



Mari Petroleum Company Limited

21 Mauve Area, 3rd Road, G-10/4, Islamabad-44000, Pakistan.
UAN: +92-51-111-410-410 Fax: +92-51-2352859 P.O. Box No.1614

www.mpcl.com.pk

NTN: 1414673-8
GST No. 07-01-2710-039-73

Thru Fax/Courier
MPCL/CS/CA-02/1667

The Managing Director
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
KARACHI.

Fax No. 021-111-573-329

The General Manager
Lahore Stock Exchange Limited
Stock Exchange Building,
19-Khayaban-e-Aiwan-e-Iqbal,
LAHORE.

Fax No. 042-3636-8485

The Managing Director
Islamabad Stock Exchange Limited
ISE Towers, 55-B, Jinnah Avenue, Blue Area,
ISLAMABAD.

Fax No. 051-111-473-329

Subject: **Disclosure of Material Information**

Dear Sir,

In compliance with Section 15D(1) of the Securities and Exchange Ordinance, 1969 and clause (xx) of the Code of Corporate Governance, we are enclosing herewith a Form disclosing information regarding ECC's Approval of the Proposal for Dismantling of Mari GPA.

You may please inform the Members of the Exchange, accordingly.

Assad Rabbani
Company Secretary
December 10, 2014

Copy to:

Director (Enforcement)
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area, Islamabad



Daharki Field Office

Daharki, District Ghotki,
Pakistan.
UAN: +92-723-111-410-410
Fax: +92-723-660402

Karachi Liaison Office

D-87, Block-4, Kehkashan
Clifton, Karachi-75600,
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Fax: +92-21-35870273
P.O. Box No. 3887

Quetta Liaison Office

26, Survey-31,
Defence Officers Housing Scheme,
Airport Road, Quetta.
Tel: +92-81-2821052, 2839790
Fax: +92-81-2834465



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DISCLOSURE FORM IN TERMS OF SECTION 15D(1) OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

Name of Company:	Mari Petroleum Company Limited
Date of Report:	December 10, 2014
Name of Company as specified in its Memorandum:	Mari Petroleum Company Limited
Company's registered office:	21-Mauve Area, 3 rd Road, Sector G-10/4, Islamabad.
Contact information:	Tel: (051) 111-410-410
Former Name of the Company:	Mari Gas Company Limited

Disclosure of inside information by listed Company in terms of Section 15D(1)

Approval of Proposal for Dismantling of Mari GPA by ECC

Further to our letter dated November 12, 2014, on the subject; please find attached broad parameters of the ECC's approval for amendment in Mari GPA.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.

For and on behalf of
Mari Petroleum Company Limited

Assad Rabbani
Company Secretary



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Subject: Dismantling of Mari GPA and Its Replacement with Market Related Formula

1. The following broad parameters for amendments in Mari GPA have been approved by the Economic Coordination Committee:
 - (i) The present cost plus wellhead gas pricing formula to be replaced with a crude oil price linked formula in line with the formula allowed to PPL which provides a wellhead gas price of US\$ 2.17 / MMBTU (at reference crude price of US\$ 110/BBL) to be gradually achieved in 5 years starting from 01.07.2014. At the currently prevailing crude oil price of US\$ 85 / BBL, the resultant wellhead price would be US\$ 1.87 / MMBTU in the 5th year. The above formula gives an arithmetic average of US\$ 1.84/MMBTU at RCP of US\$ 110/BBL (US\$ 1.59/MMBTU at RCP of US\$ 85/BBL) over the period of ten years.
 - (ii) The Government will no more provide exploration funds of USD 40 million per annum being allowed presently. MPCL will be undertaking its exploration, appraisal and development activities within and outside Mari Field from its own generated resources including revenues from other fields and will bear all the risks associated therewith without any direct or indirect subsidy from government.
 - (iii) For next ten years, dividend distribution would continue to be in line with present formula and profits will be reinvested for exploration and development activities in Mari as well as outside Mari field.
2. The above will however be subject to following conditions:
 - (i) Mari Petroleum Company Ltd shall declare a specie dividend in the form of non-voting, non-cumulative, redeemable preference shares amounting to Rs.9.67 billion as quid pro quo. Profit rate on preference share capital would be linked with one year KIBOR rate prevailing on the last working day of each financial year plus 3%. The said preference shares shall be redeemed by Mari Petroleum in 10 years' time in the form of cash to the preference shareholders.
 - (ii) Mari Petroleum will convert Rs.0.92 billion, appearing as GoP investment for seismic unit, into preference shares in terms of Section 86 of the Companies Ordinance 1984.
 - (iii) Mari Petroleum will implement this scheme after obtaining requisite approvals from their shareholders, Securities and Exchange Commission of Pakistan and other regulatory bodies.
3. The company is required to submit a revised gas pricing agreement (GPA) to incorporate the above framework.
4. The ECC of the Cabinet has also approved that till formal execution of GPA, OGRA will be advised to provisionally notify the wellhead gas price under the new pricing framework.