amount which may be found during the reconciliation process and the Government shall return the original Cheque for the third installment against the replacement Cheque.

5. SEPL shall pay without fail the royalty amounts for the later period and in future as shall be payable in respect of Zarghun South Lease (Bolan Block) and Reti Maru Leases (Guddu Block) as and when the same fall due under the provision of the applicable rules and concession agreements.

6. This undertaking is executed on this 1st Day of February 2018 by the authorized representative.



DEPONENT

Chief of Spud Energy Pty Limited)
 MUHAMMAD NAD EEM FAROOQ
 CNIC # 35302-4141902-7

WITNESSES:

1 Name Muhammad Araf Siddiq
 CNIC# 33301-3110643-7

2 Name Muhammad Ismail
 CNIC # 61101-4718740-3



13 AUG 2024

Amex 8



CHEQUE RETURN MEMO

Branch Name: B.A
C/cheque No: 19359147
Account #: 100238089
Date: 07-08-18
Amount: 100238089
Collecting Bank: SBE Pakistan
Savings Corporation

S.No	Codes	Detail/ Reason	Please Tick (✓)
1	1.1	Amount in words and figure differs	
	1.2	Unauthorized funds in Drawer's account	
	1.3	Unauthorized deposit- funds transferred to SBE	
2	Payment Instruments:		
	2.1	Date is missing	
	2.2	Duplicate instrument/instrument lodged again in Clearing	
	2.3	Fake instrument	
	2.4	Forged/ Temppered instrument	
	2.5	Incomplete instrument/ Required details is missing	
	2.6	Not Drawn on us	
	2.7	Stale instrument	
	2.8	Payment instrument contains extraneous matters/ conditional treatment	
	2.9	Post-dated instrument	
3	Accounts:		
	3.1	Closed/ Inactive	
4	Stamps:		
	4.1	Bank's Special Crossing required	
5	Payments:		
	5.1	Payment stopped by drawer	
	5.2	Payment stopped on order of legal/court or any law enforcement agency	
6	Drawer's signature:		
	6.1	Alteration on Payment instrument requires drawer's signature	
	6.2	Signature is forged	
	6.3	Signature is missing	
7	Endorsement:		
	7.1	Incomplete	
	7.2	Forged	
8	Miscellaneous:		
	8.1	Any other reason (Please elaborate below):	

Al Baraka Bank (Pakistan) Limited
Blue Star- Islamabad
Authorized Signature

alBaraka Bank (Pakistan) Limited
Blue Star- Islamabad
Area Branch- ISLAMABAD
11-C, JINNAH AVE, ISLAMABAD

Cheque No 19359147

Date 28022018

Pay State Bank of Sindh or bearer

Rupees One hundred thirty eight thousand only

PKR-100238089

PK39AIIN0000102141383026
SPUD ENERGY PTY LIMITED

Please do not write below this line.



1935914703108040102141383026000



13 AUG 2024

alBaraka

alBaraka Bank (Pakistan) Limited
Blue Area Branch-Islamabad
11-C, JINNAH AVE, ISLAMABAD

Cheque No 19359148

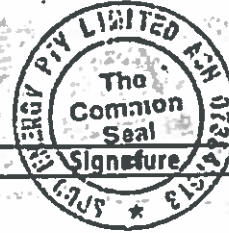
Date 28 02 2018

Pay State Bank of Banking Services Pakistan or bearer

Rupees One hundred and two hundred
thirty eight thousand eighty nine only

PKR=100,38089

PK39AIIN0000102141383026
SPUD ENERGY PTY LIMITED



Please do not write below this line.

1935914803108040102141383026000

alBaraka

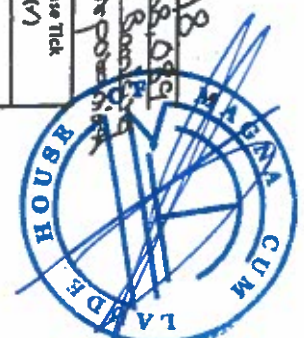
CHEQUE RETURN MEMO

Branch Name: B.A
Cheque No: 19359148
Account #: 0102141383026
Cheque is returned for reason marked below: 1-2

Date: 07-08-18
Amount: 100,380.89
Collecting Bank: SPUD Energy
Services Corporation

S.No	Codes	Detail/Reason	Please Tick (✓)
1	1.1	Amount in words and figures differs	
	1.2	Insufficient funds in Drawer's account	
	1.3	Uncashed deposit - funds transferred to SBP	
2	Payment Instruments:		
	2.1	Date is missing	
	2.2	Duplicate instrument/instrument lodged again in Clearing	
	2.3	False instrument	
	2.4	Forged/ Tampered instrument	
	2.5	Incomplete instrument/ Required details is missing	
	2.6	Not drawn on us	
	2.7	Stale instrument	
	2.8	Payment instrument contains extraneous matters/ conditional payment	
	2.9	Post-dated instrument	
3	Accounts:		
	3.1	Closed/ inactive	
	3.2	Dormant account	
4	Stamps:		
	4.1	Bank's Special Crossing required	
	4.2	Clearing Stamp required	
5	Payments:		
	5.1	Payment stopped by drawer	
	5.2	Payment stopped on order of legal/court or any law enforcement agency	
6	Drawer's Signature:		
	6.1	Alteration on Payment instrument requires drawer's signature	
	6.2	Signature is forged	
	6.3	Signature is missing	
7	Endorsements:		
	7.1	Incomplete	
	7.2	Forged	
8	Miscellaneous:		
	8.1	Any other reason (please elaborate below):	

alBaraka Bank (Pakistan) Limited
Blue Area, Islamabad
Authorized Signature



13 AUG 2024

alBaraka
Al Baraka Bank (Pakistan) Limited

BLUE AREA BRANCH-ISLAMABAD
M.T.C., JINNAH AVE, ISLAMABAD

Cheque No **19359149**

Date **28042018**

Pay State Bank of or bearer
Rupees One hundred million thirty
eight thousand eight hundred only

PKR **100,38,890**

PK39AIIN0000102141383026
SPUD ENERGY PTY LIMITED

Please do not write below this line.



⑈ 19359149⑈0310804⑈0102141383026⑈000⑈

S.No	Codes	Details/ Reason	Please Tick (✓)
Funds:			
1	1.1	Amount in words and figures differs	
	1.2	Sufficient funds in Drawer's Account	
	1.3	Unclaimed deposits: funds transferred to SPP	
Payment Instrument:			
	2.1	Date is missing	
	2.2	Duplicate instrument/instrument lodged again in Clearing	
	2.3	False instrument	
	2.4	Forged/ Tempered instrument	
	2.5	Incomplete instrument/ Required details is missing	
	2.6	Not Drawn on us	
	2.7	State instrument	
	2.8	Payment instrument contains erroneous matters/ conditional instrument	
	2.9	Post-dated instrument	
	2.10	Suspicious	
Accounts:			
	3.1	Closed/ Inactive	
	3.2	Dormant Account	
	3.3	Blocked/frozen	
	3.4	Non-incident account, Form A-7 required	
Stamps:			
	4.1	Bank's Special Crossing required	
	4.2	Clearing Stamp required	
	4.3	Stamp date is invalid	
Payment:			
	5.1	Payment stopped by drawer	
	5.2	Payment stopped on order of legal/court or any law enforcement agency	
	5.3	Payment cannot be processed due to force majeure event	
Drawer's signature:			
	6.1	Alteration on Payment instrument requires drawer's signature	
	6.2	Signature is forged	
	6.3	Signature is missing	
	6.4	Signature is unauthorized	
Endorsement:			
	7.1	Incomplete	
	7.2	Forged	
	7.3	Collecting Bank's endorsement/discharge unsigned/irregular/ illegible	
Miscellaneous:			
	8.1	Any other reason (Please elaborate below):	

Al Baraka Bank (Pakistan) Limited
Blue Area, Islamabad
Authorized Signature

alBaraka **alBaraka** CHEQUE RETURN MEMO
Branch Name: S.A
Cheque No: 19359149
Account #: 0102141383026
Cheque is returned for reason marked below: 1.2

Date: 07-08-18
Amount: 100,38,890
Collecting Bank: SPUD ENERGY PTY LIMITED
Services Corporation

13 AUG 2024