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PSO, Engro sign MoU for Thar Coal Project



KARACHI: The Pakistan State Oil (PSO) has signed a Memorandum of Understanding (MoU) with Engro Powergen Limited (EPL) to review the technical and economical feasibility of the Thar coal project. The MoU was signed between PSO CEO and MD Naeem Yahya Mir and Engro Corporation Limited President and CEO Muhammad Ali Ansari, according to statement issued by PSO on Tuesday.

This MoU has been signed keeping in view the fact that as coal is comparatively cheaper and easily available in comparison to other fuel sources, it has become the fuel of choice for developed nations across the world. Therefore, with an aim of responsibly providing for the rising energy needs of the country, PSO is exploring multiple investment opportunities in the energy sector with special emphasis on Thar Coal and intends to acquire 50 percent of EPL shares in Sindh Engro Coal Mining Company (SECMC) as part of this plan, statement stated. Speaking after the event, Mir said, “Through this MoU, two companies have combined their synergies to develop a self-reliant energy supply chain for the country. Indigenous fuel is our future and with the support and backing of the Sindh government we are taking steps to meet Pakistan’s energy needs in the years to come.”

Echoing his sentiments, Ansari said, “This is a momentous occasion as both companies have joined hands for a project of national interest and one which will provide for the energy security of the next generation.” In his speech after the signing ceremony, Sindh Board of Investment Chairman Zubair Motiwalla stated, “The government of Sindh has been working tirelessly to meet the rising energy needs of the population and the decision to purchase 51 percent.”

Both PSO and Engro are in agreement that coal is the best possible indigenous fossil fuel resource for Pakistan and has the potential to address the country's severe power shortage and bring energy security to the country. Through this project, not only will the energy chain be strengthened it will also generate extensive economic activity nationwide while developing Pakistan's human capital through the execution and operation of state-of-the-art coal mining and coal-based power generation projects. Additionally by playing a lead role in developing this national resource, both companies will be able to strengthen their financial bottom line and expand further through downstream commercial projects based on Thar Coal. Both companies are of the opinion that this MoU will serve as the foundation for a mutually beneficial partnership, which will result in extensive benefits for future progress and prosperity of Pakistan, according to the statement.