



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

ACL:554(OGRA)

MR. GHUFRAN
FOR NOTICE

April 22, 2013

The Commissioner,
Company Law Division and Information
System & Technology Division,
Securities and Exchange Commission of Pakistan,
Islamabad.

22/4/13

Dear Sir,

INCORPORATION OF THE ADVERSE IMPACT OF DECISION OF LAHORE HIGH COURT, LAHORE IN THE COMPANY'S FINANCIAL STATEMENTS

It is submitted that our Company has been constrained to obtain extension from SECP in respect of printing and circulation of its First and Second Quarter Accounts for FY 2012-13. The aforesaid extension was requested in view of the fact that Company is required to incorporate (in its quarterly accounts for FY 2012-13) the impact of the recent decision by Honorable Lahore High Court, Lahore (LHC) dated February 15, 2013, wherein the LHC has dismissed the Company's petitions for FY 2010-11 and FY 2011-12 against Oil and Gas Regulatory Authority (OGRA) determinations of fixation of lower UFG benchmark as well as treatment of LPS as operating income. The issuance of revised FRRs for these years were requested from OGRA in the light of our external auditors' views regarding accounting for the total impact of such FRRs in the current financial year i.e. FY 2012-13.

In this regard, although OGRA had allowed 7% UFG benchmark and treated LPS as non operating income for FY 2010-11 and FY 2011-12 in its earlier orders (FRRs) for FY 2010-11 and FY 2011-12, however, while issuing these orders, the OGRA had mentioned that decision on these two issues are subject to announcement of final judgment by the LHC while on the announcement of final judgment by the LHC, the orders of the OGRA may be altered, amended or rescinded accordingly.

However, in another development on this issue, OGRA, in its recently issued determination on the Company's motion for review of FRR FY 2011-12 dated April 13, 2013, has not accounted for the impact of reduction in UFG benchmark and treatment of LPS as operating income despite the fact that aforementioned LHC decision rejecting the Company's above referred petitions has already been announced.

In the above context and in view of the fact that the OGRA has not accounted for the adverse financial impact of lower benchmark of UFG as well as treatment of LPS as operating income, (despite the fact that orders of LHC rejecting the Company's petitions on these points now holds the field), in its recently issued revised FRR for FY 2011-12, we understand that the

Telephones Exch: +(92-42)99201451-60
+(92-42)99201490-99

Telephones: +(92-42)99201312
+(92-42)99200097

Fax: +(92-42)99201842
+(92-42)99203537

www.sngpl.com.pk



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