



## 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](http://www.mpcl.com.pk)

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

MPCL/CS/CA-02/1858  
February 23, 2016

The Managing Director  
Pakistan Stock Exchange Limited  
(Formerly Karachi Stock Exchange Limited)  
Stock Exchange Building  
Stock Exchange Road  
Karachi-74000

Subject: **Acquisition of OMV's 20% Working Interest in Block No. 3067-3 (Harnai) and Relinquishment of Block 3066-4 (Hanna)**

Dear Sir,

In compliance with Section 96 of the Securities Act, 2015 and clause (xx) of the Code of Corporate Governance 2012, we are enclosing herewith a form disclosing material/price sensitive information pertaining to MPCL's acquisition of OMV's 20% working interest in Block No. 3067-3 (Harnai) and relinquishment of Block 3066-4 (Hanna).

You may inform members of your Exchange accordingly.

**Assad Rabbani**  
Company Secretary

Copy to:

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



#### Daharki Field Office

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### DISCLOSURE FORM IN TERMS OF SECTION 96 OF THE SECURITIES ACT, 2015

Name of Company: Mari Petroleum Company Limited  
Date of Report: February 23, 2016  
Name of Company as per Memorandum: Mari Petroleum Company Limited  
Company's Registered Office: 21-Mauve Area, 3<sup>rd</sup> Road, Sector G-10/4, Islamabad  
Contact Information: Tel: (051) 111-410-410  
Former Name of the Company: Mari Gas Company Limited

#### **1. Acquisition of OMV's 20% Working Interest in Block No. 3067-3 (Harnai)**

The Board of Directors of MPCL, in its meeting held today i.e. February 23, 2016, has approved acquisition of 20% working interest in Block No. 3067-3 (Harnai) from OMV (Pakistan) Exploration GmbH. Resultantly, MPCL's working interest will increase from existing 40% to 60%, subject to approval by Harnai Joint Venture (HJV) and the Government.

Harnai Block is located in Harnai, Ziarat, Loralai and Pishin districts of Balochistan Province covering an area of 2,482.67 sq. km. The Block was awarded on June 21, 2006 to MPCL as an Operator with 100% Working Interest. Later, PPL Europe (PPLE) and OMV farmed-in. Currently, MPCL holds 40% working interest in the Block along with the Operatorship, while PPLE and OMV hold 40% and 20% working interests, respectively.

OMV had conveyed its intention to opt out of the Block and offered its 20% working interest to remaining JV partners i.e. MPCL and PPLE. On PPLE's unwillingness to acquire their proportionate share of OMV's working interest, MPCL has proposed to acquire whole of OMV's working interest in the Block on terms and conditions agreed to by MPCL Board. OMV has accepted MPCL's proposal.

Considering the severely complex sub-surface geology of the area coupled with exploration uncertainties, MPCL intends to explore the hydrocarbons potential of the Block to the maximum extent prior to deciding whether to drill an exploratory well or relinquish the Block.

If upon further technical evaluation, the Block is relinquished (subject to DGPC's approval), the work commitment in Harnai Block may be transferred to adjacent blocks in Balochistan i.e. Ziarat (jointly owned by MPCL and PPLE in 60:40 ratio), as provided in Pakistan Petroleum (Exploration & Production) Rules 2001.

#### **2. Relinquishment of Block 3066-4 (Hanna)**

The Board of Directors of MPCL, in its meeting held today i.e. February 23, 2016, has also approved relinquishment of Block 3066-4 (Hanna).

Hanna Block is located in Quetta, Mastung and Sibi districts of Balochistan Province, covering an area of 886.65 sq. km. The Block was granted on June 21, 2006 to MPCL as an Operator with 100% working interest. Subsequently MND and OMV farmed-in and revised working interest were MPCL (40%), MND (40%) & OMV (20%). However, due to the security situation



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in the area and high internal costs, both OMV and MND surrendered their working interests to MPCL.

MPCL drilled exploratory well Hanna X-1 over Sor South prospect to test the hydrocarbon potential of Dunghan, Moro/Mughalkot and Chiltan formations. However, upon testing, none of the target reservoirs flowed hydrocarbons and the well was plugged and abandoned.

Post-mortem examination of the well revealed that source rock was the most likely reason for its failure. This was also supported by a subsequent geochemical study of the ditch cuttings of the wells i.e. Hanna X-1, Ziarat-1, Shahrig-1 and Khost-3 which indicated leanness of possible source rocks. Upon integration of aforesaid study's results with available G&G data, it has been concluded that while other elements of a petroleum system seem to be present at Hanna prospects, but due to the inadequacy of its source rock potential, the identified Sor North prospect carries a high exploration and economic risk and therefore cannot be considered as a drillable prospect.

Moreover, in order to assess possible additional potential of the Block, MPCL also carried out an in-house evaluation of possible plays deeper than Jurassic (Triassic + Permian), which are established in Kohat-Potwar area. Based on integration of all the available data, deeper plays results in terms of both source and reservoir rocks were not encouraging.

In view of the abovementioned facts, the Company has finally decided to relinquish the Block.

It shall be noted that MPCL has fulfilled its committed PCA obligations in respect of Hanna Exploration License till February 20, 2016 and has incurred US\$ 14.2 million as of December 31, 2015 on exploration activities out of which US\$ 2.6 million was contributed by JV partners prior to their surrendering their working interests.

For and on behalf of  
Mari Petroleum Company Limited

**Assad Rabbani**  
Company Secretary



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