



January 21, 2026

Advisor to PM
Prime Minister House
Islamabad

(For the attention of the Honorable Prime Minister)

Subject: Complaint Against Allegations of Regulatory Inaction on Unauthorised Ownership Changes in Jura Energy and Related Entities (FHL / SEPL) in Violation of Pakistan Petroleum (Exploration and Production) Rules, 2001 in the Disposition of Controlling Shares without Requisite Approval of the Government of Pakistan Causing an Estimate Loss of PKR 64 Million in Tax Evasion

Dear Sir,

Transparency International Pakistan has received a Complaint against Allegations of Regulatory Inaction on Unauthorised Ownership Changes in Jura Energy and Related Entities (FHL / SEPL) in Violation of Pakistan Petroleum (Exploration and Production) Rules, 2001 in the Disposition of Controlling Shares without Requisite Approval of the Government of Pakistan, Causing and Estimated Loss of PKR 105 Million in Tax Evasion.

The complainant has made the following allegations that;

1. On March 06, 2025, Phoenix Exploration sold its 73.3% equity interest in Jura to IDL Investments Limited, a British Virgin Islands-registered investment company. The transaction was executed without prior written approval of the Government of Pakistan as required under the Pakistan Petroleum (Exploration & Production) Rules, 2001.
2. The consideration paid by IDL for this controlling stake was C\$1,266,476.90 (approximately PKR 316 million).
3. On July 18, 2025, the Director General Petroleum Concession (DGPC), Ministry of Energy, Petroleum Division issued a show-cause notice stating that the transaction was "neither disclosed nor approved prior to execution", as required under Pakistan's petroleum rules, as quoted below:

"Whereas, the transaction under discussion may have undergone shareholding/ structural changes, which may impact effective control and, as such, should have been reported to this Directorate under the afore mentioned rule and sought necessary approvals. As per above Rules M/s JEC was required to obtain the prior consent of the Government prior to change in effective control and disposition of its share capital to M/s IDL. The transaction between M/s Phoenix and M/s IDL was not intimated to the DGPC by the petroleum right holder either prior to or following the completion of the said transaction. Instead, the DGPC was informed of these events through TIP's letter dated 2nd May 2025. The companies holding petroleum rights are required under the Petroleum Rules and relevant Petroleum Concession Agreements (PCAs) to operate in accordance with Good Oil Industry Practices and to obtain all necessary approvals, licenses, and NOCs from relevant authorities". (Annex-A)

4. However, despite the passage of more than seven months, the enforcement powers under Rule 69(d) have not been invoked by DGPC.
5. The March 2025 transaction value of C\$1,266,476.90 (PKR 316 million) is required to be subjected to capital gains tax and withholding tax under relevant Pakistani tax, and its non-disclosure has caused loss to the national exchequer.
6. The Islamabad High Court also issued a status quo order on October 16, 2025 in the related writ petition. However, to date, no consequential action has been taken by the regulator to ensure compliance in line with as mandated under the Petroleum Rules.

A NON-PARTISAN, NON-PROFIT COALITION AGAINST CORRUPTION

Donations exempted from tax U/S 2 (36) (c) of I. Tax Ordinance 2001



Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie allegations seem correct. Following are TI Pakistan comments:

1. Transparency International Pakistan has written to the office of the Honorable Prime Minister vide letter No. TL2025/0502/1A dated May 02, 2025, regarding the unauthorised change in ownership and effective control of Jura Energy, Frontier Holdings Ltd (FHL) and Spud Energy Pvt Ltd (SEPL) without prior Government of Pakistan approval under the Pakistan Petroleum (Exploration & Production) Rules, 2001 (Annex-B)
2. The DGPC and Petroleum Division must take action in accordance with the Pakistan Petroleum (E&P) Rules, including enforcement actions under Rule 69(d), which makes it very clear that the companies must obtain the prior consent of the government before engaging in the disposition, as quoted below:

Rule 69(d): Pakistan Petroleum (Exploration and Production) Rules, 2001: Power of Revocation.-

“without the prior consent of the Government there is a disposition of the share capital of the holder or its parent company in consequence of which any person who prior to that disposition had effective control of the holder or its parent company ceases to have such effective control;

3. The Federal Board of Revenue must determine if the transaction is subjected to Capital Gain Tax (CGT) and Withholding Tax (WHT) levied on buyer and seller and if tax is applied at the transaction value, the FBR must recover around 64 Million lost in tax evasion as DGPC has already declared through its show cause notice dated July 18, 2025 that prior approval of the govt was required.
4. The DGPC must also determine if the beneficial ownership is declared in compliance with SECP requirements.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Honourable Prime Minister to review the allegations of the complaint, and if found correct issue directive for an action in accordance with law, which is necessary to uphold the rule of law, safeguard national interest, and ensure the integrity of Pakistan's E&P sector.

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

Regards,

Advocate Daniyal Mazaffar,
Trustee/Legal Advisor

Transparency International Pakistan

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

1. Federal Minister of Petroleum, Ministry of Energy (Petroleum Division), Islamabad.
2. Chairman, Federal Board of Revenue, Islamabad
3. Chairman, Securities and Exchange Commission of Pakistan, Islamabad
4. Additional Secretary (Policy), Ministry of Energy (Petroleum Division), Islamabad.
5. Director General Petroleum Concession, Ministry of Energy (Petroleum Division), Islamabad.
6. Secretary, Special Investment Facilitation Council, Islamabad.
7. Chairman, Prime Minister Inspection Commission, Islamabad.
8. Registrar, Supreme Court of Pakistan, 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, and a three member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

“What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution”



TRANSPARENCY INTERNATIONAL - PAKISTAN

May 02, 2025

Principal Secretary to PM
Prime Minister House,
Islamabad.

Annex-A

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Phase VII, Defence Housing Authority, Karachi
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Fax: +92-21-35390410
Email: ti.pakistan@transparency.org.pk
Website: www.transparency.org.pk

TL2025/0502/1A

(For the attention of the Honorable Prime Minister)
Subject: Complaint Against M/S SPUD Energy Pty Limited and M/S Frontier Holdings Limited (FHL) Regarding Serious Allegations of Violation of Pakistan Petroleum (Exploration and Production) Rules, 2001 in the Disposition of Controlling Shares without Requisite Approval of the Government of Pakistan

Dear Sir,

Transparency International Pakistan has received a complaint against M/s SPUD Energy Pty Limited and M/s Frontier Holdings Limited (FHL) regarding serious allegations of violation of Pakistan Petroleum (Exploration and Production) Rules, 2001 in the disposition of controlling shares without requisite approval of the Government of Pakistan (**Annex-A**).

The complainant has made the following allegations that;

1. The Frontier Holdings Limited (FHL) and SPUD Energy Pty Limited are subsidiaries of Jura Energy Corporation (Jura Energy).
2. The Jura Energy Corporation has disposed its controlling shares from Phoenix Holdings Limited (Phoenix) to IDL Investments Limited (IDL), in serious violation of Pakistan Petroleum Rules 2001 and without obtaining prior consent of the Government of Pakistan.
3. The writ petition has also been filed in the Islamabad High Court in vide No. 1370/2025 (**Annex-B**).
4. M/s FHL and M/s SPUD have deliberately failed to obtain the prior consent from the GoP for the change of control in Jura Energy, which has been publicly announced that this transaction has already taken place (**Annex-C**).
5. The Islamabad High Court has issued an injunctive stay order, which prohibits Phoenix, IDL, Jura Energy, FHL and SPUD from proceeding with the impugned transaction without obtaining the prior consent of the Government.
6. In the past, M/s FHL and M/s SPUD Energy were found guilty of serious violations and recoveries of Rs. 1.3 Billion were made on account of unpaid royalty obligations, after an action from the Prime Minister office (**Annex-D**).

Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complainant, prima facie allegations seem correct. Following are TI Pakistan comments:

1. As per Rule 69(d) of the Pakistan Petroleum (Exploration and Production) Rules, 2001, it is very clear that the companies must obtain the prior consent of the government before engaging in the disposition. The rule states;

Rule 69(d): Pakistan Petroleum (Exploration and Production) Rules, 2001: Power of Revocation.-

"without the prior consent of the Government there is a disposition of the share capital of the holder or its parent company in consequence of which any person who prior to that disposition had effective control of the holder or its parent company ceases to have such effective control;

(Annex-E)

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2. On December 16, 2022, Transparency International Pakistan took up a complaint against Frontier Holdings Limited (FHL) and SPUD Energy Pty Limited on willfully defaulting on their obligations to pay outstanding royalty 12.5% amounting to OKR 1.13 Billion. On TI Pakistan complaint, the Prime Minister's Office took action to recover PKR 1.13 billion in unpaid royalty obligations.
3. The sale of shares in violation of Rule 69(d) possess serious risks for Pakistan's energy sector, as it allows for unknown and unverified international entities to become involved in country's E&P sector and compromise integrity.

Transparency International Pakistan Recommendations

Transparency International Pakistan requests the Honourable Prime Minister to review the allegations of the complaint, and if found correct issue directive for an action which is necessary to uphold the rule of law, safeguard national interest, and ensure the integrity of Pakistan's E&P sector.

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

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. Federal Minister of Petroleum, Ministry of Energy (Petroleum Division), Islamabad.
2. Additional Secretary (Policy), Ministry of Energy (Petroleum Division), Islamabad.
3. Director General Petroleum Concession, Ministry of Energy (Petroleum Division), Islamabad.
4. Secretary, Special Investment Facilitation Council, Islamabad.
5. Chairman, Prime Minister Inspection Commission, Islamabad.
6. Registrar, Supreme Court of Pakistan, 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, and a three member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

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GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY (PETROLEUM DIVISION)

Annex-B



No.NO. 2(39)/LEGAL/DGPC (WP NO. 1370 OF 2025)

Islamabad, the 18th July, 2025

From

Muhammad Hassaan Bhatti
D.D (Con)

To

- 1- Chief Executive Officer, Spud Energy Pty Limited, Islamabad
- 2- Chief Executive Officer, JURA Energy Corporation, Calgary Canada
- 3- Chief Executive Officer, Frontier Holdings Limited, Beverley Centre Jinnah Avenue

Islamabad

SUBJECT: SHOW CAUSE NOTICE UNDER OF RULE 68(D) OF THE PAKISTAN PETROLEUM (EXPLORATION AND PRODUCTION) RULES, 1986 AND RULE 69(D) OF THE 2001 RULES FOR DISPOSITION OF SHAREHOLDING AND CHANGE OF EFFECTIVE CONTROL WITHOUT PRIOR CONSENT OF THE GOVERNMENT

Whereas, M/s Spud Energy Pty Limited ("SEPL") and M/s Frontier Holdings (Pvt) Limited ("FHL") hold petroleum rights as working interest owners in several Petroleum Concession Agreements (PCAs) executed with the Government of Pakistan.

Whereas, the Directorate General of Petroleum Concessions (DGPC) granted a No Objection Certificate (NOC) on 16th May 2012, for the change in management and control of M/s Frontier Holdings Limited (FHL) from M/s Jura Energy Corporation (a company incorporated in Canada) to M/s Eastern Petroleum Limited (a company incorporated in Mauritius). The said NOC was granted in respect of: M/s FHL's non-operated working interest/share in Kandra Development & Production Lease and Mirpur Mathelo Block Exploration Licence under Rule 68(d) of the Pakistan Petroleum (Exploration & Production) Rules, 1986, and in Salam Block, Badin-IV South Block, and Badin-IV North Block Exploration Licences under Rule 69(d) of the Pakistan Petroleum (Exploration & Production) Rules, 2001.

Whereas, for transactions involving an effective change of control and disposition of shareholding, No Objection Certificates (NOCs) are required from relevant regulatory authorities, including the Directorate General of Petroleum Concessions (DGPC), Federal Board of Revenue (FBR), Securities and Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP), and others, in accordance with the applicable Rules.

Whereas, M/s Jura Energy Corporation ("JEC"), the parent company of SEPL and FHL, has reported in its press release dated 6th March, 2025 and its letter to the DGPC dated 19th May, 2025 that its controlling shareholder i.e., M/s Phoenix Exploration ("Phoenix"), has disposed of its 73.3% controlling share capital in JEC to M/s IDL Investments Limited ("IDL"), a British Virgin Islands-based investment entity

Whereas, Rule 68(d) of the Pakistan Petroleum (Exploration and Production) Rules, 1986 provides that:

"without the prior consent of the Government there is a disposition of the share capital of the holder in consequence of which any person who prior to that disposition had affective control of the holder ceases to have such effective control."

Whereas, Rule 69(d) of the Pakistan Petroleum (Exploration and Production) Rules, 2001 further provides that:

"without the prior consent of the Government there is a disposition of the share capital of the holder or its parent company in consequence of which any person who prior to that disposition had effective control of the holder or its parent company ceases to have such effective control"

Whereas, in accordance with Rule 71(c) of the Rules, 1986, the holder of a Petroleum right shall report to the Director General, Petroleum Concessions, particulars of any fresh issues of capital which may be made by him from time to time and any alteration which may be made in the memorandum or articles of association or in the constitution of the holder.

Whereas, in accordance with Rule 52(f) of the Rules, 2001, holder of a petroleum right shall submit to the DGPC, particulars of any fresh issues of capital which may be made by him or his parent company from time to time and any alteration which may be made in the memorandum and articles of association or in the constitution of the holder or his parent company. Any fresh issues of capital shall at times be subject to clause (d) of rule 69.

Whereas, the transaction under discussion may have undergone shareholding/ structural changes, which may impact effective control and, as such, should have been reported to this Directorate under the afore mentioned rule and sought necessary approvals. As per above Rules M/s JEC was required to obtain the prior consent of the Government prior to change in effective control and disposition of its share capital to M/s IDL. The transaction between M/s Phoenix and M/s IDL was not intimated to the DGPC by the petroleum right holder either prior to or following the completion of the said transaction. Instead, the DGPC was informed of these events through TIP's letter dated 2nd May 2025. The companies holding petroleum rights are required under the Petroleum Rules and relevant Petroleum Concession Agreements (PCAs) to operate in accordance with Good Oil Industry Practices and to obtain all necessary approvals, licenses, and NOCs from relevant authorities.

Whereas, In addition to above, following information is required including detailed justification supported by documentary evidence substantiating that there has been no change in effective control and that due reporting obligations have been met;

I. Provide the complete shareholding structure (with percentage breakdown) of M/s IDL Investments Limited, M/s Phoenix, M/s Jura Energy Corporation, M/s PetExPro, M/s Frontier Holdings Limited (FHL), and M/s Spud Energy Pty Ltd (SEPL), both prior to and after the transaction dated March 6, 2025.

II. Indicate whether M/s IDL Investments Limited has nominated any new directors to the Board of Jura, PetExPro, FHL, or SEPL. If applicable, provide the names, nationalities, and official roles of such directors.

III. Confirm whether M/s IDL Investments Limited has exercised any shareholders' rights or voting control post-acquisition that have affected or influenced the operations, governance, or decision-making of FHL or SEPL.

IV. Confirmation whether any change occurred in ownership percentages, voting rights, or control rights for each company.

V. Confirm whether this transaction has been disclosed by Jura or any of its subsidiaries to any relevant Pakistani authorities including the Federal Board of Revenue (FBR), State Bank of Pakistan (SBP), or the Securities and Exchange Commission of Pakistan (SECP). If disclosed, provide a copy of the correspondence or any tax clearance certificate issued.

VI. Copies of relevant Shareholders' Agreements and Articles of Association showing governance and control provisions.

VII. State the transaction amount paid by M/s IDL Investments Limited to M/s Phoenix Exploration Company for acquisition of the subject shareholding in Jura. Indicate whether this amount has been declared in any Pakistan-based tax filings.

VIII. Confirm whether capital gains tax or withholding tax, if applicable, has been assessed or paid in Pakistan in relation to the transaction.

IX. Explain how the current transaction is different from the transaction in 2012, wherein the Directorate General of Petroleum Concessions (DGPC) granted a No Objection Certificate (NOC) dated 16th May 2012 for the change in management and control of M/s Frontier Holdings Limited (FHL) from M/s Jura Energy Corporation (a company incorporated in Canada) to M/s Eastern Petroleum Limited (a company incorporated in Mauritius)

Now, therefore, in violation of Rule 71(c) of the Rules, 1986, and Rule 52(f) of the Rules, 2001, and in accordance with Rule 68(d) of the 1986 Rules and Rule 69(d) of the 2001, M/s SEPL and M/s FHL are hereby served Show Cause Notice to explain in writing within thirty (30) days of issuance of this notice as to why the action may not be taken against the company(ies).

Please note that failure to respond within the prescribed period or provide the requested information may result in appropriate action under Rules, including but not limited to revocation of petroleum right.

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

M/s JEC, M/s FHL and M/s SEPL may like to indicate its desire to appear before Authority for personal hearing, if so desired.