AHL Brief Note: 21-Oct-2026
Refinery: Pakistan Refinery Limited
Annual General Meeting Takeaways

REP-300

PRL management held an annual general meeting today.

AGM Takeaways:

- PRL reported its highest-ever profit after tax of PKR 15.8bn in FY26, supported by strong operational performance and record production of key refined products.
- The refinery processed ~1.72mn tons of crude during FY26, operating at over 80% capacity utilization. HSD production exceeded 800k tonnes, marking a record, while petrol and diesel remained the key contributors to the overall product mix.
- Management clarified that ~90% of crude procurement is made through term contracts, which provide greater supply certainty under pre-agreed pricing formulas and delivery schedules. Spot purchases are undertaken as required to ensure uninterrupted operations and are priced based on prevailing market conditions, with premiums, freight, war-risk and insurance costs varying by source and availability.
- Management clarified that ADNOC and Aramco account for approximately 60% and 30% of crude procurement, respectively. Despite disruptions around the Strait of Hormuz, PRL continues to receive supplies through Fujairah and Saudi Arabia's Yanbu route, while exploring alternative sources, including Africa, to diversify procurement.
- Management stated that customs duty remains recoverable under the refinery policy signed by PRL; therefore, the company has not reversed the associated amount. Management expects recovery to continue in accordance with the applicable policy provisions.
- PRL has not signed a crude supply contract with Oman, as Oman is not a major crude producer. However, the company is exploring Oman as an alternative transit and shipping route, while potential opportunities on the crude trading side remain under consideration
- PRL's upgrade project has three key objectives: achieving Euro-V compliance for petrol and diesel, doubling refining capacity from 50,000bpd to 100,000bpd, and transitioning from a simple hydro-skimming configuration to deep conversion technology to reduce furnace oil production.
- Following completion of the feasibility study in Dec'24, PRL received two EPC bids and issued a conditional letter of intent. However, geopolitical uncertainty and financing constraints have prompted a reassessment of the project strategy. Management is reviewing implementation options and appointing a financial adviser to facilitate financial closure and access international financing.
- Under the revised refinery policy, PRL expects incentives equivalent to ~27.5% of EPC costs through deemed duties on diesel (2.5%) and petrol (10%), accumulated over seven years via an ISGS-managed account. The policy allows five years for project completion, with a one-year grace period, while PRL is seeking broader sales tax exemptions to reduce project costs and ease financing requirements.
- Management explained that dividend payouts have remained limited as PRL prioritizes cash preservation for its refinery upgrade project amid uncertainty over future earnings. However, management expressed optimism that shareholders could benefit from improved payouts following the upgrade, subject to project progress and financial performance.

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