

2nd October, 2023

TL2023/1002/1A

Director General Petroleum Concessions,
Directorate General Petroleum Concessions,
Ministry of Energy (Petroleum Division),
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 has received a 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).

The complainant has made the following allegations:

That;

1. M/s Konnect Gas (Pvt.), a subsidiary of M/s Jura Energy Corporation, is an unlicensed entity which is providing unprocessed gas to CNG stations posing threat to the lives of citizens.
2. In 2020, M/s Jura Energy Corporation publicly announced through a press release (Annex-B) the commencement of gas sales from the Sara Suri Leases to M/s Konnect Gas under the guise of a third-party arrangement. The website of Jura Energy also reflects M/s Konnect Gas as the buyer to the Sara Suri Fields (Annex-C).
3. M/s Konnect Gas knowingly and willfully have engaged in the unlawful sale of unprocessed gas since 2020.
4. In April 2019, M/s Konnect Gas submitted its license application to OGRA which OGRA unequivocally rejected in April of 2022 due to M/s Konnect Gas's failure to meet the stipulated criteria (Annex-D).
5. However, despite OGRA's rejection of M/s Konnect Gas application for license, the company has been illegally supplying unprocessed gas to CNG stations.
6. Jura Corporation's subsidiaries, Spud Energy Pvt Ltd, Frontier Holdings Ltd have already been declared Defaulters by the Ministry of Energy – Directorate General Petroleum Concessions (DGPC).

Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, the allegations seem correct.

Following are TI Pakistan comments:

1. 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.



2. 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-E)
3. On September 08, 2023, OGRA vide its letter No. OGRA-6(1)-KGL/2019 has clarified that due to constant failure by M/s Konnect Gas to submit requisite data/information for 2.5 years, the authority rejected the application of M/s Konnect Gas (Pvt.) Ltd on 15-04-2022 and that the company is not a Licenses of OGRA to undertake any regulated activities (Annex-F)

Transparency International Pakistan Recommendations

Transparency International Pakistan requests Director General Petroleum Concessions to kindly look into the allegations of the complaint, and if it is found to be correct, take action against M/s Konnect Gas (Pvt) Ltd for its illegal activities of providing unprocessed gas to CNG stations posing threat to the lives of citizens, under applicable laws and rules.

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

With Regards,


(Advocate Daniyal Muzaffar)
Trustee/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, Ministry of Energy, Islamabad
3. Chairman, Prime Minister Inspection Commission, PMIC, Islamabad
4. Chairman, NAB, Islamabad
5. Registrar, Supreme Court of Islamabad, Islamabad.

Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, Justice Syed Mansoor Ali Shah in his landmark judgment in case of Ataulah Malik v. Federation of Pakistan includes following order.

Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable. PLD 2010 Lahore 605.



HOUSE OF MAGNA CUM LAUDE

Barristers & Masters at Law

To,

21.09.2023

Director General Petroleum Concessions,
Directorate General Petroleum Concessions,
Ministry of Energy (Petroleum Division),
Pak Secretariat, Block-A,
3rd Floor, Islamabad

Subject: Complaint Regarding Unauthorized Third-Party Gas Sale by Konnect Gas (Private) Limited, a subsidiary of Jura Corporation – Spud Energy Pty Ltd, Frontier Holdings Ltd and Konnect Gas Pvt Ltd

Dear Sir,

This is with reference and in continuation to our previous complaint dated 12/09/2023 regarding the illegal and unprocessed third-party gas sale by Konnect Gas (Pvt) Ltd, a subsidiary of Jura Energy Corporation. We represent our Client, an interested party (hereinafter referred to as the "Complainant"), and present this letter to reinforce and authenticate the serious concerns and violations pertaining to the illicit activities of Jura Energy Corporation's subsidiaries, Spud Energy Pty Ltd/Frontier Holdings Ltd and Konnect Gas (Pvt) Ltd. We also understand that Spud Energy and Frontier Holdings have already been declared Defaulters by the Ministry of Energy – Directorate General Petroleum Concessions (DGPC).

We immediately request intervention to put an end to these acute violations and to safeguard public safety as the seriousness of the offenses cannot be overstated. The illegal sale of unprocessed gas by an unlicensed entity to CNG stations and subsequently directly to end-consumers poses an imminent threat to the lives and well-being of the citizens of Pakistan, in blatant breach of established legal and regulatory provisions.

We would like to bring to your kind attention that in 2020 Jura Energy Corporation publicly announced, through a press release (attached hereto as Annex-1), the commencement of gas sales from the Sara Suri Leases to Konnect Gas under the guise of a third-party arrangement. The website of Jura Energy also reflects Konnect Gas as the Buyer to the Sara Suri Fields (attached hereto as Annex-2). Notably, there is no evidence to suggest that Spud Energy obtained the requisite approvals from the competent regulatory body for such gas allocation. Such an act clearly violates the regulatory frameworks in place and immediately requires a probe and enquiry into the arrangement made under the pretense of third-party gas sale.

More significantly, it has come to light that both Spud Energy and Konnect Gas knowingly and willfully have engaged in the unlawful sale of unprocessed gas since 2020, well aware that Konnect Gas has never been granted the necessary license for regulated activities involving the transportation and sale of natural gas by the Oil and Gas Regulatory Authority (OGRA). Konnect Gas submitted its license application to OGRA in April of 2019. However, OGRA unequivocally rejected the application in April of 2022 due to Konnect Gas's failure to meet the stipulated criteria. These facts are explicitly referenced in OGRA's letter No. OGRA-6(1)-KGL/2019 dated September 08, 2023 (attached hereto as Annex-3).



It is crucial to underline that Spud Energy has been illegally selling unprocessed gas since mid of 2020 and continues to do so till date. Alarmingly, the gas is being illegally sold to an unlicensed entity, Konnect Gas.

We firmly demand an immediate and thorough investigation and intervention to hold the offender accountable and to ensure that the offender does not continue or repeat these unlawful activities, thereby safeguarding the interests of all entities compliant with applicable laws, more importantly the lives of the populace and the environment in Pakistan.

It is requested of the DGPC to take action against the operator for violation of conditions as per License/PCA/Rule provisions and serve a show cause notice under the Clause-69 (a) of the Pakistan Petroleum (E & P) Rules, 2001.

Thank you for your prompt attention to this matter. We expect your urgent action and a comprehensive response to address this critical issue.

Sincerely,


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

Copy to:

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

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

Mr. Abrar Ahmed Mirza
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/JV)
3rd Floor, A block Pak Secretariat
Islamabad

Mr. Abdul Rasheed Jokhio
Director General Gas
1st Floor, Petroleum House, Ataturk Avenue, Sector
G-5/2
Islamabad

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

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

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

Commencement of Production from Sara and Suri Leases and Settlement of Debentures

CALGARY, Alberta, Oct. 13, 2020 – Jura Energy Corporation ("Jura" or the "Company") announced today that commercial production has commenced from the Sara and Suri leases under a third party sale arrangement. The current production from the fields is approximately 0.25 MMcf/d (net to Jura 0.15 MMcf/d) which is expected to be gradually enhanced to approximately 1 MMcf/d (net to Jura 0.60 MMcf/d).

The gas production from the Sara and Suri leases is being sold to Konnect Gas (Private) Limited ("KGL") pursuant to the terms of a previously-announced Gas Sale and Purchase Agreement ("GSA") between Jura's wholly-owned subsidiary Spud Energy Pty Limited and KGL, and is entitled to a gas price of US\$ 2.15/MMBtu. Jura's principal shareholder, JS Energy Limited, holds 50,659,076 of Jura's common shares, representing a 73.3% shareholding. JS Energy Limited and KGL have the same ultimate controlling shareholder, making Jura and KGL affiliates. The GSA was awarded to KGL after a public tender process, pursuant to the process required by the Government of Pakistan, and the terms of the GSA were approved by the independent directors of Jura.

The Sara and Suri leases cover an area of approximately 106.54 square kilometres and are located in the Ghotki district, in the Sindh Province of Pakistan.

Jura is the operator of the Sara and Suri leases with a 60% working interest.

Jura also announced today that it has successfully completed the settlement of its US\$ 3.5 million debentures pursuant to a notice of redemption issued in accordance with the terms of the Debentures Indenture.

About Jura Energy Corporation

Jura is an international energy company engaged in the exploration, development and production of petroleum and natural gas properties in Pakistan. Jura is based in Calgary, Alberta, and listed on the TSX-V trading under the symbol JEC. Jura conducts its business in Pakistan through its subsidiaries, Frontier Holdings Limited and Spud Energy Pty Limited.

Forward Looking Advisory

This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. The words "will", "approximately", and similar expressions are used to identify forward looking information. Specific forward-looking statements in this press release include information concerning the production rates from the Sara and Suri leases.

The forward-looking statements contained in this press release are based on management's beliefs, estimates and opinions on the date the statements are made in light of management's experience, current conditions and expected future development in the areas in which Jura is currently active and other factors management believes are appropriate in the circumstances. Jura undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless required by applicable law.

Readers are cautioned not to place undue reliance on forward-looking information. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties that contribute to the possibility that the predicted outcome will not occur, including some of which are beyond Jura's control. These assumptions and risks include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in exploration, development and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the imprecision of resource and reserve estimates, assumptions regarding the timing and costs relating to production and development as well as the availability and price of labour and equipment, weather, volatility of and assumptions regarding commodity prices and exchange rates, marketing and transportation risks, environmental risks, the ability to access sufficient capital from internal and external sources, changes in applicable law, and risks resulting from the global COVID-19 pandemic and its effects on general economic conditions and public markets, Jura's business, and the ability of Jura to prepare and approve required filings in a timely manner. Additionally, there are economic, political, social and other risks inherent in carrying on business in Pakistan. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. See Jura's Annual Information Form for the year ended December 31, 2019, available on SEDAR at www.sedar.com, for further description of the risks and uncertainties associated with Jura's business.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Mr. Nadeem Farooq, CEO
Tel: +92 51 2270702-5
Fax: +92 51 227 0701
Website: www.juraenergy.com
E-Mail: info@juraenergy.com



Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



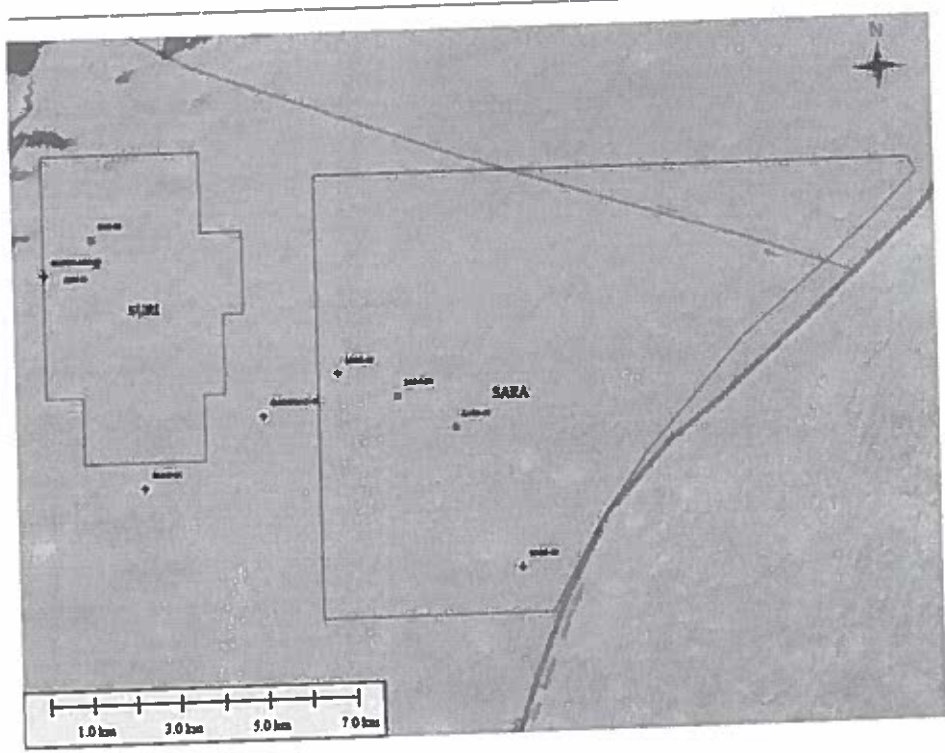
Our Assets

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Sara Suri – Production

Working Interest %	Province	Award Date	Geological Basin	Area	Wells	Discovery Date	Buyer
60	Sindh	Sep 21, 2000	Lower Indus Basin	Sara ~ 82.72 Sq. km Suri ~ 23.82 Sq. km	Total Drilled ~ 06 Producing ~ 02 Shut-in ~ 02	Sara ~ 1994 Suri ~ 1997	Konnect Gas





September 08, 2023

OGRA-6(1)-KGL/2019

Barrister Shahrul Hifkhar,
Managing & Founding Partner,
House of Magna Cum Laude,
H No 12, Main Alaturk Avenue,
F-6/3, Islamabad


Subject: **COMPLAINT REGARDING UNAUTHORIZED THIRD-PARTY GAS SALE BY
KONNECT GAS (PRIVATE) LIMITED A SUBSIDIARY OF JURA CORPORATION**

Dear Sir,

Refer to your office letter No. ni dated 18-08-2023 received in OGRA office on 29-08-2023 on the subject noted above.

1. It is to inform that M/s Konnect Gas (Pvt.) Ltd had applied for grant of license for Sale of Flare Gas from (Sara and Sun Gas Field) on 09-04-2019 which was evaluated by the concerned departments of OGRA and found certain deficiencies in requisite documentations required under the applicable provisions of Natural Gas Regulatory (Licensing) Rules, 2002.
2. Upon constant failure in submission of the requisite data/information by the applicant for 2 ½ years the Authority considered the matter and rejected the application of M/s Konnect Gas (Pvt.) Ltd on 15-04-2022, therefore, M/s Konnect Gas (Pvt.) Ltd is not a Licensee of OGRA to undertake any regulated activities, please.

Best Regards


(Dr. Abdul Basit Qureshi)
Senior Registrar
(For & on behalf of the Authority)



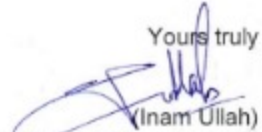
Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General Petroleum Concession
3rd Floor, Petroleum House, G-5/2, Islamabad

Subject: **Compliant against M/s SPUD Energy and M/s Frontier Holding Companies wilfully defaulting of their obligations to pay outstanding royalty 12.5% amounting approx. PKR. 1.13 billion on the sale of natural gas/crude oil from Reti Maru Field, Badin IV South Block and Zarghun Field.**

Reference Prime Minister's office U.O No 4(5)/Misc/DS (EA-I)/2022/83 dated 03-02-2023 on the subject cited above.

2. Royalty amounting to Rs 1.025 billion has been deducted by M/s Sui Southern Gas Company Limited (SSGCL) from the sales invoices of the defaulting companies, M/s Spud energy and M/s Frontier Holding Company, and the same has been deposited into the Government treasury by M/s SSGCL, (Copies of challans are attached).

Yours truly



(Inam Ullah)

Deputy Director (Concessions)
for Director General (Petroleum Concession)

Muhammad Shahid Dayo DS(EA-I), Prime Minister's Office, Islamabad
DGPC U.O No. Expl-7(3) (Spud-TIP)/2023 Dated 14th February, 2023.

(Treasury Rules)

Creation of payment this time:

Chalan No.
Treasury/Sud - Treasury
National Bank of Pakistan
State Bank of Pakistan

To be filled by the member		To be filled by the Director/Officer of the Treasury	
By Whom Transferred	Name (for designation) and Address of the person or persons authorized to pay	Full particulars of the remittance and of banking if any	Account
FRONTIER HOLDINGS LIMITED 3rd Floor, 22 East, Dated Plaza, Jinnah Avenue, Blue Area, Islamabad Email: info@fpenergy.com, Tel: 051 227 0700-6	DIRECTOR GENERAL OF PETROLEUM CONCESSION DEPT OF PETROLEUM & ENERGY MO PETROLEUM & N.R. ISLAMABAD	Full and final payment of State / Non Tax Gas field surrendering royalty obligation upto December 31, 2022	PPR 216 315/22
Treasurer	Accountant	Date	Treasury Officer Agent
Received/Deposit (in words): Two Hundred and Sixty Nine Thousand Eight Hundred Twenty Two only		C - Non Tax Receipts C03 - Miscellaneous Receipts C036 - Development Surcharge & Royalties C0305 - Royalty on Oil C0306 - Royalty on Natural Gas	Order to the bank
[Signature and full designation of the officer sending the account to the bank]			
To be used only on the date of remittance to the bank through Director/Officer to the Treasury Officer			

01 FEB 2023
National Bank of Pakistan
TRANSFER



September 08, 2023

OGRA-6(1)-KGL/2019

Barrister Shahrul Hifkhar,
Managing & Founding Partner,
House of Magna Cum Laude,
H No 12, Main Alaturk Avenue,
F-6/3, Islamabad

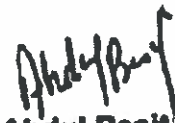
Subject: **COMPLAINT REGARDING UNAUTHORIZED THIRD-PARTY GAS SALE BY
KONNECT GAS (PRIVATE) LIMITED A SUBSIDIARY OF JURA CORPORATION**

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2. Upon constant failure in submission of the requisite data/information by the applicant for 2 ½ years the Authority considered the matter and rejected the application of M/s Konnect Gas (Pvt.) Ltd on 15-04-2022, therefore, M/s Konnect Gas (Pvt.) Ltd is not a Licensee of OGRA to undertake any regulated activities, please.

Best Regards


(Dr. Abdul Basit Qureshi)
Senior Registrar
(For & on behalf of the Authority)

