



Ministry of Energy

Annual Performance Report - 2025

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Annual Performance Report for 2025

Ministry of Energy

Expenditure Head No: 119

CONTENT

	Page No.
Chapter 01- Institutional Profile/ Executive Summary	1
1.1 Introduction	2
1.2 Vision and Mission of the Ministry	5
1.3 Subject and Functions of the Ministry of Energy	6
1.4 Organizational Chart	7
1.5 Main Divisions of the Ministry and Functions	9
1.6 Institutions under the Purview of the Ministry	13
 Chapter 02 - Progress of the Year 2025 and Future Outlook 2026	 16
2.1 Performance of the Power Section in the year 2025	17
2.1.1 Electricity Sector at a Glance	17
2.1.2 Electricity Generation	17
2.1.3 Installed Capacity of the National Power Grid	18
2.1.4 Generation Projects	19
2.1.5 Transmission Development	21
2.1.6 Climate Change Mitigation Activities and Nationally Determined Contributions (NDCs) of the Power Sector	24
2.1.7 Electricity Tariff Revision	24
2.1.8 Revision of Renewable Energy Tariff	24
2.2 Performance of the Energy Section in the year 2025	25
2.2.1 Petroleum Sector at a Glance - 2025	25
2.2.2 Impact of Global Petroleum Trends to the Fuel Price of Sri Lanka	25
2.2.3 Import, Import Cost and Sales of Petroleum Products	27
2.2.4 Import and Refining of Crude Oil	30
2.2.5 Fuel Storage	32
2.2.6 Fuel Distribution	33
2.2.7 Nature of the Petroleum Market	34
2.2.8 Regulatory Tasks Performed during the year 2025	36
2.2.9 Progress of Petroleum-related Infrastructure Development Projects	40
2.3 Future Outlook 2026	43

CONTENT

Page No.

Chapter 03 - Overall Financial Performance for the Year Ended 31st December 2025	44
3.1 Statement of Financial Performance Report	46
3.2 Statement of Financial Position	47
3.3 Statement of Cash Flow	48
3.4 Performance of the Revenue Collection	49
3.5 Performance of the Utilization of Allocation	49
3.6 In Terms of F.R. 208 Grant of Allocations for Expenditure	49
3.7 Performance of the Reporting of Non-Financial Assets	52
3.8 Auditor General's Report	(Annex 1)
Chapter 04 - Performance Indicators	53
4.1 Performance Indicators of the Ministry (Based on the Action Plan)	54
Chapter 05 - Performance of Achieving Sustainable Development Goals (SDGs)	56
5.1 Sustainable Development Goals (SDGs) of the Power Sector	57
5.2 Progress of the Respective Sustainable Development Goals	57
5.3 Achievements and Challenges of the Sustainable Development Goals	58
Chapter 06 - Human Resource Profile	60
6.1 Cadre Management	61
6.2 Impact of the Shortage or Excess in Human Resource on Performance of the Ministry	61
6.3 Human Resource Development Activities	61
Chapter 07 - Compliance Report	65

TABLES

	Page No.
Table 2.1.1 Customer Base - 2025	17
Table 2.1.2 Electricity Generation - 2025	17
Table 2.1.3 Installed Electricity Capacity Based on Source of Generation (end of December 2025)	18
Table 2.1.4 Hydro Power Generation Expansion Projects	19
Table 2.1.5 Thermal Power Generation Expansion Project	19
Table 2.1.6 Progress of Rooftop Solar Connections	20
Table 2.1.7 Wind Generation Projects	20
Table 2.1.8 Energy Storage Development Projects	21
Table 2.1.9 System Modernization & Supportive Projects	21
Table 2.1.10 The Progress of Ongoing Transmission Development Projects	21
Table 2.1.11 The Details of the Transmission Development to be Funded Projects	23
Table 2.2.1 Asia-Pacific Region Crude Oil and Refined Petroleum Product Price Trends - 2025	26
Table 2.2.2 Average, Highest, and Lowest Prices of Petroleum Products - 2025	27
Table 2.2.3 Average Monthly Import Cost of Fuel - 2025	27
Table 2.2.4 Import Quantity of Petroleum Product - 2025	28
Table 2.2.5 Import Expenditure of Petroleum Product - 2025	28
Table 2.2.6 Sale Quantity of Petroleum Products - 2025	29
Table 2.2.7 Sales of Fuel for Electricity Generation (2022 - 2025)	30
Table 2.2.8 Crude Oil Imports (2020 - 2025)	30
Table 2.2.9 Locally Refined Petroleum Products (2022 - 2025)	31
Table 2.2.10 Imported Finished Products and Domestically Refined Products - 2025	31
Table 2.2.11 Information on the Kolonnawa and Muthurajawela about Kolonnawa Fuel Storage Terminals	32
Table 2.2.12 Fuel Distribution Progress - 2025	33
Table 2.2.13 Total Number of Fuel Filling Stations - 2025	34
Table 2.2.14 Lubricant Sector Activities - 2025	34
Table 2.2.15 Number of Consumer Service Centres - 2025	37
Table 2.2.16 Maximum and Minimum Market Prices Recorded in 2025	38
Table 2.2.17 Expansion of Fuel Storage Capacity	42
Table 2.2.18 Development of Fuel Pipeline Network	42

FIGURES

Figure 2.1.1 Electricity Generation	18
Figure 2.1.2 Installed Electricity Capacity	19
Figure 2.2.1 Fuel Distribution Composition – 2025	33
Figure 2.2.2 Market Prices Reported in 2025	38

Chapter 01

Institutional Profile/ Executive Summary

Chapter 01

Institutional Profile/ Executive Summary

1.1 Introduction

The Ministry of Energy, responsible for the administration of both the Electricity and Petroleum sectors, has taken steps forward to expedite the Energy sector reforms by introducing and implementing the new Sri Lanka Electricity Act No 36 of 2024, as amended by Sri Lanka Electricity (Amendment) Act No 14 of 2025. In this regard, actions were initiated to register six new successor companies, unbundling the Ceylon Electricity Board (CEB) and to fulfill requirements to publish the Appointed date; the date CEB permits to commence operations of new companies, having satisfied that the Preliminary Transfer Plan, National Electricity Policy, National Tariff Policy, Annual Power Procurement Plan, the Long Term Generation Expansion Plan and Long Term Transmission Development Plan have been approved. In line with these reforms, the proposed National System Operator (Pvt) Ltd. is expected to undertake the preparation and implementation of the Long Term Power System Development Plan in accordance with the National Energy Policy. Steps were taken to formulate policies for the Electricity sector, on the Renewable Hydrogen, Electric Vehicle Charging Infrastructure Development and Battery Energy Storage Systems under the umbrella policy, the National Energy Policy.

Sri Lanka's electricity sector continued to progress steadily in 2025 with increasing emphasis on renewable energy integration, system modernization, and institutional reforms. The total installed electricity capacity reached 6,749 MW in 2025, of which nearly 67% consisted of renewable energy sources, including large and small hydro, wind, solar, and biomass. Net

electricity generation of 2025 amounted to 17,812 GWh, with approximately 60% generated from renewable energy resources. The Ministry accelerated several initiatives to promote renewable energy and cleaner technologies during the year. More than 700 MW of solar generation capacity was added to the national grid, while preliminary activities commenced for several wind power projects, battery energy storage projects, and a pumped storage (hydropower) project. These activities facilitated the objective of the government to make Sri Lanka a country with the lowest electricity prices in the region, ensuring fair and affordable electricity for all citizens.

In 2025, several large scale development projects in the electricity sector were implemented and most of them were in the final stage of completion. The only hydro-electricity generation project, the Moragolla Hydro-Power Project was scheduled to be completed at the end of 2025, but was extended up to the end of 2026 due to severe damage by the Ditwah cyclone. The National Transmission Distribution Network Development & Efficiency Improvement Project (NTDND&EIP) - Package 1 & 2 and the Supporting Electricity Supply Reliability Improvement Project (SESRIIP) - Package 4 were the main transmission line projects that were about to be completed at the end of the year. The Construction of Hybrid Renewable Energy Systems in Small Islands - Delft, Analativu, Nainativu and Installation of 5MW/10.7MWh Battery Energy Storage System at Hambanthota were the important generation and electricity storage projects that were carried out in 2025. In addition to that, couple of projects have been initiated

with the support of the private investors, such as the Establishment of the 160MW/640MWh Standalone Battery Energy Storage System (BESS) in 16 places islandwide, 50 MW Wind Power Plant at Mannar (Thambapawani Stage II), Trincomalee (Sampur) 50MW Solar Power Project (Phase I), Mullikkulam (50MW+50MW) Wind Power Project, Siyambalanduwa 100 MW Ground Mounted Solar Park and Development of 350MW Second LNG Sahasdhanavi Combined Cycle Power plant at Kerawalapitiya.

Actions have been taken to upgrade and modernize the electricity distribution in the National grid system. CEB has taken measures to upgrade the distribution system by establishing a Supervisory Control and Data Acquisition (SCADA) system with Advanced Metering Infrastructure (AMI) support in all four divisions. In addition, LECO has also addressed modernizing their system with underground cabling etc.

And, the Ministry continued to provide policy guidance and oversight to key electricity sector institutions, including the CEB, Lanka Electricity Company (LECO), Sri Lanka Sustainable Energy Authority (SLSEA), regarding energy generation, transmission, distribution, renewable energy development, and energy efficiency improvement activities. Sri Lanka Atomic Energy Regulatory Council (SLAERC) and Sri Lanka Atomic Energy Board (SLAEB) continued their activities relating to the advancement of nuclear energy applications in Sri Lanka. The nuclear power study and planning programme for electricity generation also continued during 2025. Later, SLAERC and SLAEB were transferred to the purview of the Ministry of Science and Technology as per the Gazette notification No. 2412/08 dated 25th November 2024, amended by the Extraordinary Gazette notification no. 2458/65 dated 18th October 2025. In addition, the Lanka Coal Company (Pvt) Limited (LCC), Sri Lanka Energies (SLE), and LTL Holdings continued their operational and development activities during the period.

Cyclone Ditwah made landfall in Sri Lanka on 28 November 2025, causing unprecedented stress on national infrastructure systems, particularly the electricity network. The damage was estimated at LKR 23.9 billion (US\$ 78.5 million), driven by critical damage across electricity generation, transmission and distribution and affecting hydropower, wind and solar assets, transmission towers and lines, as well as utility apparatus like meters. The loss was estimated at LKR 5.8 billion (US\$ 19.2 million), reflecting outages of up to 14 days and disrupted supply to over 4.1 million consumers, critical facilities (hospitals, water supply), and key manufacturing and agricultural activities. 87% of the electricity supply was restored within two days, ensuring the emergency response, public safety, healthcare services, water supply, telecommunications and overall economic recovery. All damages have been recovered and continue to operate at present.

The Ministry made significant progress in implementing reforms and infrastructure improvements in the petroleum sector during 2025 with the objective of strengthening national energy security and ensuring uninterrupted fuel supply.

Work commenced on upgrading and rehabilitating the Sapugaskanda Oil Refinery, while parallel feasibility studies were undertaken to evaluate the establishment of a new refinery with improved operational efficiency and capacity. Simultaneously, existing petroleum sector agreements were reviewed and a new business model was developed to maximize the economic benefits derived from the operation and utilization of petroleum storage facilities, including the 24 tanks owned by the Ceylon Petroleum Corporation (CPC) and the 61 tanks operated by partner companies.

Several strategic fuel supply and distribution infrastructure projects were also implemented during the year. Modifications to the railway fuel storage and distribution system were

initiated to strengthen nationwide fuel distribution and ensure uninterrupted supply. In addition, the damaged pipeline connecting the Colombo Port and the Kolonnawa Terminal was rehabilitated through investments made by the Ceylon Petroleum Storage Terminals (Pvt) Ltd (CPSTL), thereby enhancing the reliability and efficiency of fuel unloading and distribution operations.

The Ministry also accelerated activities relating to petroleum and natural gas exploration. New agreements and preparatory activities progressed for the exploration and extraction of natural gas and other fossil fuel resources identified within the Mannar and Cauvery Basins. These initiatives are expected to contribute significantly toward enhancing Sri Lanka's long-term energy self-sufficiency and reducing dependency on imported fossil fuels.

Furthermore, the petroleum sector of the Ministry is actively engaged in developing policy and regulatory frameworks to strengthen the industry. The policy frameworks for the lubricant and bunkering industries are currently in the final stages of formulation. In addition, committees have been appointed to develop policy frameworks governing the importation of Jet A-1 fuel and bitumen. These initiatives are aimed at enhancing regulatory oversight, promoting market efficiency and competition, and ensuring the uninterrupted supply of strategic petroleum products to meet national requirements.

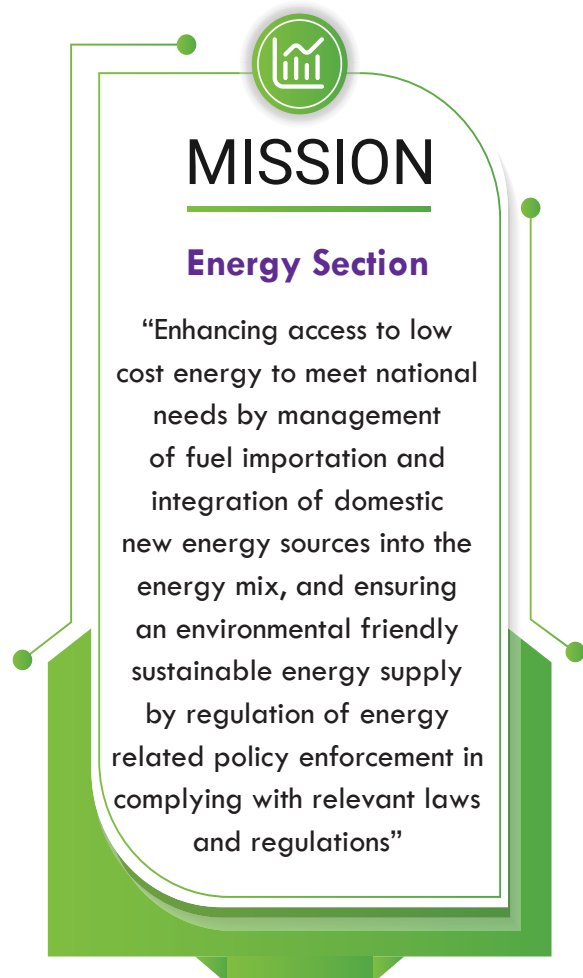
The Ministry continued to provide policy direction and oversight to key petroleum sector institutions including the CPC, CPSTL, and the Petroleum Development Authority of Sri Lanka (PDASL), ensuring effective coordination of petroleum supply, storage, distribution, exploration, and sector development activities.

In addition, a network of electric vehicle charging centres continued to expand

island-wide, with seven centres already operational and three additional centres under construction by the end of 2025.

The Ministry remains committed to transforming Sri Lanka's energy sector through strengthened governance, institutional coordination, infrastructure modernization, and sustainable energy practices. Through these initiatives, the Ministry continues to contribute towards achieving a resilient, secure, and sustainable energy future for the country.

1.2 Vision and Mission of the Ministry



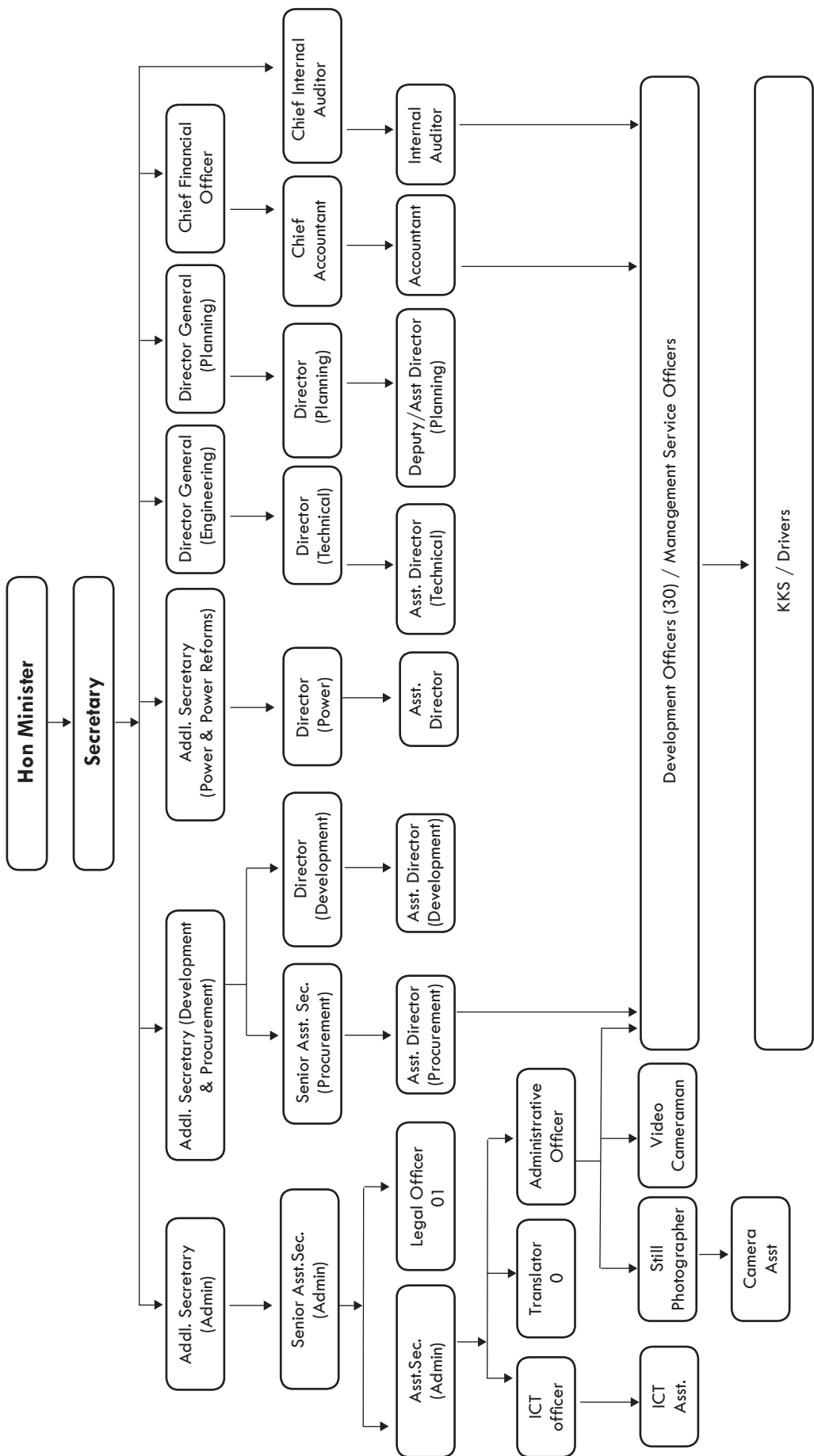
1.3 Subjects and Functions of the Ministry of Energy

Subjects and Functions of the Ministry of Energy as the Gazette notification no. 2412/08 dated 25th November 2024 are as follows;

01. Exploration, planning, development and supervision of activities relating to generation of renewable energy, electricity and other energies from sources such as solar, water, thermal, coal, waste and wind
02. Meeting the electricity needs of Sri Lanka and safeguarding energy security
03. Management of demand to ensure energy efficiency
04. Implementation of a power generation plan based on long- term requirements
05. Making the power transmission and distribution processes efficient
06. Creation of a smart network to ensure maximizing efficient use of generated electricity
07. Reduction of costs for generating electricity and removal of uncertainties during generation
08. Implementation of appropriate programmes for replacing the existing high-cost sources of electricity generation with low-cost, environment-friendly, renewable sources
09. Ensuring that local companies get equal opportunities for investing in national renewable energy projects
10. Increasing energy generation using industrial waste
11. Establishing micro-grid networks as energy units based on the cooperative principles
12. Establishing strategic partnerships and investment opportunities in the energy sector
13. Encouraging re-investment in small-scale hydro power generation, specially by renewing existing agreements
14. Introduction of a fairer and transparent method for updating the electricity bill and application of price formula for petroleum and gas
15. Implementation of a power generation plan based on long term requirements
16. Taking necessary steps to reduce the losses at the institutional management level and technical damages that occur to the electricity generation and distribution system
17. Facilitating and encouraging to use electric vehicles
18. Taking measures to make Sri Lanka as an Energy Trading Hub
19. Controlling greenhouse gas emissions
20. Rural electrification
21. Coordination and implementation of import, refining, storage, distribution and sale of petroleum-based products and natural gas
22. Matters relating to petroleum production and refining
23. Exploration of petroleum and natural gases and related activities
24. Matters relating to production of gas and by-products from petroleum production sources, maintenance of stocks, production and distribution
25. Development of infrastructure facilities in relation to the supply and distribution of fuel
26. Formulation of an appropriate energy policy for the control, regulation and utilization of energy resources
27. Improving the capacity of oil refining and encouraging associate industry on petroleum by- products
28. Improving the reliability, continuity and efficiency in the supply of fuel.

1.4 Organizational Chart

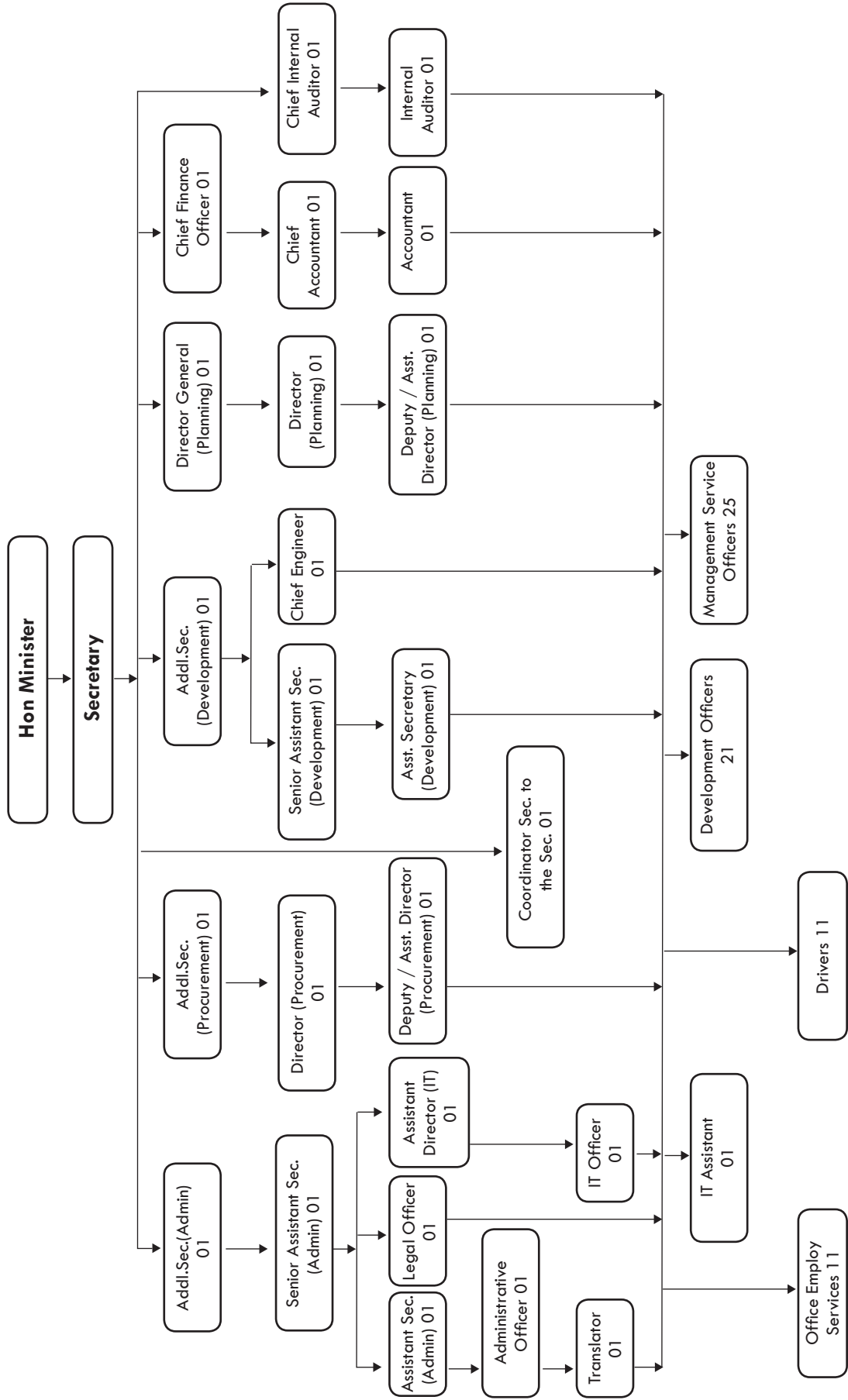
♦ Power Section





1.4 Organizational Chart

♦ Energy Section



1.5 Main Divisions of the Ministry and Functions

♦ Human Resources Division

- Management of Human Resources in the Ministry and provision of Welfare Facilities.
- Conducting the administrative activities of all officers related to the Ministry, and taking necessary actions to enhance the efficiency and effectiveness of the officers in performing their duties.
- Proper maintenance of personal files of the Ministry staff.
- Making arrangements to ensure the participation of the officers of the Ministry in both local and international training programs, seminars, conferences, and workshops in order to enhance their knowledge, experience, and attitudes.
- Preparation of Answers for Parliamentary Questions and facilitation of Parliamentary Committees.
- Maintenance of the Energy Sector Archives.
- Facilitating human resource management for organizations, under the purview of the Ministry, including: Ceylon Petroleum Corporation (CPC), Ceylon Petroleum Storage Terminals Limited (CPSTL), Petroleum Development Authority of Sri Lanka (PDASL), Trinco Petroleum Terminal Limited (TPTL), Ceylon Electricity Board (CEB), Lanka Electricity Company (Private) Limited (LECO), and Sri Lanka Sustainable Energy Authority (SLSEA).

♦ Logistic Division

- Perform all minor procurement tasks and requirements related to the Ministry for all officers serving in the Ministry.
- Meet the needs of all officers and building premises, plan requests and complaints of the public and resolve issues related to employee rights.
- Maintain a healthy working environment by properly carrying out infrastructure and maintenance activities in the building where the Ministry is located in order to create a good working environment for the officers of the Ministry.
- Maintain the Ministry's telephones, computers, printers, photocopiers under infrastructure and maintenance activities.
- Purchase machinery and other equipment according to a correct procurement process, repair and maintain as required by the officers to facilitate their daily work.
- Properly maintaining 45 vehicles under the Ministry and providing transport facilities to the officers as per the requirements.
- Forwarding the correspondence and documents received from outside institutions and individuals to the relevant divisions of the Ministry.
- Daily processing of letters, reports issued by the Ministry to external parties.
- Taking necessary steps regarding requests, complaints and suggestions sent by the public.
- After receiving request letters from those religious places for various religious activities and processions, taking steps to provide funds for those activities through the provisions allocated by the Ceylon Electricity Board after calling estimates.

- Performing logistic administrative tasks in this Ministry and its affiliated institutions (11) and taking necessary steps to resolve problems that arise from time to time and maintaining the job satisfaction of the officers.

♦ **Development Division**

- Formulation of policies related to the renewable energy / atomic energy and radiation sector.
- Determination of tariffs for the integration of renewable energy generation into the national system.
- Coordination of project financing and contributions - multilateral coordination.
- Development and facilitation of renewable energy.
- Coordination with foreign institutions related to the renewable energy sector.
- Recommending customs clearance and tax concession requests for goods, equipment and raw materials imported for renewable energy projects.
- Providing recommendations for the issuance / extension of entry visas / residence visas required for foreign consultants / staff coming for renewable energy projects.
- Formulation and implementation of policy development related to upstream, midstream, and downstream petroleum Industries.
- Coordination of all development activities on oil and natural gas exploration and production.
- Coordination and monitoring of development activities in the petroleum sector.
- Coordination with the Ministry of Finance and other relevant

Government Agencies, in connection with petroleum products pricing, fuel subsidies, distribution, sales, and marketing issues.

- Issuance/ renewal of licenses for the potential parties to engage in lubricant & greases, bitumen, and bunkering businesses in Sri Lanka. Renewal of issued licenses and granting permissions to private parties to import any other special petroleum products.

♦ **Power and Power Sector Reforms Division**

- Implementing large and medium-scale power generation projects and all the policy matters relevant to power generation, transmission and distribution.
- Monitoring the process of introducing Liquefied Natural Gas (LNG) to Sri Lanka's Power Sector as an environmentally friendly fuel.
- Coordinating all activities related to institutional restructuring of the power sector.
- Conducting activities related to approving, implementing and acquiring lands for the Thermal Power Plant projects and Renewable Power Plant projects.
- Coordinating the Department of Foreign Resources concerning the aforementioned projects.

♦ **Technical Division**

- Act in collaboration with the Public Utilities Commission of Sri Lanka on amending provisions, empowering the rules and regulation, and making policy directives in accordance with the provisions of the Sri Lanka Electricity Act.

- Making necessary arrangement to provide concurrence of Hon. Minister to granting licenses by Public Utilities Commission of Sri Lanka for generating, transmitting, and distributing electricity.
- Coordinating with Public Utilities Commission of Sri Lanka (PUCSL) on issuing National Electricity Policy guidelines, preparing electricity tariffs, issuing licenses, etc.
- Supervision and monitoring of electricity generation of power plants such as hydropower and thermal power (fuel oil, coal, nuclear, etc.); All technical matters related to resolving power outage, and preventing & mitigating all shortages in transmission and distribution systems.
- Technical matters related to all power projects of electricity generation using resources such as hydro power, nuclear, coal thermal power, other thermal power and non - conventional renewable energy etc.
- Supervision and monitoring technical matters related to energy planning.
- Technical matters related to energy conservation and demand & supply management.
- Matters related to proposed project on India- Sri Lanka electricity grids interconnection.
- Monitoring the process of promoting electric vehicle charging infrastructure in line with the objective of popularizing electric mobility in Sri Lanka utilizing sustainable energy
- Coordination of power & energy related activities with international organization such as SAARC, BIMSTEC, ESCP, etc through the Ministry of Foreign Affairs.
- Coordinating matters on obtaining necessary approvals and

implementations of Memorandum of Understanding (MOU) and Agreements on Cooperation in relevant to the technical division.

♦ **Planning Division**

- Preparation of Action Plans, Annual Performance Report and Progress Report of the Ministry and submission to the relevant entities.
- Preparation and review of project proposals and obtaining necessary approvals for implementation.
- Preparation of Annual Budget Estimates for development projects
- Monitoring and reviewing the progress of development projects and preparation of periodical progress reports.
- Monitor the implementation of Nationally Determined Contributions of the Power Sector and supervise and review the progress of the activities on Sustainable Development Goals.
- Activities related to the requests for carbon trading facility and achieving the carbon net-zero targets
- Preparation of various reports and plans requested by the Presidential Secretariat, Prime Minister's Office, line Ministries, and the Treasury Departments.
- Engage in the activities related to the Energy Transition Act and the National Energy Policy and Strategies
- Submission of Annual Reports of the institutions under the purview of the Ministry to table in the Parliament, following the approval of the Cabinet of Ministers.

♦ **Procurement Division**

- Conducting activities related to Procurement Committees appointed

by the Cabinet of Ministers (HLPC/SHLPC, SSSLPC).

- Conducting the relevant activities of the Consultative Procurement Committee at the Ministry level (CPCM)
- Conducting activities related to Cabinet Appointed Negotiating Committees (CANC).
- Conducting activities related to the Ministry Procurement Committees (MPC).
- Conducting activities related to Procurement Appeals.
- Submitting Cabinet Memorandums.
- Preparation of the relevant procurement plan for the ministry.
- Coordinate to appoint officers for various procurement committees, carrying out the activities on the Special Standing Cabinet Appointed Procurement Committees (SSCAPC) and obtaining approvals of the Cabinet of Ministers for the procurements of institutions coming under the purview of the Ministry.
- Coordinating overall procurement matters with the Ministry of Finance.
- Supervision, monitoring and when in need, providing consultation for the procurements carried out by the institutions under the Ministry.

♦ **Finance Division**

- Managing all expenditures by the parliament-approved Budget Allocations of the Ministry for the respective year.
- Taking actions to prepare and make payment of the salaries of the staff of the Hon. Minister and the Ministry staff and attend other activities in relation to the salary payments.
- Making orders and supply necessary inventory items, stationeries and office

equipment necessary for the staff of the Hon. Minister and the Ministry staff as per their requirements.

- Proper operation and maintenance of the official Bank Account of the Ministry.
- Preparing budget estimates for the next financial year, by considering the necessary allocations required for the expenditure of the Ministry.
- Preparing and maintaining vote ledger classifying the object for the money receipts by the Ministry as government revenue and the expenses incurred for the Ministerial functions.
- Preparing the monthly accounts on daily income received and expenses incurred by the Ministry and submit the details of those accounts to the Treasury.
- Preparing the Appropriation Account representing all the transaction of the Ministry annually and submitting the same to the Auditor General.
- Manage all expenditures by the parliament-approved budget allocations of the Ministry for the respective year.

♦ **Internal Audit Division**

- Preparing the Annual Internal Audit Plan of the Ministry based on risks as per the Management Audit Department Guidelines.
- Implementing the approved Internal Audit Plan.
- Performing duties related to statutory bodies under the Ministry.
- Conducting special inquiries as instructed by the Chief Accounting Officer.
- Conducting Audit and Management Committee Meetings.
- ♦ Preparation of quarterly reports

1.6 Institutions under the Purview of the Ministry

• Ceylon Electricity Board

The Ceylon Electricity Board (CEB), a state-owned enterprise, was established under Act No. 17 of 1969 and has been amended multiple times to regulate the generation, transmission, and distribution of electricity in Sri Lanka. The Sri Lanka Electricity Act No. 20 of 2009, amended by Act No. 31 of 2013, brought CEB under the Public Utilities Commission of Sri Lanka (PUCSL). The latest reform, the Sri Lanka Electricity Act No. 36 of 2024, endorsed on June 27, 2024 and the its amendment No- 14 of 2025.

• Lanka Electricity Company (Private) Limited

Lanka Electricity Company (Private) Limited (LECO) is a limited liability company incorporated in 1983 under the Companies Act no. 17 of 1982 and the Companies Act No 07 of 2007. Lanka Electricity Company (Private) Limited has been established to distribute electricity in the authorized areas spanning in coastline from the Western province to the southern province. LECO is a subsidiary of CEB with shareholding of 54.84%, and with minority shareholding of the Treasury 43.56%, Urban Development Authority 0.79% and Local Authorities 0.81%. Its primary objective is to distribute electricity within its franchised area, covering the prime economic zone along the western coastal belt of Sri Lanka from Negombo to Galle. LECO serves more than 631,000 consumers. Subsequently by the Electricity Act No 20 of 2009, LECO was brought into the regulatory domain of the Public Utilities Commission with the issue of a distribution license to the company.

• Sri Lanka Sustainable Energy Authority

The Sri Lanka Sustainable Energy Authority (SLSEA) was established as the nodal national agency for sustainable energy development on October 1, 2007, with four primary objectives: Renewable Energy Development, Energy Management, Policy Development, and Fund Management. This authority was incorporated by the Sri Lanka Sustainable Energy Authority Act, No. 35 of 2007. Sri Lanka has launched an initiative to achieve carbon neutrality by 2050, with the ambitious aim of accomplishing 70% renewable energy generation of this target by 2030. As of 2024, significant progress has been made, with 60% of the target already attained.

• LTL Holdings (Private) Limited

LTL Holdings Limited (LTLH), formerly known as the “Lanka Transformers Limited” is a public private partnership between the Ceylon Electricity Board (CEB) and three other entities, the ownership of which rests with the employees of LTL Group, and West Coast Power (PVT) Limited (WCPL). Based on a current shareholding structure, which represents 35% to the CEB and 28% to the WCPL, whilst the balance 37% to two (02) companies representing the employees of LTL Group.

• Sri Lanka Atomic Energy Regulatory Council

Sri Lanka Atomic Energy Regulatory Council (Council) was established on the 1st of January 2015 under the Sri Lanka Atomic Energy Act No. 40 of 2014 (Act). Council functioned under the Ministry of Energy at the time. As per the provisions of the Act, the Sri Lanka Atomic Energy Regulatory Council is mandated for

- (a) Regulation of practices and sources involving ionizing radiation by implementing licensing, inspection and

- import & export control programmes for protection of public, radiation workers, patients and the environment
- (b) Ensuring the safety & security of radiation sources
- (c) Taking enforcement actions for violations of provisions of the Act and licensing conditio
- (d) Taking actions to fulfil the obligations of Sri Lanka on agreements signed by Sri Lanka on safety, security and safeguards related to nuclear applications

- **Sri Lanka Atomic Energy Board**

Sri Lanka Atomic Board (SLAEB) is the Government's premier Nuclear Science and Technology Organization which was operated under the Ministry of Energy. The mandate of the SLAEB flows from the powers vested by the Atomic Energy Act No. 40 of 2014 - for the promotion and encouragement of the use of Nuclear Science and Technology for national development purposes. SLAEB promotes and encourages peaceful applications of nuclear technology through related services, Research and Development (R & D) work and provides radiation protection services to meet regulatory requirements while ensuring safety, security, and quality. Nuclear Technology has a wide range of applications in many fields that can make a significant contribution to the development of medical, agricultural, industrial, energy and environmental sectors in Sri Lanka.

- **Lanka Coal Company (Private) Limited**

Lanka Coal Company (Pvt.) Ltd (LCC), is a fully government owned business undertaking. The Company was incorporated solely for the purpose of import and supply of coal to the Lakvijaya Power Plant (LVPP) at Norochcholai, which operates under Ceylon Electricity Board (CEB). Lanka Coal Company (Pvt.) Ltd is a sole subsidiary of CEB with a shareholding 60%, with 20%

minority shareholding by the Treasury, 10% by Ceylon shipping corporation and 10% by Sri Lanka Ports Authority.

- **Sri Lanka Energies (Private) Limited**

Sri Lanka Energies (Pvt) Ltd is a company incorporated in 2011 and operates as a 100% owned subsidiary of Ceylon Electricity Board.

SLE is with a vision of Development of Renewable Energy, among the other objectives of Associated Transmission Asset Development and Manpower Resource Provision.

- **Ceylon Petroleum Corporation**

The Ceylon Petroleum Corporation (CPC) has been established under the Ceylon Petroleum Corporation Act No. 28 of 1961 to engage in business activities related to the import, export, refining, sale, supply, or distribution of petroleum products. This entity is the main importer of Petroleum products and imports and distributes about 68% of the domestic demand for Petroleum products. Since 1969, the entity has been importing crude oil under sole ownership and performing local refining and supply at Sapugaskanda, providing about 32% of the total domestic demand for petroleum products. Additionally, it acts as a supplier of aviation fuel and provides fuel for electricity generation.

- **Ceylon Petroleum Storage Terminals Limited**

The Ceylon Petroleum Storage Terminals Limited (CPSTL) is a company incorporated under the Companies Act No. 17 of 1982. The company was incorporated through the shareholding of Ceylon Petroleum Corporation and Lanka Indian Oil Company. It carries out fuel distribution from the refinery to filling stations and also maintains petroleum storage.

- **Petroleum Development Authority of Sri Lanka**

The Petroleum Development Authority of Sri Lanka (PDASL) has been established under the Petroleum Resources Act No. 21 of 2021 and is the authorized body for exploration and development of the resources associated with petroleum.

- **Trinco Petroleum Terminals Limited**

The company has been established under the Companies Act, No. 07 of 2007, and its main responsibility is to develop activities of the petroleum storage tanks in Trincomalee.

Chapter 02

Progress of the Year 2025 and Future Outlook 2026

Chapter 02

Progress of the Year 2025 and Future Outlook 2026

2.1 Performance of the Power Section in the year 2025

2.1.1 Electricity Sector at a Glance

Table 2.1.1
Customer Base - 2025

No	Category	CEB	LECO	Total
1	Domestic	6,142,601	521,473	6,664,074
2	Religious Purpose	44,777	2,804	47,581
3	Industrial Purpose	73,039	3,566	76,605
4	General Purpose	908,991	108,069	1,017,060
5	Hotel	972	141	1,113
6	Government	9,254	420	9,674
7	Agriculture	4,636	-	4,636
8	Street Lights	1	2,028	2,029
9	Temporary	-	61	61
	Total	7,184,271	638,501	7,822,772

Table 2.1.2
Electricity Generation - 2025

No	Source	Percentage (%)
01	Hydro Power (CEB)	35
02	Mini Hydro Power (IPP)	8
03	Wind (CEB)	2
04	Wind (IPP)	2
05	Rooftop Solar (IPP) - estimated	10
06	Grid Connected Solar - (IPP)	2
07	Thermal Oil (CEB)	8
08	Thermal Oil (IPP)	5
09	Coal (CEB)	27
10	Non-conventional Other	1
	Total	100

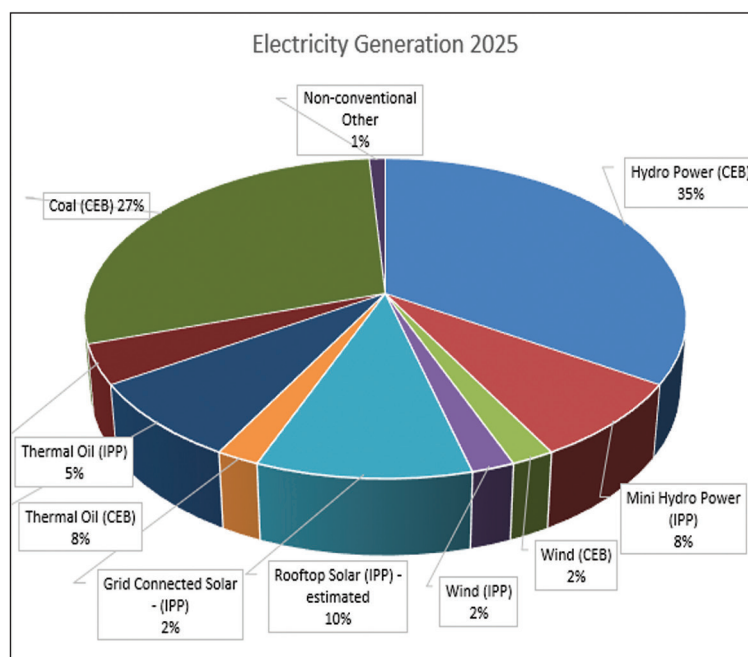
Source- CEB, LECO, SEA

2.1.2 Electricity Generation

The total electricity generation for 2025 was 17,812 GWh (Net), representing 6% growth from last year's value of 16,802 GWh. Around 60% of this Generation was covered through renewable energy resources in 2025. The rest of generation is through coal and oil – based thermal power.

The table given below shows the percentages of contribution made by each source to the net electricity generation of 2025 which was 17,812 GWh in value.

Figure 2.1.1
Electricity Generation



IPP- Independent Power Producers

2.1.3 Installed Capacity of the National Power Grid

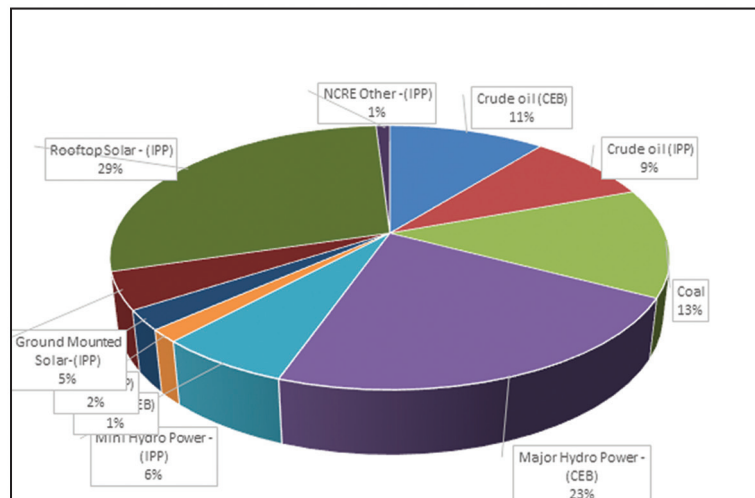
The total installed capacity at the end of December 2025 was 6,749 MW, and the breakdown can be shown as the following table.

The installed capacity of major hydro power plants accounted for 23% of the total capacity. Renewable Energy plants, including Mini Hydro, represented 67% of the total capacity, with Rooftop solar contributing 29 % and others making up the remaining 38 %.

Table 2.1.3
Installed Electricity Capacity Based on Source of Generation (end of December 2025)

	Energy Source		Installed Capacity (MW)	No. Power Plants
1	Thermal	Thermal oil (CEB)	727	07
2		Thermal oil (IPP)	582	02
3		Coal	900	01
4	Renewable Energy	Major Hydro Power - (CEB)	1,530	19
5		Mini Hydro Power - (IPP)	437	221
6		Wind - (CEB)	104	01
		Wind - (IPP)	163	19
7		Ground Mounted Solar- (IPP)	307	131
8		Rooftop Solar - (IPP)	1,935	108,979
9		NCRE Other -(IPP)	64	16
	Total Capacity (With Rooftop Solar)		6,749	109,396

Figure 2.1.2
Installed Electricity Capacity



2.1.4 Generation Projects

The following generation projects are currently in progress:

Table 2.1.4
Hydro Power Generation Expansion Projects

No	Project / Program	Progress	Date of Completion
1	30.5 MW Moragolla Hydropower Plant	Construction in progress and at its final stage (91.7%)	Sep 2026

Table 2.1.5
Thermal Power Generation Expansion Project

No	Project / Program	Progress	Date of Completion
1	First 350 MW Natural Gas fired Combined Cycle Power Plant-Kerawalapitiya	Combined Cycle operations commenced on 2025-06-23 and continues to operate successfully, contributing 320 MW to the national grid.	Completed
2	Second 350 MW LNG Combined Cycle Power Plant- Kerawalapitiya	The Environmental Impact Assessment and detailed design activities are in progress with preliminary project activities scheduled for completion by April 2026. Open Cycle Operation is scheduled to commence in March 2028.	GT- Oct. 2027 ST- Oct. 2028
3	130 MW Gas Turbines at Kelanitissa	Procurement temporary halted	2030
4	200 MW IC Engine Dual Fuel (Natural Gas & HFO or Diesel) Power Plant at Kerawalapitiya	Decision was taken at the Ministry to hold the Project and review the requirement of the Project as per the current situation.	2028

Table 2.1.6
Progress of Rooftop Solar Connections

Description	Net Metering	Net Plus	Net Accounting	Net Plus Plus	Total
No. of Rooftop Solar Producers	14,453	3,589	72,088	18,849	108,979
Installed Capacity (MW)	233	225	863	614	1,935

Table 2.1.7
Wind Generation Projects

Name of project	Capacity	Physical Progress at 2025-12-31	Expected date of completion
60MW Wind Power Project in (1-10) MW capacities	35MW	- 15 MW plant (Mannar) commissioned - 10 MW plant (Trincomalee) – Cancelled - 2x 5 MW (Madampe-Retendered) – PPA signed & under Force Majeure condition (Land issue)	2027
250 MW Mannar phase II Wind Power Project	250 MW	- Project proponent has submitted the proposal and CANC negotiating the financial proposal with them.	2026
20 MW Onshore Wind Power Plants (2.5-10 MW)	20 MW	- 3 x 5MW – Plant construction works completed and expect to commission in Jan 2026 - 1 x 5MW – Plant under Force Majeure condition. Expected to commission in Feb 2026	2026
234 MW Pooneryn Wind Power Project	234 MW	- Project proponent has submitted the proposal and CANC negotiating the financial proposal with them.	2026
Mannar 50MW Wind Project	50 MW	- PPA signed on 2025-05-28	2027
Mullikulam 2 x 50 MW Wind Project	100MW	- Contract awarded on 2026-01-14	2027

Table 2.1.8
Energy Storage Development Projects

No	Project / Program	Progress	Date of Completion
1	100 MW/ 100 MWh Standalone Battery Energy Storage (BESS) (Kolonnawa)	RFP is being finalized	2027
2	160 MW / 640 MWh Standalone BESS Project	Tender floated	2026
3	5MW/10.7MWh Battery Energy Storage System at Hambantota	Testing & Commissioning works have commenced.	2026
5	100 MW / 400 MWh BESS at Southern Region	CEB's internal approvals were secured to initiate the project	2028
6	600 MW PSPP at Maha Oya Pump Storage Power Plant	Fund securing in progress for Detailed design	2034

Table 2.1.9
System Modernization & Supportive Projects

No	Project / Program	Progress	Date of Completion
1	Renewable Energy Control & Monitoring Desk at National System Control Center	The bidding document is being prepared	2027

2.1.5 Transmission Development

The status of ongoing transmission infrastructure development projects as

at 31.12.2025, which are aimed at strengthening the grid, enhancing system reliability, and accommodating future demand growth, is presented below.

Table 2.1.10
The Progress of Ongoing Transmission Development Projects

Project/ Branch	Package	Cost (LKR million)	Physical Progress as at 2025.12.31	Date of Completion
National Trans. & Dist. Net. Dev. & EI Project	Package 1: Construction of 400kV, 220kV and 132kV Transmission Lines	41,589	80.55%	Dec-2026
	Package 2: Construction & Augmentation of Grid Substations		78.90%	March -2026
	Package 3: Construction of Transmission Lines (220kV, 132kV)		79.4% (Contract terminated-59.8%)	January 2028 (New Bidding closed on 29.01.2026 Phase II)
	Package 4: Construction of Distribution Substations and Cables (33kV, 11kV, 0.4kV)		41% (Contract terminated).	August-2029 (New Bidding Process Phase II)
Supporting Electricity Supply Reliability Improvement Project	Construction of 16 Nos. of 33kV tower lines (285km) and 13Nos of Two Section Single Busbar gantries	USD 23.65 Mn & LKR 4,867.5 Mn	91%	March-2026

Kerawalapitiya-Port 220kV 2nd UG Cable Project	Construction of 15.7km underground cable circuit from Kerawalapitiya to Por GSS	USD 52 Mn	0.00%	Oct-2027
Transmission Contruction Projects	Reconstruction of Madagama - Ampara 132kV Transmission Line	3,206	79%	May-2026
	Construction of Victoria - Rantembe 220kV Transmission Line	2,200	To be revised with the EIA approval	Apr-2027
	Construction of Poonaryn - Kilinochchi 220kV D/C Transmission Line		-	N/A
	Reconstruction of Kolonnawa - Pannipitiya 132kV Transmission Line	1,120	-	Dec-2026
	Raising Heights of Kelanitissa - Kolonnawa 132kV Transmission line	702	-	N/A
	Construction of Dambulla - New Habarana 220/132kV FC TL	1,790	55%	May-2026
	Refurbishment of Mannar- Nadukudah 220kV TL	550	10%	Dec-2026
	Extension of Kelanitissa 132kV GIS	1,400	Stage 1 - 100% Stage 2 - 15%	Sep-2025
	Construction of 02 No. of 33kV Feeder Bays at Balangoda Grid Substation	702	80%	Mar-2026
	Construction of 220kV GIS at Rantambe Switch Yard	464	-	Dec-2025
	Construction of one no of 220kV Feeder Bays at Victoria PS Switch yard	291	60%	Dec-2025
	Construction of 01 Nos. of 132kV Feeder Bays at Ampara Grid	67	85%	Dec-2025
	33kV Protection Relay Replacement	15	45%	Mar-2026
	Construction of 02 Nos. of 220kV Feeder Bays at New Anuradhapura GS	2,809	70%	May-2026
	Augmentation of Chunnakam GS	229	38%	May-2026
	Augmentation of Aniyakanda GS	350	48%	Mar-2026
	Augmentation of Kukuleganga Switchyard	85	60%	Apr-2026
	Augmentation of Mathugama GS	212	38%	May-2026
	Augmentation of Nadukuda GS	595	5%	May- 2026
	Construction of Siyabanduwa Grid Substation	-	14%	Apr-2027
	Augmentation of Embilipitiya GS	353	Stage 1 - 100% Stage 2 - NS	Dec-2025
Mannar - Vavuniya 220 kV Transmission Line Conductor Upgrading Project	Replacing of existing Zebra Conductor by a new HTLS Conductor (72 km)	569	38.14%	October- 2026
Mullikulam Wind Power Transmission Project	*Construction of Double Circuit Mannar-Mullikulam 220kV Transmission Line (28 km)	5,969.00	Project to be commenced of January 2026	Aug-2027
	* Construction of 2 nos. of 220kV Line Bays in Mannar Grid Substation. / Construction of the Incomer side of Mullikulam Collector Grid Substaiton			

Transmission Projects	Procurement of Goods Procurement of Materials/Equipment as Spares and Tools for Transmission Network Requirements- Package 4,5,6,10 & 11 Under Sampur Kappalthurei Transmission Development Project	4,381	98.00%	March 2025
	Preliminary work of Construction of Poonaryn - Kilinochchi 220kV D/C Transmission Line PSRSP-Ph-02-OU2	3,400	69%	March-2026
PSRSP: Ph II P 2 - OU 01	Balance Construction of Horana-Padukka 132 kV Transmission Line	568	60%	December 2026
Power System Strengthening and Renewable Energy Integration Project - PSSREIP	Consists of 6 packages	76,281.000	construction Contracts not yet awarded	As per Loan agreement, 2029
Power System Reliability Strengthening Project -PSRSP Package 4A - Construction of New Habarana-New Anuradhapura 220kV Tr Line	6ii) Civil Works, Tower Erection and Stringing Works for the Construction of the New Habarana – New Anuradhapura 220 kV Transmission Line and Dismantling the existing Old Habarana – New Anuradhapura 132 kV Transmission Line	1,911.000	56%	September-26

The details of transmission developments to be funded are presented below.

Table 2.1.11
The Details of the Transmission Development to be Funded Projects

Item	Expected Year of Completion	Total Cost Estimate (LKR Million)	Financial Commitment Required for the Year 2026 (LKR Million)
SKTDP			
Construction of Sampur - Kappalturai 220kV Double Circuit TL & Construction of 220/33kV Collector GS at Sampur	2026	7,896	7,106
PSRSP: Ph II P 2 - OU 01			
Construction of Wariyapola 220/132kV SS, Construction of Wariyapola - Kurunegala 132kV Double Circuit 22km TL, Construction of Double In-Out connection from Habarana Veyangoda 220kV TL to wariyapola SS (3km), Augmentation of Kurunegala 132kV GS	2027	7,710	771
PSRSP: Ph II P 2 - OU 02			
(i) Ekala 132/33kV GS, Double In & Out connection of 4 km from Kotugoda - Kelaniya 132kV TL	2027	3,897	556
(ii) Yakkala 132/33kV GS, 132kV Double Circuit TL approximately 10km from Kirindiwela GS to proposed Yakkala GS		3,226	479
(iii) Development of 220kV Vavuniya Grid Substation	2028	9,097	910
PSRSP: Ph II P 2 - OU 03			
Construction of 132/11kV Kandy City GS, Construction of 6 km TL for Kandy City GS and Augmentation of Kiribathkumbura and Ukuwela GSs	Not yet finalized	12,717	925
Construction of 132/33kV,31.5MVA Weligama GS	Not yet finalized	3,824	714
Conductor Upgrading of Mannar - Vavuniya 220kV Transmission Line	2026	664 (With Taxes)	489 (With Taxes)
Mullikulam Wind Power Transmission Project	2027	5,951	3,273

2.1.6 Climate Change Mitigation Activities and Nationally Determined Contributions (NDCs) of the Power Sector

The enhanced NDC 3.0 represents a significant improvement of the NDC 2.0, considering the current trajectory and recent developments in the electricity sector, as well as considering the reality of the economic situation, and linked to that, the finance, technology transfer, and capacity building needs in Sri Lanka.

It is expected that the implementation of updated NDCs will result in substantial GHG emissions reductions over the period 2026 to 2035 compared to the baseline scenario (BAU case) 2. That is, it is estimated that the implementation of the NDCs in the electricity sector will reduce the GHG emissions cumulatively by 26.2% of which 5.3% are to be achieved unconditionally by Sri Lanka and 20.9% conditionally by 2035 upon the receipt of international financial, technology transfer and capacity-building support. These percentage reductions are equivalent to an estimated cumulative mitigation impact of 13,604.9 Gg CO₂ eq unconditionally and 53,746.2 Gg CO₂ eq conditionally, totaling to 67,351.1 Gg CO₂ eq during the period of 2026-2035.

2.1.7 Electricity Tariff Revision

The Minister of Energy submitted a Cabinet Memorandum on “Amendment of Policy Guidelines to revise the tariff period from three months to six months” dated 05.12.2024. On the cabinet meeting held on 18.12.2024, the Cabinet of Ministers was directed to the Secretary, Ministry of Energy to submit a comprehensive proposal pertaining to the revision of the Electricity tariff revision periods currently in force, to the next Staff Level Review of the Extended Fund Facility Programme that Sri Lanka has entered into with the International Monetary Fund.

The Minister of Energy submitted a Cabinet Memorandum titled “Amendment of Policy Guidelines to Revise the Tariff Period from Three Months to Six Months” on 05.12.2024. At the Cabinet meeting held on 18.12.2024, the Cabinet of Ministers directed the Secretary of the Ministry of Energy to submit a comprehensive proposal on revising the electricity tariff revision periods currently in effect, to be presented at the next Staff-Level Review of the Extended Fund Facility (EFF) Programme that Sri Lanka has entered into with the International Monetary Fund (IMF).

Accordingly, CEB has submitted “Report to IMF on the Necessity of Reversion of Tariff Period from 3 Months to 6 Months” on 01.07.2025 and the Ministry of Energy submitted the report to the Ministry of Finance, Planning and Economic Development on 26.08.2025.

2.1.8 Revision of Renewable Energy Tariff

A flat tariff option has been introduced for implementation from 2024 onwards. The previously used three-tier tariff structure and variable tariff will no longer be continued from 2024. For the year 2025, the tariff was revised from June 16, 2025 for renewable energy projects with a capacity of 10 MW or less, and rooftop solar. A tariff for Battery Energy Storage System (BESS) incorporated with rooftop solar was introduced this year. A policy framework has also been developed for the implementation of BESS integrated with rooftop solar systems; however, decisions regarding its implementation are yet to be made.

A committee has been appointed to review the variable tariff, which is currently not properly being implemented by the CEB, in order to ensure its timely adoption. A committee has been appointed to develop a Tariff Formula for the integration of Renewable Energy plants with a capacity of 10 MW and below into the national grid.

2.2 Performance of the Energy Section in the year 2025

The Energy Section of the Ministry of Energy plays a pivotal role in fulfilling the nation's energy requirements while contributing significantly to economic and social development. Fuel constitutes an essential component of daily life, serving as a primary source of energy for transportation, industrial activities, and domestic use, thereby ensuring the uninterrupted functioning of public services. The Ministry remains committed to further strengthening the reliability of fuel supply, enhancing operational efficiency, and advancing the development of storage and distribution infrastructure.

This chapter presents a comprehensive review of the impact of global fuel price trends on domestic pricing, the contribution towards meeting national fuel demand, and the regulatory measures implemented within the petroleum industry. It further outlines the initiatives undertaken for the development of infrastructure in the petroleum sector, as well as the plans scheduled for implementation in 2026.

2.2.1 Petroleum Sector at a Glance - 2025

Total Imports of Refined Petroleum Products	5,006,930.56 MT
Total Imports of Crude Oil	1,679,000 MT
Production of Sapugaskanda Oil Refinery	1,715,799 MT
Total Import Cost of Petroleum Products	USD 3,256.16 Mn
Total Sales of Petroleum Products	6,450,811.34 MT
Number of Fuel Filling Stations in Operation	1,436
Petroleum Storage Capacity of CPSTL	474,404 MT

2.2.2 Impact of Global Petroleum Trends to the Fuel Price of Sri Lanka

i. Trends of global petroleum prices

International fuel prices have a direct impact on domestic fuel prices. In 2025, the Asia Pacific region has experienced the following trends in crude oil and refined fuel prices.

Crude oil and refined petroleum product prices exhibited moderate volatility throughout 2025. The average price of crude oil ranged between US\$63 and US\$80 per barrel, while prices of petrol (Octane 92 and 95) and diesel (Auto and Super) followed a similar trend. Prices declined gradually during the first half of the year, primarily due to subdued global demand and improved supply conditions. However, a gradual recovery was observed from June onwards, driven by the resurgence of economic activities and revisions to production quotas by major oil-exporting countries. These global price movements had a direct impact on Sri Lanka's domestic fuel pricing structure and contributed to variations in the overall cost of petroleum imports during the year.

Fluctuations in global petroleum prices during 2025 had a significant impact on Sri Lanka's domestic fuel pricing mechanism. As the country is highly dependent on imported crude oil and refined petroleum products, changes in international market prices directly influenced domestic fuel costs. The pricing formula, which incorporates global price movements and exchange rate variations, was revised periodically to ensure price stability and the sustainability of fuel supply. While the decline in global prices during the early months of the year contributed to lower import costs, the upward trend observed from mid year 2025 exerted pressure on retail fuel prices. In response, the Ministry of Energy, together with the Ceylon Petroleum Corporation (CPC), implemented

appropriate measures to ensure an uninterrupted fuel supply, mitigate excessive price volatility, and maintain affordability for consumers, while safeguarding the financial stability of the petroleum sector.

was USD 94.765 per barrel in January, and the lowest price of USD 78.851 per barrel was recorded in May. The average annual price of Auto Diesel stood at USD 86.799 per barrel.

Table 2.2.1
Asia-Pacific Region Crude Oil and Refined Petroleum Product Price Trends - 2025

Month	(Price per Barrel in U.S. Dollars)				
	Petrol 92 Octane	Petrol 95 Octane	Super Diesel	Auto Diesel	Crude Oil
January	84.48	86.75	95.41	94.76	72.81
February	84.83	86.30	91.70	90.62	73.28
March	79.55	81.00	86.47	85.12	80.22
April	75.30	76.75	81.77	80.48	77.62
May	75.02	76.46	79.36	78.85	72.63
June	80.10	82.00	87.03	86.58	67.73
July	77.92	79.59	90.88	89.81	63.62
August	77.96	80.12	86.37	85.47	69.81
September	79.51	81.55	89.08	88.22	71.12
October	77.09	79.75	88.89	87.79	70.10
November	78.73	81.51	93.59	91.75	70.22
December	75.82	77.29	82.39	82.09	65.79

Source: Asia-Pacific Petroleum Market Statistics 2025

Considering the Singapore Platts Prices during the year 2025,

- The highest recorded price of crude oil was USD 80.22 per barrel in March, while the lowest price of USD 63.62 per barrel was recorded in July. The average crude oil price during the year was USD 71.246 per barrel.
- The highest recorded price of Petrol 92 Octane was USD 84.833 per barrel in February, whereas the lowest price of USD 75.029 per barrel was recorded in May. The average annual price of Petrol 92 Octane was USD 78.864 per barrel.
- The highest recorded price of Petrol 95 Octane was USD 86.750 per barrel in January, while the lowest price of USD 76.467 per barrel was reported in May. The average annual price of Petrol 95 Octane was USD 80.760 per barrel.
- The highest recorded price of Auto Diesel

- The highest recorded price of Super Diesel was USD 95.412 per barrel in January, while the lowest price of USD 79.365 per barrel was reported in May. The average annual price of Super Diesel during the year was USD 87.749 per barrel.

Table 2.2.2
Average, Highest, and Lowest Prices of Petroleum Products - 2025
(Based on Singapore Platts Prices)

Petroleum Product	Highest Price (USD/barrel)	Month Recorded	Lowest Price (USD/barrel)	Month Recorded	Average Price (USD/barrel)
Crude Oil	80.22	March	63.62	July	71.24
Petrol 92 Octane	84.83	February	75.02	May	78.86
Petrol 95 Octane	86.75	January	76.46	May	80.76
Auto Diesel	94.76	January	78.85	May	86.79
Super Diesel	95.41	January	79.36	May	87.74

Source: Ceylon Petroleum Corporation

ii. Impact of Global Prices on Domestic Fuel Prices

Since Sri Lanka is entirely dependent on imported petroleum products, fluctuations in international fuel prices have a direct impact on domestic fuel prices. Given the high daily sales volumes of Petrol 92 Octane and Auto Diesel, global price variations in these fuels have an immediate influence on local retail prices. However, as Petrol 95 Octane and Super Diesel account for a relatively smaller share of total sales, international price changes in these products do not result in significant domestic price variations.

Table 2.2.3
Average Monthly Import Cost of Fuel - 2025

Month	Average Import Cost per Barrel (Landed Cost) (USD)	
	Petrol 92 Octane (USD/barrel)	Lanka Auto Diesel (USD/barrel)
January	94.73	106.95
February	100.28	106.95
March	105.44	109.51
April	108.34	109.32
May	102.29	101.34
June	93.17	103.23
July	-	-
August	89.93	94.99
September	83.66	86.82
October	117.17	115.52
November	115.70	118.04
December	116.70	113.62

Source: Ceylon Petroleum Corporation

2.2.3 Import, Import Cost and Sales of Petroleum Products

i. Import and Import Expenditure of petroleum products

With the gradual stabilization of the economy and the easing of the foreign exchange deficit following the recent economic crisis, imports of petroleum products became more organized and consistent in 2025. Accordingly, to meet the domestic petroleum demand, a total of 5,006,930.56 Metric Tons comprising eight (08) types of petroleum products including crude oil were imported and supplied by four (04) major suppliers including the Ceylon Petroleum Corporation (CPC). The total cost incurred for these imports during the year was US\$ 3,256.16 million.

Table 2.2.4
Import Quantity of Petroleum Products - 2025

Product	Quantity (Metric Tons)				
	Ceylon Petroleum Corporation (CPC)	Lanka Indian Oil Company (LIOC)	Sinopec Energy Lanka (Pvt) Ltd	R.M. Parks (Pvt) Ltd	Total
Crude Oil	1,679,012.61	-	-	-	1,679,012.61
Lanka Auto Diesel	551,134.72	331,679.29	202,801.01	148,467.88	1,234,082.90
Lanka Super Diesel	25,062.79	10,955.97	9,050.31	9,029.90	54,098.97
Petrol – 92 Octane	639,589.25	317,211.30	166,347.87	146,337.17	1,269,485.59
Petrol – 95 Octane	20,629.12	17,098.69	6,141.03	6,081.76	49,950.60
Aviation Fuel	330,049.24	-	-	-	330,049.24
High Sulphur Furnace Oil	-	-	19,122.00	-	19,122.00
Low Sulphur Furnace Oil (180 CST)	-	247,597.65	123,531.00	-	371,128.65
Total	3,245,477.73	924,542.90	526,993.22	309,916.71	5,006,930.56

Table 2.2.5
Import Expenditure of Petroleum Products - 2025

Product	Import Expenditure (USD Million)				
	Ceylon Petroleum Corporation (CPC)	Lanka Indian Oil Company (LIOC)	Sinopec Energy Lanka (Pvt) Ltd	R.M. Parks (Pvt) Ltd	Total
Crude Oil	1,014.38	-	-	-	1,014.38
Lanka Auto Diesel	373.07	223.72	137.31	90.70	824.80
Lanka Super Diesel	16.95	7.59	6.29	16.30	47.13
Petrol – 92 Octane	447.18	226.89	118.37	104.70	897.14
Petrol – 95 Octane	14.78	12.40	4.61	4.50	36.29
Aviation Fuel	232.36	-	-	-	232.36
High Sulphur Furnace Oil	-	-	8.99	-	8.99
Low Sulphur Furnace Oil (180 CST)	-	127.13	67.94	-	195.07
Total	2,098.72	597.73	343.51	216.20	3,256.16

Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd, and R.M. Parks (Pvt) Ltd

ii. Petroleum Product Sales

Since the efficient functioning of all sectors of the national economy such as transportation, power generation, industry, agriculture, and fisheries depends heavily on the reliable supply of energy, it is essential to maintain

an adequate supply to meet the demand of these sectors. Accordingly, the contribution made by each fuel supplier towards the sale of petroleum products during the year 2025 is shown below. In the year 2025, the total sales of petroleum products amounted to 6,450,811.34 Metric Tons.

Table 2.2.6
Sale Quantity of Petroleum Products - 2025

Product	Quantity Sold (Metric Tons)				
	Ceylon Petroleum Corporation (CPC)	Lanka Indian Oil Company (LIOC)	Sinopec Energy Lanka (Pvt) Ltd	R.M. Parks (Pvt) Ltd	Total
Petrol – 92 Octane	1,486,470.00	301,302.60	159,547.36	205,617.00	2,152,937.96
Petrol – 95 Octane	47,047.00	18,421.07	6,233.96	9,702.00	81,404.03
Lanka Auto Diesel	1,459,023.00	353,490.74	187,585.27	183,190.00	2,183,289.01
Lanka Super Diesel	38,595.00	12,602.73	7,444.37	9,379.00	68,021.10
Lanka Kerosene	229,827.00	-	-	-	229,827.00
Lanka Industrial Kerosene	14,905.00	-	-	-	14,905.00
Lanka Chemical Naphtha	186,320.00	-	-	-	186,320.00
Lanka Fuel Oil 1500 (High Sulphur)	110,678.00	-	-	-	110,678.00
Lanka Fuel Oil 1500 (Low Sulphur)	97,427.00	261,768.24	-	-	359,195.24
Lanka Fuel Oil Super	226,499.00	-	-	-	226,499.00
Jet A 1	815,721.00	-	-	-	815,721.00
Lanka Solvents (SBP)	1,989.00	-	-	-	1,989.00
LP Gas	19,918.00	-	-	-	19,918.00
Lanka AV Gas	108.00	-	-	-	108.00
Total	4,734,527.00	947,585.38	360,810.96	407,888.00	6,450,811.34

Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd

Information :

1 Barrel = 159 Litre

1 KL = 1000 l = 6.29 Barrel

Crude Oil : 1 MT = 7.33 Barrel = 1.165 KL

Diesel : 1 MT = 7.45 Barrel = 1.19 KL

Petrol : 1 MT = 8.5 Barrel = 1.36 KL

Sale of Fuel for Power Generation

Ceylon Petroleum Corporation (CPC) is the sole supplier of fuel for power generation and supplies fuel to the Ceylon Electricity Board and private power producers. The fuel sales for power generation from 2022 to 2025 are shown in Table 2.2.7. Accordingly, 568,238 litres of fuel were supplied for power generation in 2025.

The Table 2.2.8 shows the details of crude oil imported during the period from 2020 to 2025 and Table 2.2.9 shows the quantity of petroleum products produced by the refinery during the period from 2022 to 2025.

Table 2.2.7
Sales of Fuel for Electricity Generation (2022 - 2025)

Year	Ceylon Electricity Board (Ltr '000')				Independent Power Producers (Ltr '000')			Total (Ltr '000')
	Lanka Auto Diesel	Naptha	Fuel Oil	Lanka Super Diesel	Lanka Auto Diesel	Fuel Oil	Lanka Super Diesel	
2022	86,769	46,781	181,103	12,147	115,205	123,369	5,678	571,052
2023	102,877	174,136	228,885	-	3,175	256,580	-	765,653
2024	44,647	147,251	206,467	-	16,609	164,335	-	579,309
2025	15,622	186,493	165,477	-	35,937	164,709	-	568,238

Source: Ceylon Petroleum Corporation

2.2.4 Import and Refining of Crude Oil

The oil refinery at Sapugaskanda was established in 1969 with a refining capacity of 38,000 barrels per day. Thereafter, refinery has undergone several modifications in a manner to increase the capacity up to 50,000 crude oil barrels per day. At present, the total production of the refinery contributes to about 1/3 of total requirement of petroleum products in the country per annum. Petrol, Auto Diesel, Super Diesel, Furnace Oil, Kerosene, LPG, Jet A-1, Bitumen, Chemical Naphtha and Solvent are the finished products that come from the refinery.

Table 2.2.8
Crude Oil Imports (2020 - 2025)

Year	Quantity (MT)	Import Cost (Rs. Mn.)
2020	1,666,000	98,277
2021	1,130,000	101,306
2022	743,000	180,019
2023	1,666,000	364,098
2024	1,519,284	322,404
2025	1,679,012	309,809

Source: Ceylon Petroleum Corporation

In the year 2022, 743,000 MT of crude oil was imported, which increased to 1,666,000 MT of crude oil by the year 2023. Accordingly, compared to the year 2022, crude oil imports in the year 2023 show a growth of 124%. By the year 2024, crude oil imports have decreased again to 1,519,284 MT and increased to 1,679,012 MT by the year 2025.

Ceylon Petroleum Corporation refined 1,715,799 MT of petroleum using 1,794,646 MT of crude oil during the year 2025, which is 52% of the total refined petroleum products of Ceylon Petroleum Corporation. The import of refined petroleum products and domestically refined petroleum products by the Ceylon Petroleum Corporation during the year 2025 are shown in Table 2.2.10.

Table 2.2.9
Locally Refined Petroleum Products (2022 - 2025)

Products	Quantity (MT)			
	2022	2023	2024	2025
Quantity of Crude Oil Inputs	529,773	1,677,033	1,543,839	1,794,646
Petrol 92 Octane	38,666	171,186	150,665	181,412
Lanka Auto Diesel	128,165	505,675	443,933	518,618
Fuel Oil 800 Super	87,196	379,015	427,447	505,385
Kerosene	25,289	49,484	72,618	61,128
Naptha	30,835	129,058	121,449	150,031
LP Gas	5,687	23,800	20,815	25,527
Jet A 1	57,346	233,652	207,434	273,098
SBP	2,690	1,524	1,267	600
Total	375,874	1,493,394	1,294,963	1,715,799

Source: Ceylon Petroleum Corporation

Table 2.2.10
Imported Finished Products and Domestically Refined Products - 2025

Product	Quantity of Products Imported (MT)	Quantity of Sapugaskanda Refinery Production (MT)	Total (MT)	Percentage of locally refined (%)
Lanka Auto Diesel	551,135	518,618	1,069,753	48
Lanka Super Diesel	25,063	-	25,063	-
Petrol – 92 Octane	644,890	181,412	826,302	22
Petrol – 95 Octane	15,329	-	15,329	-
Kerosene	-	61,128	61,128	100
Jet A 1	330,049	273,098	603,147	45
Naptha	-	150,031	150,031	100
LP Gas	-	25,527	25,527	100
SBP	-	600	600	100
Fuel Oil 800 Super	-	505,385	505,385	100
Total	1,566,466	1,715,799	3,282,265	52

Source: Ceylon Petroleum Corporation

2.2.5 Fuel Storage

The Ceylon Petroleum Storage Terminals Limited operates fuel storage facilities primarily through its two main terminals located at Kolonnawa and Muthurajawela. The Kolonnawa terminal maintains a fuel storage capacity of 265,666 Metric Tons, while the Muthurajawela terminal has a capacity of 208,738 Metric Tons. Accordingly, the total fuel storage capacity maintained within the country amounts to 474,404 Metric Tons. This capacity made a significant contribution to ensuring adequate fuel storage during the year 2025. The table 2.2.11 below presents the storage tank capacities and the total fuel storage capacities of these two primary terminals.

Table 2.2.11
Information on the Kolonnawa and Muthurajawela Fuel Storage Terminals

Product	No. of Tanks		Storage Capacity (MT)	
	Kolonnawa Terminal	Muthurajawela Terminal	Kolonnawa Terminal	Muthurajawela Terminal
Naptha	4	-	14,209	-
Petrol 95 Octane	3	-	18,249	-
Petrol 92 Octane	6	14	65,473	95,105
Kerosene	1	-	10,488	-
Jet A 1	4	-	38,988	-
Auto Diesel	6	15	50,972	113,633
Super Diesel	3	-	17,232	-
Fuel Oil	8	-	48,120	-
SBP	1	-	342	-
Industrial Kerosene	1	-	1,593	-
Tanks in a repair stage	2	-	-	-
Total	39	29	265,666	208,738

Source: Ceylon Petroleum Storage Terminals Limited

2.2.6 Fuel Distribution

By the year 2025, four fuel supply companies were engaged in fuel distribution activities and the Ceylon Petroleum Storage Terminals Limited (CPSTL) distributes fuel according to the fuel requirements of those companies. The fuel release to the fuel supply companies from two main terminals of the Ceylon Petroleum Storage Terminals Limited (CPSTL) at Kolonnawa and Muthurajawela and the progress of fuel distribution during the year 2025 is shown in Table 2.2.12.

Accordingly, the total volume of deliveries reported in the year 2025 is 4,576,443 kiloliters, of which 3,269,546 kiloliters of Ceylon Petroleum Corporation fuel, 435,047 kiloliters of Lanka Indian Oil Company fuel, 463,998 kiloliters of Sinopec fuel and 407,852 kiloliters of R.M. Parks fuel. Accordingly, 71% of the total fuel deliveries of the Ceylon Petroleum Storage Terminals Limited are fuel owned by Ceylon Petroleum Corporation and the remaining 29% are fuel owned by Lanka Indian Oil Company, Sinopec and R.M. Parks (Pvt) Ltd.

Table 2.2.12
Fuel Distribution Progress - 2025

Product	Quantity (KL)				
	CPC	LIOC	SINOPEC	R.M.PARK	Total
Fuel Oil	396,224	-	-	-	396,224
Jet A 1	611,925	-	-	-	611,925
Lanka Auto Diesel	1,020,388	195,742	225,886	183,172	1,625,188
Lanka Super Diesel	32,618	9,114	8,989	9,378	60,099
Naptha	251,014	-	-	-	251,014
Petrol 92 Octane	922,562	215,751	220,593	205,600	1,564,506
Petrol 95 Octane	34,815	14,440	8,530	9,702	67,487
Total	3,269,546	435,047	463,998	407,852	4,576,443

Source: Ceylon Petroleum Storage Terminals Limited

Figure 2.2.1
Fuel Distribution Composition – 2025

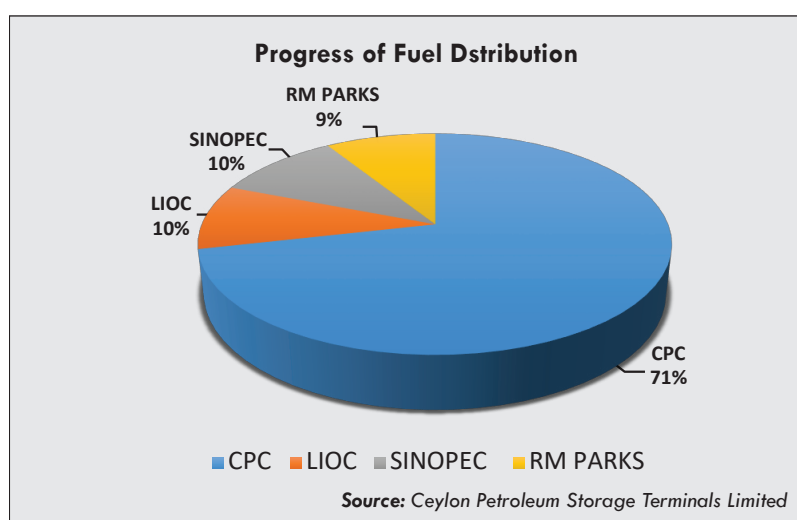


Table 2.2.13
Total Number of Fuel Filling Stations - 2025

Province	CPC	LIOC	R.M. PARKS	SINOPEC	Total
Central Province	72	36	10	11	129
Eastern Province	90	19	13	15	137
North Central Province	59	14	9	9	91
Northern Province	95	16	7	7	125
North Western Province	129	28	23	28	208
Sabaragamuwa Province	57	17	10	10	94
Southern Province	119	28	11	13	171
Uva Province	40	16	8	9	73
Western Province	225	96	39	48	408
Total	886	270	130	150	1,436

Source: Ceylon Petroleum Corporation (CPC), Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd, and R.M. Parks (Pvt) Ltd

2.2.7 Nature of the Petroleum Market

• Lubricant Trade

It is the expectation of the Ministry to provide Sri Lankan consumers with high-quality lubricants and grease products that meet international standards at competitive prices.

According to Section 5 of the *Ceylon Petroleum Corporation Act No. 28 of 1961* and its subsequent amendments, lubricants are defined as a petroleum product. In accordance with the powers vested under the Act, the Cabinet Paper No.

06/0858/217/015 dated 08.05.2006 and the Cabinet Decision dated 24.05.2006 led to the complete liberalization of the lubricant market in Sri Lanka through the *Extraordinary Gazette Notification No. 1453/6* dated 12.07.2006.

Accordingly, by the year 2025, a total of 34 companies have been granted approval to import lubricants into the country, operating under 45 brand names. Out of these, 4 companies are engaged in local lubricant production, and their operations are conducted under five main activities. Table 2.2.14.

Table 2.2.14
Lubricant Sector Activities - 2025

Activity No.	Description	Number of Companies
A1	Import, export, sale, supply, distribution, blending, and production of lubricants and grease	4
A2	Import, export, sale, supply, and distribution of lubricants and grease	27
B	Import, export, sale, supply, and distribution of unblended transmission oils	1
C1	Import, export, sale, supply, and distribution of marine lubricants and grease	1
C2	Import, export, sale, supply, and distribution of industrial lubricants and grease	1

In addition, the Ministry is actively working to introduce a new policy framework for the lubricant industry in Sri Lanka, which is expected to be finalized in the first quarter of 2026.

• **Bitumen Trade**

The primary producer of bitumen in Sri Lanka is the Ceylon Petroleum Corporation (CPC). However, as domestic production capacity is insufficient to meet the national demand for bitumen, approval has been granted for other companies to import bitumen in accordance with established criteria and procedures. During the year 2025, upon the recommendation of the Ministry of Transport, Highways and Urban Development, approval was granted by the Ministry to ten companies other than CPC to import a total of 190,000 metric tons of bitumen. Accordingly, this Ministry issued letters of no objection for the importation of 82,141 metric tons out of the approved quantity.

In addition, the Ministry is currently taking measures to formulate a new policy framework governing the importation of bitumen into Sri Lanka, with a view to ensuring an efficient, transparent, and sustainable supply of bitumen to meet the country’s development requirements.

• **Bunkering Fuel Trade**

At present, twelve companies have been granted approval to engage in the importation and supply of marine fuel in Sri Lanka. According to the monthly reports submitted by the respective companies, a total of 1,315,823 metric tons of marine fuel were sold during the year 2025.

To enhance the efficiency and expand the scope of the marine fuel trade, a committee chaired by an academic from the University of Moratuwa has been appointed to formulate a new policy framework for the

sector. The committee is currently carrying out its assigned tasks, and the policy formulation process is underway.

• **Jet A-1 Fuel**

The supply of Jet A-1 fuel for aircraft is carried out by the Ceylon Petroleum Corporation (CPC). In addition, approval has been granted to import Jet A-1 fuel for the Cannel (Pvt) Ltd. According to the CPC Act, the authority to issue licenses for aircraft fuel supply is vested in the Minister in charge of the subject. The Ministry also aims to establish a policy framework for Jet A-1 imports in Sri Lanka.

• **Issuance of No-Objection Letters for Petroleum-Related Products Not Imported by License Holders – 2025**

License holders have been empowered to import essential petroleum-related products for the industrial and service sectors in the country. Occasionally, some companies submit daily requests to the Ministry for the import of products which are not imported by these license holders. These requests are reviewed, and recommendations are made by a committee appointed under the Ministry’s supervision.

Recommendations from the following institutions are also obtained separately:

- Ministry of Industry
- The Board of Investment of Sri Lanka
- The National Authority for the Implementation of the Chemical Weapons Convention
- Other relevant institutions

Accordingly, in 2025, the Ministry issued no-objection letters for imports under the following categories:

- Rubber-related products
 - Apparel-related products
 - Cosmetic-related products
 - Ink-related products
 - Other industrial products
- } *

- Products for sale to other industrial and service institutions **

During 2025, the Ministry issued:

- **474 no-objection letters** for the import of petroleum for industrial products*
- **91 no-objection letters** for the import of petroleum for sale to other industrial and service institutions**

2.2.8 Regulatory Tasks Performed during the year 2025

• Introduction of a New Regulator for the Petroleum Industry

Until now, Sri Lanka has not had a comprehensive regulatory framework for the downstream petroleum industry. This industry encompasses the importation, refining, distribution, and sale of petroleum products such as petrol, diesel, furnace oil, aviation fuel, liquefied petroleum gas (LPG), and lubricants. In addition, the oversight of the electricity and renewable energy sectors has also been carried out under various laws enacted by Parliament, which continue to operate within their respective legal frameworks.

Due to the lack of integration and a unified regulatory approach, the same tasks have often been carried out by multiple parties, sometimes repeatedly, resulting in inefficiencies and making it challenging to manage the country's energy sector effectively. With the expansion of petroleum market operations and the entry of new competitive entities, the government has recognised the need for an independent regulator and a robust regulatory framework to ensure product quality and protect consumers.

Accordingly, steps have been initiated to consolidate other industry-related legislation and formulate a high-level Energy Transition Act. This is expected to fulfil the aspirations

of energy consumers and strengthen public participation in the energy sector.

Meanwhile, to regulate the lubricants market, a permanent regulator has not yet been appointed. Until such an appointment is made, the Public Utilities Commission of Sri Lanka has been empowered, based on decisions by the Cabinet of Ministers, to exercise regulatory authority in this area.

• Introduction of Guidelines for the Construction and Operation of Fuel Filling Stations

In accordance with the provisions of the Ceylon Petroleum Corporation Act No. 28 of 1961, the importation and distribution of petroleum and petroleum-based products were initially carried out solely by the Ceylon Petroleum Corporation (CPC). However, with the liberalisation of the fuel market, in addition to CPC, several other companies namely, Lanka Indian Oil Company (LIOC), Sinopec Energy Lanka (Pvt) Ltd., R.M. Parks (Pvt) Ltd., and United Petroleum Lanka (Pvt) Ltd. were also permitted to import and distribute fuel.

Nonetheless, due to certain issues, United Petroleum Lanka (Pvt) Ltd. has now withdrawn from operations within the Sri Lankan market. With the entry of new competitors into the petroleum market, it became necessary to introduce clear guidelines to ensure that minimum standards are maintained in the establishment and operation of fuel filling stations. Accordingly, the Ministry of Energy has introduced guidelines covering the following key areas:

- Criteria for selection of locations for fuel filling stations
- Criteria for the construction of filling stations
- Criteria for operation and maintenance of fuel filling stations

Fuel-supplying companies have been officially informed to comply with these guidelines, which have also been published on the Ministry’s official website for public awareness. Furthermore, the Ministry will monitor the activities of new fuel suppliers to ensure that they operate in compliance with these standards.

Additionally, under a new government policy decision, a revised procedure has been introduced for granting approval to establish new fuel filling stations in Sri Lanka. A committee has been appointed for this purpose, and a report is being prepared for identifying suitable locations for establishing new filling stations and all future establishments of filling stations are being carried out according to the guidelines introduced by this report.

- Regulation of the Process of Direct Supply of Petroleum Products to Consumer Service Centers**

Fuel-supplying companies distribute fuel across the island through established fuel filling stations as well as through direct supply to various consumer institutions, including industrial establishments, commercial enterprises, and certain identified government institutions.

While approval from the Ministry of Energy is obtained for the establishment of fuel filling stations, no formal approval had previously been obtained from the Ministry for the direct bulk supply of fuel to such consumer institutions. As of 31 October 2023, it was observed that fuel-supplying companies were operating approximately 3,385 consumer service centers across the country.

Given that a significant volume of fuel is distributed daily through these consumer service centres, the Ministry identified the need to regularise the process of establishing and operating such centres. Accordingly, steps have been taken to introduce minimum

criteria to determine which of the currently registered consumer service centres should continue to operate, and to regulate the registration of new centres.

Fuel-supplying companies are required to obtain formal approval from the Ministry for the operation of consumer service centres that meet these minimum standards.

The number of consumer service centres operating by the end of 2025 is shown in the table below.

Table 2.2.15
Number of Consumer Service Centres - 2025

Fuel Supplying Company	Number of Consumer Service Centers
Ceylon Petroleum Corporation (CPC)	521
Lanka Indian Oil Company (LIOC)	178
Sinopec Energy Lanka Company	14
Total	713

Source: Ceylon Petroleum Corporation, Lanka Indian Oil Company, Sinopec Energy Lanka (Pvt) Ltd

- Registration of Newly Established and Existing Consumer Service Centers**

The registration of newly established consumer service centers and the re-registration of existing centers are carried out through the Ministry of Energy.

These consumer service centers are set up for bulk fuel supply for relavant various government institutions, contractors, private institutions etc.

- Implementation of the Fuel Pricing Formula**

For a prolonged period, the fuel pricing mechanism in Sri Lanka operated in an irregular and unsystematic manner, which resulted in the Ceylon Petroleum Corporation (CPC) facing severe financial difficulties. In

the absence of a consistent system, previous price revisions often led to sudden and significant fluctuations in fuel prices. In order to address these challenges, the Government took the initiative in May 2022 to introduce a cost-reflective fuel pricing formula, which ensures that fuel prices are determined based on actual costs and thereby helps maintain greater price stability in the market.

In the year 2025, fuel price revisions were carried out on ten (10) occasions. When comparing the fuel prices of December 2025 with those of December 2024, it was observed that prices had decreased as follows:

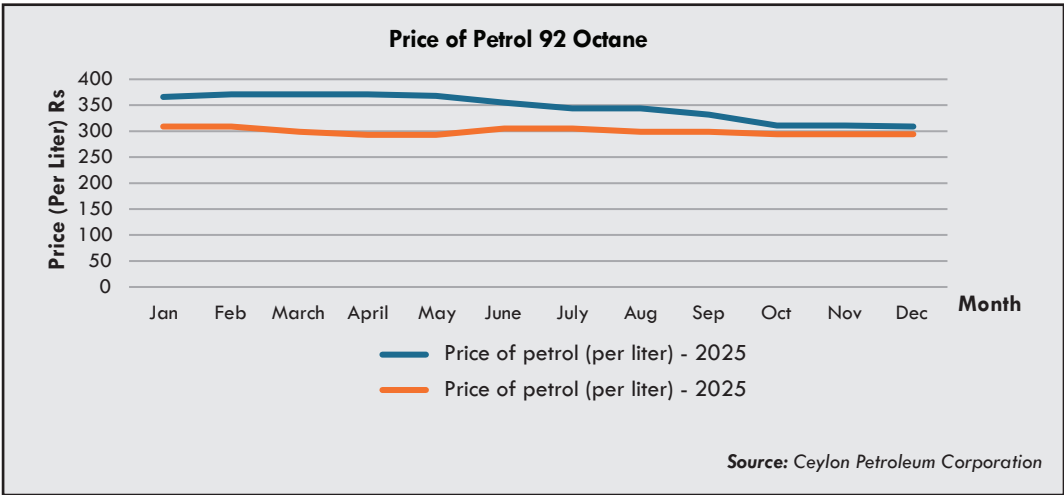
- Petrol (Octane 92) – by 5%
- Petrol (Octane 95) – by 10%
- Auto Diesel – by 3%
- Kerosene – by 4 %

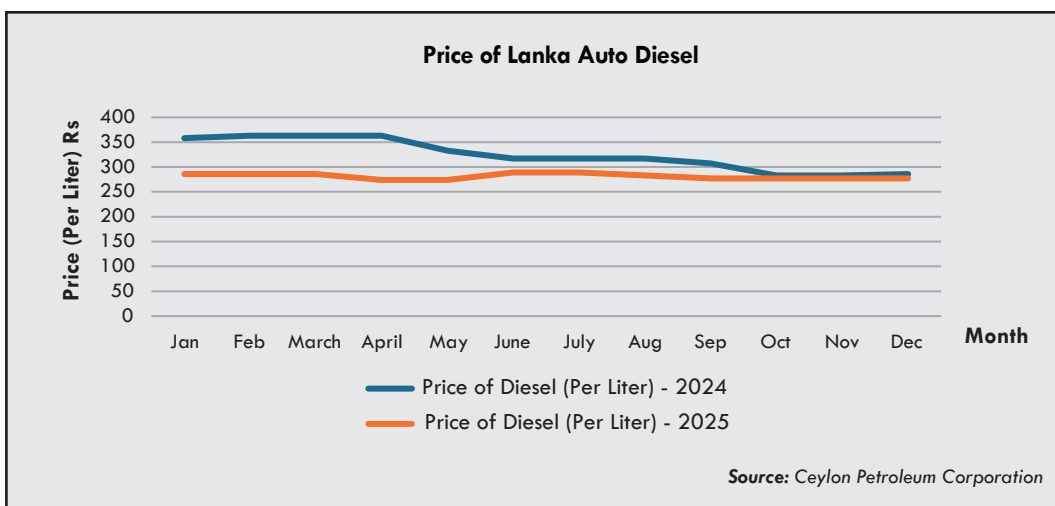
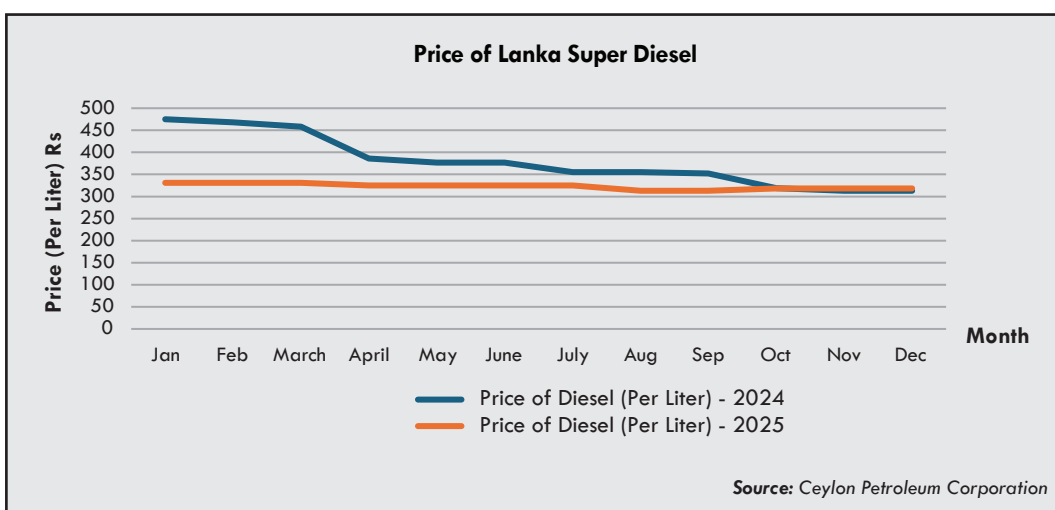
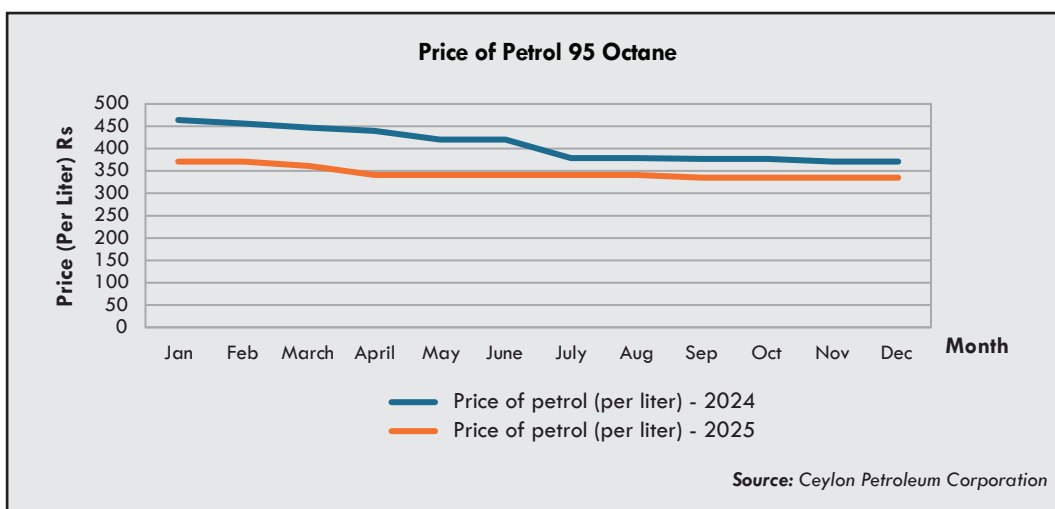
Table 2.2.16
Maximum and Minimum Market Prices Recorded in 2025

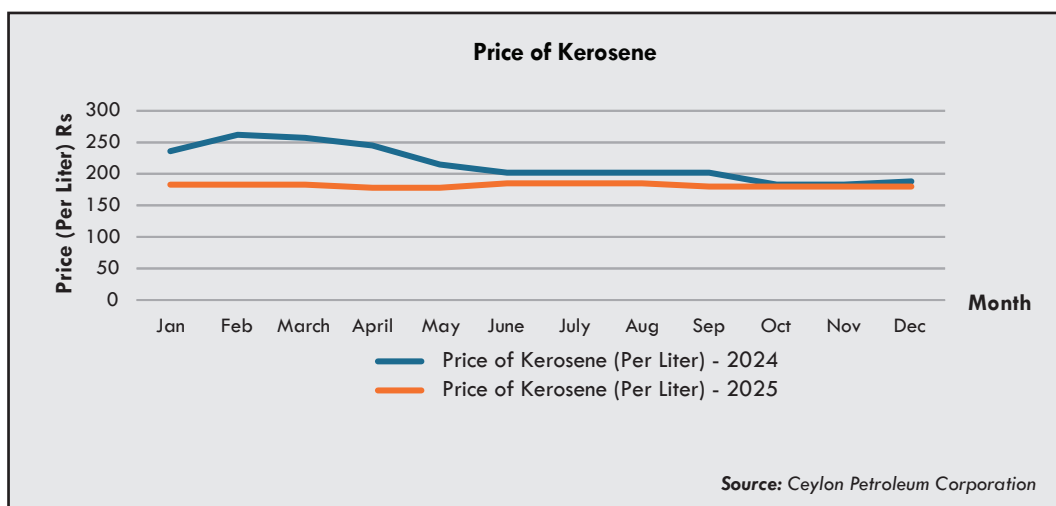
Product	Maximum Price (Rs./Litre)	Month Recorded	Minimum Price (Rs./Litre)	Month Recorded
Petrol (Octane 92)	309	January/ February	293	April/ May
Petrol (Octane 95)	371	January/ February	335	September/October/ November/December
Auto Diesel	289	June/ July	274	April/ May
Super Diesel	331	January/ February/ March	313	August/ September
Lanka Kerosene	185	June/ July/August	178	April/ May

Source: Ministry of Energy

Figure 2.2.2
Market Prices Reported in 2025







2.2.9 Progress of Petroleum-related Infrastructure Development Projects

- **Establishment of an Export-Oriented Petroleum Refinery and Associated Product Handling Facility at Hambanthota area**

The Ministry obtained Cabinet approval to enter into agreements with China Petroleum & Chemical Corporation for the construction and operation of the above project.

Subsequently, six rounds of negotiations were conducted with China Petroleum & Chemical Corporation, and the discussions are currently in the final stage. A Cabinet memorandum is scheduled to be submitted after a final agreement is reached on this matter.

- **Modernization of Sapugaskanda Refinery and Construction of a New Refinery**

Currently, approximately 25% of the country's crude oil requirements are met through the Sapugaskanda Refinery, while the remaining 75% is fulfilled through imports. This reliance on imports places pressure on foreign exchange reserves. In line with the goal of producing domestic crude oil requirements locally, the existing refinery needs to be modernized. Additionally, there

is a need to construct a new refinery with a production capacity of 100,000 barrels per day. At present, expressions of interest have been invited from international companies, and 20 responses have been received.

- **Trincomalee Oil Tank Development Project**

At Trincomalee, the upper tank yard at the Chinese harbour originally built by the British government during the colonial period to supply fuel to ships is being redeveloped. The facility consists of tanks with a total capacity of 10,000 Metric Tons.

To develop these fuel storage tanks, the Cabinet of Ministers, by Cabinet Memorandum No. 21/2285/325/050 dated 11 January 2022, approved leasing the tanks for 50 years under the following arrangements:

- Ceylon Petroleum Corporation (CPC): 24 fuel tanks
- Lanka Indian Oil Company (LIOC): 14 fuel tanks
- Trincomalee Petroleum Terminals (Private) Limited: 61 fuel tanks

- i. **Development of 24 Nos. Tanks at Trincomalee Upper Tank Farm**

The Cabinet of Ministers approved the implementation of the project under Cabinet

Decision No. CP/25/0321/825/018 dated 03.03.2025 and subsequently approved the construction of pipelines connecting the jetty to the Upper Tank Farm under Cabinet Decision No. 25/2192/825/018-I dated 01.12.2025.

During 2025, substantial progress was achieved in the rehabilitation and development of the tank farm. Key activities completed included site preparation, tank cleaning and inspections, installation of security infrastructure, utility system development, and other essential preparatory works. In addition, significant progress was made in the construction of fire protection and wastewater management facilities, tank rehabilitation works, and the provision of utility services. The project is progressing as planned and is expected to further strengthen the country's petroleum storage capacity and energy security.

ii. Developing Tanks Owned by Trincomalee Petroleum Terminals (Private) Limited (61 tanks)

Preliminary activities for the development of the 61 fuel tanks owned by Trincomalee Petroleum Terminals (Private) Limited were carried out during 2025, including site access improvements, technical assessments, and the formulation of short-term and long-term development strategies.

To identify a suitable investor for the project, Expressions of Interest (EOIs) were invited and proposals were received from seven (07) companies. The submissions are currently being evaluated by the Project Committee and Negotiation Committee appointed by the Cabinet of Ministers.

In parallel, following the signing of the tripartite Memorandum of Understanding among Sri Lanka, India, and the United Arab Emirates to develop Trincomalee as a regional energy hub, discussions are

underway to incorporate the development of these tanks into the broader energy hub initiative. Accordingly, tripartite consultations and the formulation of an appropriate business model are currently in progress.

- **India, Sri Lanka and the United Arab Emirates (UAE) cooperation in the development of Trincomalee as an Energy Hub**

A joint Cabinet Memorandum was submitted on 28.03.2025 by the Ministry of Energy and the Ministry of Foreign Affairs, Foreign Employment and Tourism, seeking approval to sign a Memorandum of Understanding (MoU) between the Democratic Socialist Republic of Sri Lanka, the Government of the Republic of India, and the Government of the United Arab Emirates for cooperation in developing Trincomalee as an Energy Hub. The Cabinet of Ministers granted approval for the proposal by its decision No. 25/0567/825/031-I dated 02.04.2025. Accordingly, the MoU was signed by the Secretary to the Ministry of Energy on behalf of Sri Lanka on 05.04.2025. Tri-party discussions are currently ongoing in this regard.

- **Establishment of EV Charging Stations Across the Island**

The plan targets the construction of 10 EV charging stations, of which 7 stations have already been completed and are providing services to customers.

Construction at three (03) additional locations, namely Anuradhapura, Dematagoda and Bambalapitiya is planned to be carried out next.

- **Expansion of Fuel Storage Capacity**

Table 2.2.17
Expansion of Fuel Storage Capacity

Description	Estimated Cost (LKR million)	Funding Source	Current Status
Construction of 6 tanks with a total capacity of 64,000 m ³ at Kolonnawa Terminal	3,374	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Contract was awarded in 17.09.2025 and site handed over on 30.09.2025. completion of 8.5% of tank construction.
Construction of 2 tanks with a total capacity of 22,000 m ³ at Kolonnawa Terminal	1,470.4	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Bid Evaluation Committee / Cabinet Appointed Procurement Committee appointment received on 24.12.2025.
Construction of 3 tanks with a total capacity of 40,000 m ³ at Muthurajawela Terminal	3,496	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Cabinet approval has been obtained, and procurement documents are being prepared

Source: Ceylon Petroleum Storage Terminals Limited

- **Development of Fuel Pipeline Network**

Table 2.2.18
Development of Fuel Pipeline Network

Description	Estimated Cost (LKR million)	Funding Source	Current Status
Construction of an 18-inch diameter pipeline from Colombo Port to Kolonnawa Terminal	2,852.5	Ceylon Petroleum Storage Terminals Limited (CPSTL)	The revised Technical Evaluation Committee report has been submitted, and a Cabinet-appointed Procurement Committee meeting is scheduled to be held. The final document should be examined and submitted for Cabinet approval.
Construction of a 12-inch diameter pipeline from Kolonnawa Terminal to Kelanitissa Power Station	1,444	Ceylon Petroleum Storage Terminals Limited (CPSTL)	Cabinet approval for the project was granted on 15.12.2025. The appointment of the Bid Evaluation Committee (BEC) and the Cabinet Appointed Procurement Committee (CAPC) are to be appointed.
Construction of a pipeline from Muthurajawela to Katunayake Airport for aviation fuel transport	18,000	Ceylon Petroleum Corporation (CPC)	The project was terminated due to the poor performance of the contractor. The matter has subsequently been referred to the Attorney General's Department for advice and further action.

Source: Ceylon Petroleum Corporation, Ceylon Petroleum Storage Terminals Limited

2.3 Future Outlook 2026

Power Section

Following projects will commence in 2026 with foreign financing;

- Establishment of 04 DCCs with ADMS supported by SCADA and AMI for the 04 Distribution Divisions
- Detailed design of 600 MW Maha – Oya Pumped Storage Hydropower Plant (PSHP) (ADB Loan by CEB) have been started.

Approval from the Department of National Planning has been obtained, and initial activities will commence for the implementation of the following projects;

- Development of Northern 400kV Transmission Network from Kilinochchi to New Habarana.
- Construction of Norochcholai – Wariyapola 220kV Transmission Line & Wariyapola Switching Station.
- Installation of Static Synchronous Compensator (STATCOM) at Padukka 220kV Grid Sub Station.
- Installation of 75 MVA Synchronous Condenser Unit at New Habarana Grid Sub Station.
- LECO Distribution System Strengthening Project at Negambo Area.
- Pundalu Oya and Pundal Falls Secondary division scheme - Upper Kotmale Hydropower Project.
- Wind Resource Assessment, Deduru oya floating photovoltaic solar power project, Karachchi wind power project.

Energy Section

- Select an investor and start work on Modernization of Sapugaskanda Refinery and Construction of a New Refinery
- Continuation of development of 24 Nos. Tanks at Trincomalee Upper Tank Farm
- Continuation of developing Tanks Owned by Trincomalee Petroleum Terminals (Private) Limited (61 tanks)
- Construction of electric Vehicle Charging Stations in three (03) additional locations, namely Anuradhapura, Dematagoda, and Bambalapitiya and establishment of EV Charging Stations Across the Island
- Expansion of Fuel Storage Capacity
- Development of Fuel Pipeline Network

Chapter 03

Overall Financial Performance for the year ended 31st December 2025

Chapter 03

Overall Financial Performance for the year ended 31st December 2025

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2025.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of the relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E is measured at a cost and a revaluation model is applied when the cost model is not applicable.

5) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property, Plant and Equipment.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2025.

3.1 Statement of Financial Performance Report

Ministry of Energy
Statement of Financial Performance
for the period ended 31st December 2025

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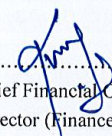
Revised Budget Allocations 2024		Note	Actual	
Rs.			2025 Rs.	2024 Rs.
	- Revenue Receipts			
	- Income Tax	1	-	-
	- Taxes on Domestic Goods & Services	2	-	-
	- Taxes on International Trade	3	-	-
2,400,000,000	Non Tax Revenue & Others	4	2,137,599,304	3,158,283,029
2,400,000,000	Total Revenue Receipts (A)		2,137,599,304	3,158,283,029
	- Non Revenue Receipts			
	- Treasury Imprests		1,865,819,147	7,941,916,912
	- Deposits		18,349,826	896,711
	- Advance Accounts		13,128,523	11,525,177
	- Other Main Ledger Receipts		-	-
	Total Non Revenue Receipts (B)		1,897,297,496	7,954,338,800
2,400,000,000	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		4,034,896,801	11,112,621,829
	Remittance to the Treasury (D)		669,398,526	613,559,261
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		3,365,498,275	10,499,062,568
	Less: Expenditure			
	Recurrent Expenditure			
196,150,000	Wages, Salaries & Other Employment Benefits	5	186,302,291	172,701,438
234,620,000	Other Goods & Services	6	210,831,878	231,472,868
626,000,000	Subsidies, Grants and Transfers	7	461,177,700	343,781,526
	- Interest Payments	8	-	-
500,000	Other Recurrent Expenditure	9	46,650	500
1,057,270,000	Total Recurrent Expenditure (F)		858,358,519	747,956,332
	Capital Expenditure			
6,580,000	Rehabilitation & Improvement of Capital Assets	10	4,071,351	5,167,451
3,939,826,676	Acquisition of Capital Assets	11	1,900,937,591	2,456,703,933
1,884,500,000	Capital Transfers	12	1,370,099,719	7,530,808,674
	- Acquisition of Financial Assets	13	-	-
292,292,000	Capacity Building	14	972,300	527,644,374
3,976,500,000	Other Capital Expenditure	15	3,711,874,572	15,603,436,028
10,099,698,676	Total Capital Expenditure (G)		6,987,955,532	26,123,760,460
	Deposit Payments		17,498,454	1,071,012
	Advance Payments		18,686,017	11,585,407
	Other Main Ledger Payments		-	-
	Total Main Ledger Expenditure (H)		36,184,470	12,656,419
	Total Expenditure I = (F+G+H)		7,882,498,522	26,884,37,211
(46,787,700,000)	Balance as at 31st December J = (E-I)		(4,517,000,247)	(16,385,310,643)
	Balance as per the Imprest Adjustment Statement		(4,517,000,247)	(16,385,998,643)
	Imprest Balance as at 31st December		-	688,001
			(4,517,000,247)	(16,385,310,642)

3.2 Statement of Financial Position

		Ministry of Energy		ACA-P
Statement of Financial Position				
As at 31st December 2025				
	Note	Actual		
		2025	2024	
		Rs	Rs	
Non Financial Assets				
Property, Plant & Equipment	ACA-6	630,620,523	745,479,913	
Financial Assets				
Advance Accounts	ACA-5/5(a)	37,443,559	31,886,066	
Cash & Cash Equivalents	ACA-3	-	688,001	
Total Assets		668,064,083	778,053,980	
Net Assets / Equity				
Net Worth to Treasury		26,639,642	21,933,522	
Property, Plant & Equipment Reserve		630,620,523	745,479,913	
Rent and Work Advance Reserve	ACA-5(b)	9,550,000	9,550,000	
Current Liabilities				
Deposits Accounts	ACA-4	1,253,916,91	402,544	
Unsettled Imprest Balance	ACA-3	-	688,001	
Total Liabilities		668,064,083	778,053,980	

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from to..... and Annexures to accounts presented in pages from to form an integral part of these Financial Statements. **The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025** and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

		
Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant
Name :	Name :	Director (Finance)/ Commissioner (Finance)
Designation :	Designation :	Name :
Date : 26/02/26	Date : 26/02/26	Date : 26.02.26

Pof. K.T.M. Udayanga Hemapala
Secretary
Ministry of Energy
No. 437, Galle Road,
Colombo 03.

G. Chandrasena
Chief Financial Officer
Ministry of Energy
No: 437, Galle Road,
Colombo 03.

2



3.3 Statement of Cash Flow

Ministry of Energy
Statement of Cash Flow
for the period ended 31st December 2025

ACA -C

		Actual	
		2025 Rs.	2024 Rs.
<u>Cash Flows from Operating Activities</u>			
Total Tax Receipts		-	-
Fees, Fines, Penalties and Licenses	1	301,661,904	742,592,829
Profit		-	-
Non Revenue Receipts		-	-
Heads	2	2,104,171,328	2,634,824,309
Imprest Received	3	1,865,131,146	7,941,916,912
Recoveries from Advance	4	12,754,736	10,410,029
Deposit Received	3	18,349,826	896,711
Total Cash generated from Operations (A)		4,302,068,941	11,330,640,790
<u>Less - Cash disbursed for:</u>			
Personal Emoluments & Operating Payments	5	396,559,719	403,125,625
Subsidies & Transfer Payments	6	149,175,800	112,277,526
Rehabilitation & improvement Capital Assets, Capital Transfer, Capital Building & Other Capital Expenditure	7	1,170,525,731	7,995,785,499
Expenditure incurred on behalf of other Heads	8	1,677,610	1,245,856
Imprest Settlement to Treasury	9	668,710,525	613,559,261
Advance Payment	10	18,806,017	11,428,107
Deposit Payments	11	17,498,454	1,071,012
Total Cash disbursed for Operations (B)		2,422,953,856	9,138,492,886
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)		1,879,115,085	2,192,147,904
<u>Cash Flows from Investing Activities</u>			
Interest		-	-
Dividends		-	-
Divestiture Proceeds & Sale of Physical Assets		-	-
Recoveries from On Lending		-	-
Total Cash generated from Investing Activities (D)		-	-
<u>Less - Cash disbursed for:</u>			
Capital Expenditure	12	1,879,115,085	2,191,459,902
Total Cash disbursed for Investing Activities (E)		1,879,115,085	2,191,459,902
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)		(1,879,115,085)	2,191,459,902)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)			688,001
<u>Cash Flows from Financing Activities</u>			
Local Borrowings		-	-
Foreign Borrowings		-	-
Grants Received		-	-
Total Cash generated from Financing Activities (H)		-	-
Repayment of Local Borrowings		-	-
Repayment of Foreign Borrowings		-	-
Total Cash disbursed for Financing Activities (I)		-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)		-	-
Net Movement in Cash (K) = (G) + (J)		-	688,001
Opening Cash Balance as at 01st January		-	-
Closing Cash Balance as at 31st December		-	688,001

3.4 Performance of the Revenue Collection

Revenue Code	Description of the Revenue Code	Original Estimate		Collected Revenue	
		Original Estimate (Rs.)	Revenue Estimate (Rs.)	Amount (Rs.)	As a % of Final Revenue Estimate
2003.02.21	Non-tax incomes and other fees relevant to the Ministry of Petroleum Industry	3,000,000,000.00	400,000,000.00	2,137,599,304.40	89%

3.5 Performance of the Utilization of Allocation

Type of Allocation	Allocation		Actual Expenditure (Rs.)	Allocation Utilization as a % of Final Allocation
	Original (Rs.)	Final (Rs.)		
Recurrent	1,061,000,000.00	1,057,270,000.00	1,009,356,619.00	95%
Capital	20,081,000,000.00	10,584,730,000.00	6,987,955,532.00	66%

3.6 In Terms of F.R. 208 Grant of Allocations for Expenditure

	Allocation Received from Which Ministry / Department	Purpose of the Allocation	Type of the Allocation	Allocation		Actual Expenditure (Rs.)	Allocation Utilization as a % of Final Allocation
				Original (Rs.)	Final (Rs.)		
01	Railway Department	Railway passes issued to Ministry officials	Recurrent	621,100.00	621,100.00	621,100.00	100%
02	Department of Treasury Operations	Accounting for foreign loans obtained by the CEB	Capital	7,676,000,000.00	3,976,000,000.00	3,711,874,572.28	93%
03	Department of Treasury Operations	Accounting for costs related to generating electricity using waste in Colombo by CEB	Capital	1,204,000,000.00	1,204,000,000.00	892,937,484.00-	74%
04	Department of Treasury Operations	Accounting for grants provided by the Japan International Cooperation Agency for staff training	Capital	600,000.00	600,000.00	-	0%

05	Department of Treasury Operations	Accounting for energy system-related expenses received as a grant from the Korean government to CEB	Capital	900,000.00	717,868,673.00	717,768,673.00	100%
06	Department of Treasury Operations	Accounting for expenses related to foreign grants provided by the Government of India to the Sri Lanka Sustainable Energy Authority	Capital	290,000,000.00	290,000,000.00	272,544,596.47	94%
07	Department of Treasury Operations	Accounting for expenses related to grants provided by the Government of India to the Sri Lanka Sustainable Energy Authority	Capital	3,000,000,000.00	3,000,000,000.00	1,086,191,346.98	36%
08	Department of Treasury Operations	Accounting for expenses related to grants provided by the US Agency for International Development for the Sri Lanka Energy Program	Capital	297,000,000.00	290,692,000.00	-	0%
09	Department of Treasury Operations	Accounting for the value of equipment received as foreign grants to the Sri Lanka Atomic Energy Board	Capital	163,000,000.00	163,000,000.00	50,299,193.84	31%
10	Department of Treasury Operations	Accounting for the value of equipment received as grants from the International Atomic Energy Agency to the Sri Lanka Atomic Energy Regulatory Council	Capital	32,000,000.00	38,308,000.00	36,307,758.28	95%

11	Department of Treasury Operations	Accounting of foreign loans obtained by the Sri Lanka Electricity Board for the Kerawalapitiya-Port Second Underground Transmission Line Project	Capital	7,000,000,000.00	483,031,327.00	-	0%
12	Department of Treasury Operations	Accounting of foreign loans obtained from AIIB for the New Habarana Kappalthurai Transmission Development Project to the Sri Lanka Electricity Board	Capital	1,000,000.00	1,000,000.00	-	0%
13	Department of Treasury Operations	Accounting of foreign loans obtained from AIIB for the Sampur Kappalthurai Transmission Development Project to the Sri Lanka Electricity Board	Capital	1,000,000.00	1,000,000.00	-	0%
14	Department of Treasury Operations	Sri Lanka Sustainable Energy Authority	Recurrent	155,000,000.00	155,000,000.00	154,999,900.00	100%
15	Department of Treasury Operations	Sri Lanka Sustainable Energy Authority	Capital	200,000,000.00	200,000,000.00	149,993,337.00	75%
16	Department of Treasury Operations	Sri Lanka Atomic Energy Board	Recurrent	50,000,000.00	50,000,000.00	50,000,000.00	100%
17	Department of Treasury Operations	Sri Lanka Atomic Energy Board	Capital	30,000,000.00	30,000,000.00	5,649,677.92	19%
18	Department of Treasury Operations	Sri Lanka Atomic Regulatory Council	Recurrent	65,000,000.00	65,000,000.00	57,602,000.00	89%
19	Department of Treasury Operations	Sri Lanka Atomic Regulatory Council	Capital	7,000,000.00	7,000,000.00	6,368,623.42	91%
20	Department of Treasury Operations	Petroleum Development Authority	Recurrent	77,000,000.00	77,000,000.00	49,400,000.00	64%
21	Department of Treasury Operations	Petroleum Development Authority	Capital	50,000,000.00	50,000,000.00	42,600,000.00	85%

22	Department of Treasury Operations	National Electricity Advisory Council	Recurrent	58,000,000.00	58,000,000.00	-	0%
23	Department of Treasury Operations	National Electricity Advisory Council	Capital	51,000,000.00	51,000,000.00	-	0%
24	Department of Treasury Operations	Establishment of the Electricity Sector Reform Secretariat	Recurrent	58,000,000.00	58,000,000.00	-	0%
25	Department of Treasury Operations	Establishment of the Electricity Sector Reform Secretariat	Capital	50,000,000.00	50,000,000.00	-	0%
26	Department of Treasury Operations	Planning program to study nuclear power for electricity generation	Capital	2,500,000.00	2,500,000.00	-	0%

3.7 Performance of the Reporting of Non-Financial Assets

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2024 (Rs.)	Balance as per Financial Position Report as at 31.12.2024(Rs.)	Yet to be Accounted (Rs.)	Reporting Progress as a %
9151	Building and Structures	-	-	-	-
9152	Machinery and Equipment	622,482,387.45	622,482,387.45	-	100%
9153	Land	-	-	-	-
9154	Intangible Assets	8,138,136.00	8,138,136.00	-	100%
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.8 Auditor General's Report

Note: Auditor General's Report 2025 is attached as Annexure 1.

Chapter 04

Performance Indicators

Chapter 04

Performance Indicators

4.1 Performance Indicators of the Ministry (Based on the Action Plan)

The Ministry of Energy comprises the Power sector and the Energy Sector of Sri Lanka. The power sector deals with electricity supply-

related activities and the Energy sector is for the supply of petroleum-related activities.

The following table shows the main key performance indicators of both sections of the Ministry.

Specific Indicators		Unit of Measurement	Out Put Progress 2025 (Cumulative)
Key Performance Indicators (KPI)	Description		
Power Sector			
01. Total installed capacity of renewable energy in the national share	The amount in MW out of the total installed capacity of electricity represents the renewable energy sources	Percentage	67%
02. Share of renewable energy in the total generation mix	The amount in GWh out of the total electricity generation mix by using the renewable energy sources (Hydro, Wind, Solar, Biomass)	Percentage	60%
03. Length of high voltage transmission network (Strength transmission/ Grid capacity)	The length of transmission lines and the number of grid substations to facilitate electricity transmission from generation sites to load centers	km of 220 kV overhead lines	999
		km of 220 kV underground lines	22
		km of 132 kV overhead lines	2350
		km of 132 kV underground lines	55
		No. of grid substations	92
04. Completion of operational readiness of the four main newly established entities, unbundling the CEB	Fully functional readiness of the four main successor companies, established by unbundling the CEB	Percentage	50%
Energy Sector			
05. Availability of an adequate supply of petroleum-related products	Importation, refining, storage, distribution, and marketing of petroleum-related products	Percentage	100%
06. Petroleum and Natural gas exploration activities conducted	Conducting petroleum and natural gas exploration and related activities	Percentage	10%

07. Introducing an independent regulator for the petroleum sector	To independently regulate and oversee the petroleum industry by ensuring fair competition, transparent pricing mechanisms, consumer protection, safety and quality standards, and compliance with applicable laws and regulations to promote an efficient, reliable, and sustainable petroleum market.	Percentage	60%
08. Completion of the formulation of policy and regulatory frameworks on Lubricants and Bunkering	To finalize and obtain approval for policy and regulatory frameworks governing the lubricant and bunkering industries, ensuring effective sector governance, market competitiveness, quality standards, and sustainable industry development.	Percentage	70%

Source: Ministry of Energy

Chapter 05

Performance of Achieving Sustainable Development Goals (SDGs)

Chapter 05

Performance of Achieving Sustainable Development Goals (SDGs)

5.1 Sustainable Development Goals (SDGs) of the Power Sector

SDG Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all

Lack of access to energy supplies and transformation systems is a constraint to human and economic development. The environment provides a series of renewable and nonrenewable energy sources i.e. solar, wind, hydro-power, geothermal, bio-fuels, natural gas, coal and petroleum.

Increased use of fossil fuels without actions to mitigate greenhouse gases will have global climate change implications. Energy efficiency and increased use of renewables contribute to climate change mitigation and disaster risk reduction.

Accordingly, the power sector has contributed to the following activities.

- ♦ Improving the distribution network for 99.9% of total household electrification and ensuring a quality distribution of power.
- ♦ Enhancing the accessibility up to 100% for electricity in the country. (The balance of 0.01%, which has been identified as hard to reach in each area, is electrified as an off-grid electricity supply concept)
- ♦ Supplying 70% of the electricity share of the total generation mix by Renewable Energy sources by 2030.
- ♦ Integrating 1578.95 MW of Solar power capacity to the National Grid by 2025.

5.2 Progress of the Respective Sustainable Development Goals

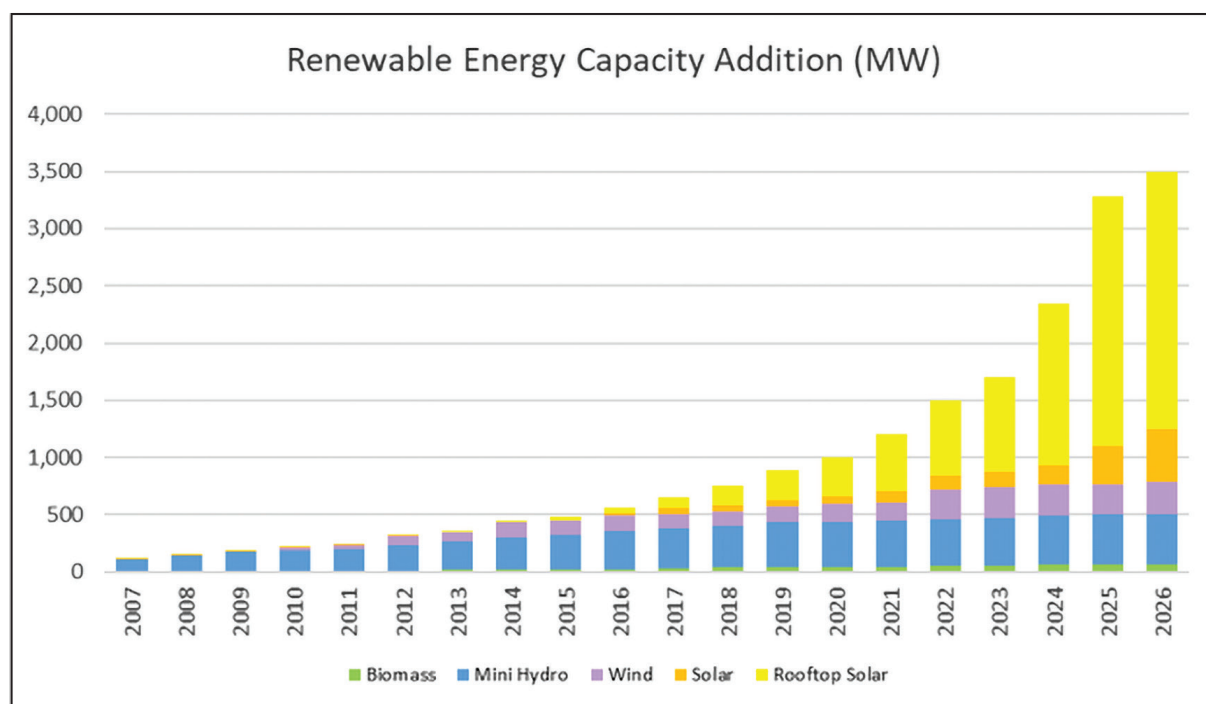
SDG Target	SDG Indicator	Unit of Measurement	Set Target for 2030	Progress Up to 2025
Goal 7- Ensure access to affordable, reliable, sustainable and modern energy for all				
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.	7.1.1 Proportion of population with access to electricity	Percentage (%)	99.9%	98.2%
	7.1.2 Proportion of population with primary reliance on clean fuels and technology	(%) of population	99.9%	22.4%
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	7.2.1 Renewable energy share in the Total Installed Capacity by source (hydro, solid bio-fuels, wind, solar, liquid bio-fuels, biogas, geothermal, marine and waste) (Proxy indicator)	Percentage (%)	70%	67%
	7.2.2 Renewable energy share in the final energy consumption.	Percentage (%)	70%	60%
7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services.	7.b.1 Installed renewable energy-generating capacity in Sri Lanka (in watts per capita) (Repeat 12.a.1)	Toe per million LKR of GDP	286	277.6

5.3 Achievements and Challenges of the Sustainable Development Goals

Achievements

1. Enhancement of the level of electrification up to 99.9% in Sri Lanka.
2. Has been able to maintain an attractive share of Renewable Energy contribution in install capacity of the electricity generation, and Year & Share of Renewable Energy in electricity generation is as follows.

	Source	Current installed capacity (MW)	Capacity Addition in 2025 (MW)
1	Mini hydro	437.3	5.29
2	Solar	331.9	161.85
3	Rooftop Solar	2,243.0	766.00
4	Wind	287.0	-
5	Biomass	64.3	1.50
	Total	3,363.5	934.64



3. Initial steps have been taken to establish a renewable control center.

The cumulative RE addition up to the end of 2025 is 3,363.5MW, except for major hydro. In the year 2025, 934.64 MW was added to the system, including 766MW by Rooftop solar systems.

Challenges

The rooftop solar Annual addition target in the Long Term Generation plan is 160 MW, whereas in recent years, it was exceeded by an unexpected amount. The national grid system is developing gradually, with the addition of smart meters and SCADA facilities, with the loan assistance. But still not enough to absorb all energy generated and forced to curtailment specially in sunny holidays.

Action has been taken to submit proposals to develop the distribution system controlled by the EDL and LECO with a new SCADA system and AML. The Transmission lines will also be strengthened in the future to allow new RE Projects throughout the island.

The petroleum sector faces several challenges in contributing to the achievement of the Sustainable Development Goals (SDGs). A key challenge is maintaining national energy security and ensuring an uninterrupted supply of petroleum products while supporting the transition towards cleaner and more sustainable energy sources.

The sector also requires substantial financial and technological investments to modernize fuel storage, distribution and retail infrastructure, including the introduction of innovative technologies such as electric vehicle charging facilities. In addition, efforts are needed to minimize environmental impacts and improve operational efficiency in line with national climate commitments and sustainable development objectives.

Furthermore, strengthening regulatory and institutional frameworks, including the establishment of an effective petroleum regulatory mechanism and enhanced monitoring systems, remains essential to ensuring the efficient, transparent and sustainable management of the petroleum industry.

Chapter 06

Human Resource Profile

Chapter 06

Human Resource Profile

6.1 Cadre Management

• Ministry of Energy

Position	Approved Cadre	Existing Cadre	Vacancies / (Excess)
Senior	45	32	13
Tertiary	06	04	02
Secondary	122	87	41
Primary	64	45	19
Total	237	168	75

Source: Ministry of Energy

role of the Ministry, these vacancies cause delays in executing urgent key tasks, which directly impact the timely preparation of essential reports. Furthermore, existing staff officers are required to cover the duties of these vacant positions. It caused in excessive workload, which has led to a decline in employee motivation.

Further, the lack of sufficient secondary and tertiary-level officers has increased the workload of officers who are currently in service, leading to further operational delays. Their busy schedules also cause a decrease in staff morale.

Hence, this situation directly and adversely affects the organizational performance of the Ministry.

6.2 Impact of the Shortage or Excess in Human Resource on Performance of the Ministry

There are 13 vacancies in senior-level officer positions. Given the nature of the

6.3 Human Resource Development Activities

The following training programs were conducted in 2025;

No.	Name of the Program	No. of Staff Trained	Duration of the Program	Total investment (Rs. '000)		Nature of the program (Foreign/ Local)	Output/ Knowledge gained
				Local	Foreign		
01	Diploma Course for Public Procurement and Contract Administration	01	01 Year	75,000		Local	Knowledge gained
02	Obtaining Official Languages Proficiency.	05	150 Hours	50,000		Local	Knowledge gained
03	Salient Features of the Procurement guidelines and manual	01	01 Day	9,500.00		Local	Knowledge gained
04	Training on Preparation of Procurement Documents (Bidding Documents)	04	01Day	50,000.00		Local	Successfully completed
05	Workshop on File Management	02	01 Day	13,000.00		Local	Successfully completed

06	Workshop on Minute taking	01	01Day	6,500.00		Local	Successfully completed
07	Training course on preparation of salary of public officers in terms with new salary circular	01	01 Day	6,500.00		Local	Successfully completed
08	Role and function of leave subject officer	01	01 Day	6,500.00		Local	Knowledge gained
09	Course on office management and Financial Regulations	01	02 Day	12,000.00		Local	Knowledge gained
10	Tamil Course for Office Assistants and Drivers	06	100Hour	30,000.00		Local	Successfully completed
11	Training Course on Project Management	03	02 Day	36,000.00		Local	Successfully completed
12	Maintaining personal file effectively	01	01Day	6,500.00		Local	Successfully completed
13	Training course on Office system	01	02 Day	12,000.00		Local	Knowledge gained
14	Course on Information and Communication Technology to conduct efficient office	02	04Day	60,000.00		Local	Successfully completed
15	Duty training of office Assistants	04	02 Day	48,000.00		Local	Knowledge gained
16	Training course on Procurement documentation	04	01 Day	50,000.00		Local	Knowledge gained
17	Training on Cyber protection	55	02 Day	25,800.00		Local	Successfully completed
18	Diploma Course for Public Procurement and contract Administration	03	01 Year	240,000.00		Local	Successfully completed
19	Course in taxation	01	01 Year	95,000.00		Local	Successfully completed
20	South Asia Sub Regional Economic Cooperation(SASEC) Program's working group meeting and senior officials meeting for 2025	01	01 Days	-	-	Foreign	Knowledge gained
	South Asia Sub Reiginal Economic (SASEC) Programme of ADB Energy Working Group Meeting		06 Day	-	-	Foreign	Successfully Participated
21	Interregional Training Course on Establishing a National Position for a New Nuclear Power Programme	01	10 Day	-	-	Foreign	Successfully completed
	08th Session of the Assembly of International Solar Alliance		11 Day	-	-	Foreign	Knowledge gained
22	15th Expert Working Group on Energy Connectivity	01	02 Week	-	-	Foreign	Knowledge gained
	Sub regional workshop on inclusive and clean energy transitions		04 Days	-	-	Foreign	Successfully Participated
	Workshop on strengthening the regional supply and value chain development for electrical equipment in the SASEC subregio		05 Days	-	-	Foreign	Knowledge gained

23	Introduction to Clean Energy Transition Towards Net Zero Target	01	07 Days	-	-	Foreign	Successfully Participated
	Awareness & Knowledge Transfer Programme for the Hambanthota BESS Project		06 Days	-	-	Foreign	Successfully Participated
24	The south Central and East Asia Foundational Infrastructure for Responsible use of Small modular Reactor Technology (First) Pan-Regional Conference on Advancing the Safe and Secure Deployment of Small Modular Reactors	01	02 Days	-	-	Foreign	Successfully Participated
25	Seventh Mid-Career Training Programme for Island Services Officers of Sri Lanka under the Indian Technical & Economic Co-Operation (ITEC) 2024/2025	01	15 Days	-	-	Foreign	Knowledge gained
26	Seminar on Experience Exchange in the field of Economic Development and Poverty Alleviation Between China and Sri Lanka	01	27 Days	-	-	Foreign	Successfully Participated
27	Seminar on Carbon Neutrality and Energy Innovation Development in Developing Countries under the Global Development Initiative	02	28 Days	-	-	Foreign	Successfully Participated
	International Training Programme on Hydrogen Energy from 10th November to 16th November 2025 - cost to be covered by Government of India	01	07 Days	-	-	Foreign	Knowledge gained
28	Seminar on Construction of Global Energy Governance System for Developing Countries	01	17 Days	-	-	Foreign	Knowledge gained
	Knowledge exchange program on BESS and smart grid for Grid Stabilization	01	07 Days	-	-	Foreign	Successfully Participated
29	Seminar on Carbon Neutrality and Energy Innovation Development in Developing Countries under the Global Development Initiative	02	28 Days	-	-	Foreign	Knowledge gained
30	Technical Meeting on Topical Issues in the Development of Nuclear Power Infrastructure	01	07 Days	-	-	Foreign	Knowledge gained
	18th South Asia Power Secretaries Roundtable (PSRT) and 04th Biennial Commonwealth Sustainable Energy Forum		06 Days	-	-	Foreign	Successfully Participated
	Asia Clean Energy Forum		05 Days	-	-	Foreign	Successfully Participated
	Innovative Solutions for a Sustainable and Low Carbon Future		04 Days	-	-	Foreign	Knowledge gained

31	Seminar on Policy & Practice of Poverty Alleviation through Photovoltaic Projects for Developing Countries	01	25 Days	-	-	Foreign	Successfully Participated
32	20th Asia Clean Energy Forum	01	07Days	-	-	Foreign	Successfully Participated
33	Seminar on Policy & Practice of Poverty Alleviation through Photovoltaic Projects for Developing Countries - Cost to be borne by Government of China	01	54Days	-	-	Foreign	Knowledge gained
34	Cross Border Transmission Lines	01	05 Days	-	-	Foreign	Successfully Participated
35	Seminar on Renewable Energy, Development and Quality Development for Sri Lanka - cost to be borne by the government of China	01	15 Days	-	-	Foreign	Successfully Participated
36	20th Asia Clean Energy Forum - Cost to be borne by ADB in Collaboration with the Korea Energy Agency	01	07 Days	-	-	Foreign	Knowledge gained
	International Training Course on Legal Frame work and Regulatory Infrastructure Regarding safety /Security / Safeguards for a Nuclear Power Programme - Cost to be covered by IAEA		08 Days	-	-	Foreign	Knowledge gained

In effectively fulfilling the collective core responsibilities assigned to the Ministry, it is an essential requirement to develop human resources strategically, which involves aligning staff capabilities, talents, skills, cooperation, and enthusiasm with the requirements of the institute

Training programmes assist to enhance motivation, knowledge, and skills of the staff, thereby uplifting performance to the expected standards.

Chapter 07

Compliance Report

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Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief Explanation for Non- Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
1.	The following Financial Statements/ Accounts have been submitted on due date.			
1.1	Annual Financial Statements	Complied		
1.2	Advance to Public Officers Account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Relevant		
1.4	Stores Advance Accounts			
1.5	Special Advance Accounts			
1.6	Others			
2	Maintenance of Books and Registers (F.R.445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018.	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and updated	Complied		
2.3	Register of Audit queries has been maintained and updated	Complied		
2.4	Register of Internal Audit reports has been maintained and updated.	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and updated	Complied		
2.7	Inventory register has been maintained and updated	Complied		
2.8	Stocks Register has been maintained and updated	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated.	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and updated.	Complied		
03	Delegation of functions for financial control (F.R. 135)	Complied		
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute.	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		

3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Plans			
4.1	The Annual Action Plan has been Prepared.	Complied		
4.2	The Annual Procurement Plan has been prepared.	Complied		
4.3	The Annual Internal Audit Plan has been prepared.	Complied		
4.4	The Annual Estimate has been prepared and submitted to the National Budget Department (NBD) on due date.	Complied		
4.5	The Annual Cash Flow has been submitted to the Treasury Operations Department on time	Complied		
5	Audit queries			
5.1	All the Audit Queries has been replied within the specified time by the Auditor General	Complied		
6.	Internal Audit			
6.1	The Internal Audit Plan has been prepared at the beginning of the year after consulting the Auditor General in terms of F.R.134(2) DMA/1-2019	Complied		
6.2	All the Internal Audit Reports has been replied within one month	Complied		
6.3	Copies of all the Internal Audit Reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of Internal Audit Reports has been submitted to the Auditor General in terms of Financial Regulation 134(3).	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016.	Complied		

8.4	The excesses and deficits that were disclosed through the Board Of Survey and other relating recommendations, actions were carried out during the period specified in the Circular.	Complied		
8.5	The disposal of condemn articles had been carried out in terms of F.R. 772	Complied		
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date.	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Complied		
9.3	The vehicle logbooks had been maintained and updated.	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident.	Complied	Actions are taken as per 104(03), 104(04).	
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016.	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	No dormant bank account		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month.	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit.	Completed		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the F.R. 94(1)	Completed		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears.	Complied		
12.3	The loan balances in arrears for over one year had been settled.	Complied		
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control register for general deposits had been updated and maintained.	Complied		

14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to Treasury Operations Department.	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account.	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of F.R. 176.	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre.	Complied		
16.2	All members of the staff have been issued a duty list in writing.	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	Provision of information to the Public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation.	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate/allegation to public against the public authority by this website or alternative measures.	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act.	Complied		
18	Implementing citizens charter			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management.	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter/ Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		

19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan.	Complied		
19.3	Annual Performance Agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular.	As per paragraph 03 of Public Administration Circular 02/2018 (1), it has been informed that this is not required.		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular.	Complied		
20	Responses Audit Paras			
20.1	The short comings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		