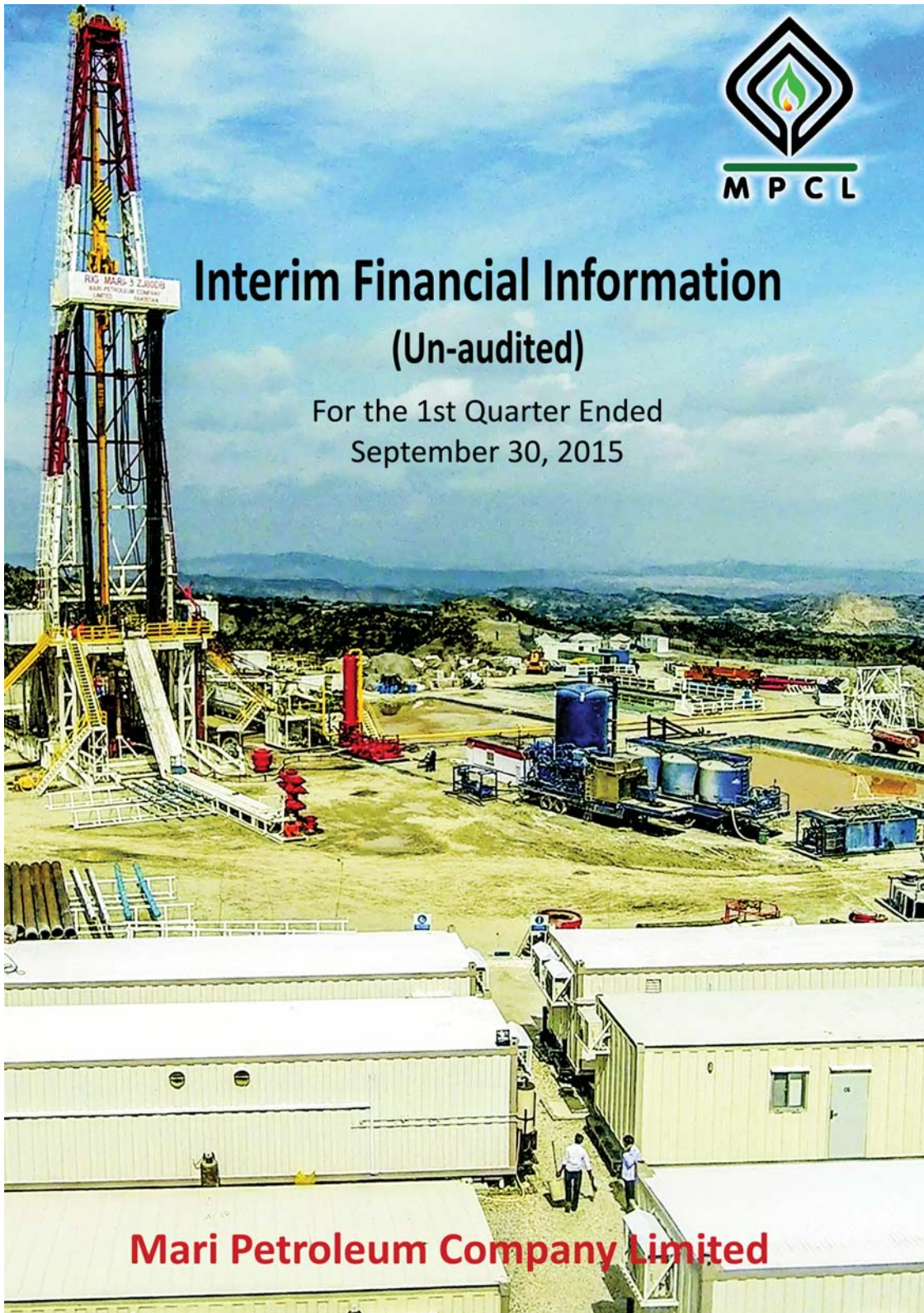




# Interim Financial Information (Un-audited)

For the 1st Quarter Ended  
September 30, 2015



**Mari Petroleum Company Limited**

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## BOARD OF DIRECTORS

1. Lt Gen Khalid Nawaz Khan (Retd) Chairman  
Managing Director, Fauji Foundation
2. Lt Gen Nadeem Ahmed (Retd)  
Managing Director/CEO, Mari Petroleum Company Ltd.
3. Mr Qaiser Javed  
Director Finance, Fauji Foundation
4. Dr Nadeem Inayat  
Director Investment, Fauji Foundation
5. Maj Gen Mumtaz Ahmad Bajwa (Retd)  
Director Welfare (Health), Fauji Foundation
6. Brig Dr Gulfam Alam (Retd)  
Director P&D, Fauji Foundation
7. Mr Sabino Sikandar Jalal  
Joint Secretary, Ministry of P&NR
8. Qazi Mohammad Saleem Siddiqui  
Director General (Gas), Ministry of P&NR
9. Mr Shahid Yousaf  
Director General (LG), Ministry of P&NR
10. Mr Zahid Mir  
Managing Director/CEO, OGDCL
11. Mr Ahmed Hayat Lak  
General Manager (Legal Services), OGDCL
12. Mr Shahid Ghaffar  
Managing Director/CEO, NITL
13. Engr S. H. Mehdi Jamal  
Member, MPCL Board of Directors

Chief Financial Officer  
Mr Muhammad Asif

Company Secretary  
Mr Assad Rabbani

# DIRECTORS' REVIEW

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We are pleased to present to you the Directors' review along with financial information for the first quarter ended September 30, 2015.

## FINANCIAL RESULTS

Gross sales for the first quarter amounted to Rs. 22,570 million as against gross sales of Rs. 22,432 million for the corresponding period. Net sales for the quarter were Rs. 5,179 million as against Rs. 4,391 million for the comparative period. The operating results in the financial information for first quarter show profit for the period of Rs. 1,468.942 million as against Rs. 1,805.851 million for the corresponding quarter. The main reason for decrease in profit is decrease in wellhead price and increase in operating expenses, exploration and prospecting expenditure and finance cost and decrease in finance income which is partially offset by higher production of oil and gas and increase in other income.

## OPERATIONS

The Company continued un-interrupted gas supply from Mari Field for the period from July 01, 2015 to September 30, 2015 to all its customers namely, Engro Fertilizer Limited (EFL), Fauji Fertilizer Company Limited (FFC), Fatima Fertilizer Company Limited (FFCL), Sui Southern Gas Company Limited (SSGCL), Foundation Power Company Daharki Limited (FPCDL) and Sui Northern Gas Pipelines Limited (SNGPL). A cumulative 57,252 MMSCF of gas at a daily average of 622 MMSCF and 6,438 barrels of condensate (70 barrels per day) were produced from Mari Field during the period as against 55,081 MMSCF of gas at daily average of 599 MMSCF and 5,798 barrels of condensate (63 barrels per day) for the corresponding period as per the requirement/withdrawal of the customers. In addition, 89,313 barrels of crude oil (971 barrels per day), 13,628 barrels of condensate (148 barrels per day) and 2,589 MMSCF of gas (28 MMSCF per day) was produced and sold and 8.3 metric tons of LPG was produced from joint ventures during this period, whereas 55,986 barrels of crude oil (609 barrels per day), 11,604 barrels of condensate (126 barrels per day), 1,346 MMSCF of gas (15 MMSCF per day) and 101 metric ton of LPG (1 metric ton per day) was produced and sold from joint ventures in the comparative period to customers namely Attock Refinery Limited, National Refinery Limited, Pakistan Refinery Limited, Pak Arab Refinery Limited, Western Power Company (Private) Limited, SSGCL and SNGPL.

## OPERATIONAL ACTIVITIES AND DEVELOPMENTS

### Mari D&P Lease

3D Seismic data acquisition of 1079 sq. km is in progress by Mari Seismic Unit (MSU) and 893 sq. km 3D seismic data has been recorded as of October 11, 2015. Average recording of MSU has significantly enhanced since early February 2015 after resolution of land permitting issues.

Contract for Mari 3D processing has been awarded to Western Geco Cairo, Egypt where fast track processing of 730 sq.km data is in progress.

### Production Enhancement from Mari Field Daharki

MPCL is working towards enhancing production from Mari Field to avail gas price incentive offered on enhancement of 10 percent production from existing fields under Petroleum Policy 2012. In this

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regard, MPCL has planned to drill four infill wells in HRL formation besides debottlenecking of other infrastructure. In this regard, four new HRL development well locations at Habib Rahi Limestone (HRL) level were surveyed and staked with the objective to enhance gas production from Mari Field. Accordingly, well Mari-99 was spud-in on September 12, 2015 and it reached target depth on September 23, 2015. The well has been completed as a gas producer in Habib Rahi Limestone. Drilling of Mari-98 well has also been completed and currently casing is being landed. Further work has been stopped due to lack of clarity on incentive price from DGPC office, Ministry of Petroleum.

Further, evaluation and integration of G&G data is in progress to identify more locations for drilling of wells at HRL level to enhance gas production.

## **OPERATED BLOCKS**

### **Ziarat Block**

Seismic data recording commenced during July in southern part of the block and so far 128 Line Km data has been acquired as of October 09, 2015 as against 170 Line Km planned. While crew mobilization and camp construction in Central Part of the block was in progress, serious security threats are due to repeated attacks by the insurgents. Resultantly, the work has stopped and seismic crew is not willing to continue with the work. FC is undertaking a sweep and search operation involving helicopter gunships. Subject to the outcome of the FC operation, future course of action will be considered. The objectives of 2D seismic data acquisition are to evaluate additional potential of the block and to firm up prospect for drilling of exploratory well.

Based on the competitive bidding, the contract for processing/reprocessing of 285 Line Km 2D seismic data was awarded to Mari Seismic Processing Center (MSPC) and its processing/reprocessing is in progress.

### **Karak Block**

#### Kalabagh-1A

MPCL has made a significant crude oil, condensate and natural gas discovery at exploration well Kalabagh-1A in Karak Block. Kalabagh-1A was spud-in on March 20, 2015 and was drilled down to a depth of 3003 M into Datta formation. Based on wireline logs data and its integration with available G&G and drilling data, promising zones in Datta, Samanasuk Lumshiwal/ Hangu and Lockhart formations were selected for testing. As a result of testing, Datta flowed 3.3 MMSCFD gas and 160 bbl/d condensate at 32/64" choke size, Samanasuk flowed 4.68 MMSCFD gas and 180 bbl/d condensate at 36/64" choke size and Lockhart flowed 500 bbl/d of crude oil having 22 API @ 600F at 32/64" choke size. The Kalabagh discovery would be another source of indigenous energy. Early production facility (EPF) at Kalabagh-1A are planned in shortest possible time for early cash inflows.

Based on the interpretation of 337 Line km 2D seismic data, acquisition of additional 132.2 Line km firm, 58 Line km contingent and 41 Line km wide line 2D seismic data has been planned in fourth quarter of 2015 to firm up the identified leads as a prospect for drilling of exploratory well.

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## Halini Deep

Drilling of second exploratory well Halini Deep-1 in the block was commenced on February 18, 2015 to test the hydrocarbon potential of Sakesar, Samanasuk, Datta formations, and Triassic and Permian rocks down to the depth of +5600 M. Currently, the well has been drilled down to the depth of 5387 M as of October 09, 2015 against the revised targeted depth of  $\pm 5750$  M and further drilling is in progress. Mud logs show encouraging results of the presence of hydrocarbons.

Halini deep well is well ahead in its drilling activities.

## Artificial Gas lift at Well Halini X-1 – Karak Block

Halini X-1 well was put on Artificial Gas lift in October 2014 with the interim arrangement of rental compression services and procurement process of own Gas Lift Compressors was also started. Own unit have been commissioned successfully and rental compression services have been de-rehired from August 2015. With the installation and commissioning of own compressor and allied facility at Halini X-1, savings of Rs 9.6 million per month will be achieved.

## **Ghauri Block**

### Ghauri X-1 well remained in production with Jet Pump.

Contract for acquisition of 380 sq.km 3D seismic data was awarded to M/s BGP Data recording commenced on August 19, 2015 and 68 sq.km 3D data has been acquired as of October 09, 2015. 3D seismic data would help to delineate new prospects for finding additional hydrocarbon reserves and also to evaluate up-dip potential of Ghauri Prospects, if any.

Geochemical study of ditch cutting samples of Ghauri X-1 is in progress at M/s CGG-Robertson UK.

## **Hanna Block**

Integration of Geological, Geophysical and Geochemical data is in progress to evaluate the prospectivity of plays deeper than Jurassic to decide way forward of the block.

## **Harnai Block**

Planning is in progress to acquire 150 Line km 2D seismic data for delineation of prospect and also to fulfil the outstanding commitment.

## **Sujawal Block**

Processing of 465 line km 2D seismic data has been completed at Mari Seismic Processing Centre (MSPC) and its in-house interpretation is being carried out to identify additional prospect in the block.

Based on the interpretation of vintage 200 sq.km 3D seismic data, location of Sujawal Deep-1 well

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at Sujawal prospect has been finalized to test the hydrocarbon potential of Basal and Massive sands of Lower Goru Formation down to the depth of +4000 M. Delivery of LLIs is expected in Oct-Nov, 2015. It is expected that the drilling of Sujawal Deep-1 well would start during first quarter of 2016.

The reservoir characterization and sedimentology study of Upper Sands of Lower Goru Formation is in progress at M/s RPS Energy UK, which will help to evaluate the hydrocarbons' potential through reservoir modeling highlighting the areas having potential for the existence of reservoir rocks.

Technical and financial bids were invited for acquisition of 410 sq.km 3D seismic data over Sujjal discovery and surrounding areas. The contract is being awarded for conducting the said 3D seismic data acquisition.

### Development Activities at Sujawal X-1 and Sujjal -1 – Sujawal Block

With the successful commissioning of Amine Sweetening and Hydrocarbon Dew Point Units, specification gas supply was continued from Sujawal X-1 and Sujjal-1 wells. After achieving the dew point temperature, approx. 50 BPD additional condensate volume is being produced.

### **Khetwaro Block**

Location for exploratory well was finalized based on integrated review of in-house G&G interpretation and results of seismic reservoir characterization study conducted by M/s Beicep Franlab, France. The well location has been stacked on the ground. The well has been designed to test new stratigraphic play concept of Karst features and Basal Ghazij Sand pinch out. The well is expected to be spud-in during December 2015.

### Drilling of Exploratory Well Khetwaro X-1 –Khetwaro Block

The company has acquired operatorship with 51% interest in Khetwaro Block from Saif Energy. Khetwaro X-1 exploratory well is likely to be spud-in by December 2015. In this regard Long Lead Items (LLIs) have been procured and service orders have been awarded to the contractors for the initiation of civil works and site preparation.

### **Peshawar East Block**

Technical and financial evaluation of bids for acquisition of 212 Line Km 2D seismic data firm and 203 Line Km contingent has been completed to be followed by award of the contract. The seismic data would help to identify/firm-up viable subsurface leads for drilling of exploratory well. Re-processing of about 75 Line km vintage 2D seismic data was completed by M/s MSPC, which would help to select optimum parameters for forthcoming acquisition campaign. Currently, EIA study is in progress at M/s Halcrow.

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## **NON-OPERATED BLOCKS**

### **Hala Block**

Fourth exploratory well Fazl X-1 was spud-in on May 29, 2015 and reached target depth of 4,067 M on August 12, 2015. Based on wireline logs and its integration with G&G and drilling data, promising zones in Massive Sands of Lower Goru Formation were perforated and tested. As a result of testing, the well flowed 20.3 MMSCFD of gas and 50 bbl/d of condensate @ 48/64" choke size.

In order to expedite location of fifth exploratory well, fast track processing of newly acquired 180 Sq. Km 3D seismic data was completed at GRI China, which was followed by interpretation. Based on the results of said 3D data interpretation, location of fifth exploratory well in the block is being finalized.

### **Zindan Block**

Civil works and access road have been completed in a very difficult, rough and rugged terrain to spud-in first exploratory well Lakki -X1 in the block during October 2015. All the rig loads have been shifted to the location and rig up preparations are in process. The well would be drilled down to a total depth of about +2500 M with the objectives to test the hydrocarbons' potential of Datta, Kingriali and Khewra formations.

### **Kohlu Block**

Exploration activities in the block are suspended due to security reasons.

### **Kalchas Block**

First exploratory well Kup-1 was spud-in on December 25, 2014 in the block to test the hydrocarbons' potential of Pab and Chiltan formations down to the depth of +4100 M. Currently, drilling is in progress in the Lower Goru formation at the depth of 2942 M as of October 09, 2015.

### **Kohat Block**

Contract has been awarded to M/s Senshe for acquisition of 319 sq. km 3D and 256 Line km 2D seismic data over identified leads in the block. About 87 sq. km 3D and 10 Line km 2D seismic data has been acquired over Sheikhan Discovery Area as of October 09, 2015 and crew is being mobilized for 3D seismic data acquisition in Tanda – Jabbi Area. The said seismic will help to understand and resolve the subsurface structural complexities at Sheikhan and Jabbi prospects and to delineate additional prospects for drilling of exploratory wells.

### **Bannu West Block**

Exploration activities in the block are suspended due to security reasons.

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## **NEW AREAS**

MPCL is consistently reviewing the data of different local and international blocks for possible farm-in opportunities. As a result of data review, MPCL has applied for two new blocks namely Shaigalu and Tanishpa blocks for grant of exploration rights.

Currently, MPCL is evaluating 16 exploration blocks for possible farm-in opportunity.

## **MARI SERVICES DIVISION**

### **Seismic Acquisition**

MSU is currently engaged in acquiring 3D seismic data of 1,079 sq. km in Mari D&P Lease area. So far 893 sq. km of 3D data has been acquired as of October 11, 2015.

### **Drilling of Wells**

Rig Mari 1 (1500 HP) has completed drilling of Kalabagh Exploration Well in Karak Block up to the depth of 3003 M. Rig Mari 1 would be deployed at Ketwaro Exploration Well in December 2015.

Rig Mari 3 (2500HP) is currently drilling Halini Deep Exploration Well in Karak Block.

Rig Mari 2 (ST) is currently deployed at Mari Field for drilling of four HRL wells.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

### **Joint Venture Blocks – Mandatory Obligations**

#### **a) Social Welfare Schemes**

Three projects worth Rs 6 million have been completed in third quarter of 2015:

- Construction of additional two rooms with veranda / perimeter wall and repair / renovation of existing GPS building at Killi Malik Abdul Samad, Hanna, district Quetta (Hanna Block)
- Construction of two class rooms at Ghodo Sher near Ghari Syed, Shikarpur (Sukkur Block)
- 50 hand pumps installation in different villages of Jati, Sujawal (Sujawal Block)

#### **b) Establishment of Medical camps**

Regular medical camps are established at our fields at Halini and Zarghun due to non-availability of medical facilities in these areas. At each location, 60-70 patients are treated on daily basis. These medical camps have been highly appreciated by the local community.

#### **c) PPAF as Implementing Partners**

In order to improve service delivery and sustainability of our CSR interventions in Baluchistan, MPCL is holding consultations with Pakistan Poverty Alleviation Fund (PPAF) so that a team of PPAF specialists may look after our CSR interventions (i.e. social mobilization, community

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ownership, sustainability etc.). In this connection, a joint field visit of MPCL-PPAF senior management has recently been carried out to explore possible avenues of collaboration in Baluchistan.

#### d) Ongoing Projects

Following projects worth Rs 52 million are in progress at various locations:

- Drilling of 18 water bores at various locations near Halini Oilfield, Mianwali (Karak Block)
- Demolition / reconstruction of BHU Karunta, district Jhelum (Ghauri Block)
- Provision of clean drinking water to locals at Halini through water bowsers (Karak Block)
- Medicines for dispensary at Halini (Karak Block).
- Rehabilitation / renovation of existing BHU Hanna and provision of one Ambulance (Hanna Block)
- Construction of MPCL Education Block at existing infrastructure of Govt Boys High School Shahrig (Harnai Block)
- Establishment of computer lab at Boys High School Harnai (Harnai Block)
- Rehabilitation and extension of water supply scheme at Ziarat Kutch, Khost (Ziarat Block)
- Rehabilitation / consolidation of education facilities at Govt High School Khost (Ziarat Block)
- Construction of Boundary Wall at BHU Ghari Syed, Taluka Khanpur (Sukkur Block)
- Renovation / Upgradation of operation theatre / lab machine at Taluka Hospital, Pannu Aqil (Sukkur Block)
- Water supply schemes at three locations i.e. Tourgari, Sherdill, Jawala (Karak Block)

### **Mari Field – No Obligation under PCA**

An amount of Rs 78.8 million has been earmarked (FY 2015-16) to sustain following social welfare activities in the area:

- Three Mobile Dispensaries
- Maternity Home (Dad Leghari)
- Dispensary at well no 8
- TB clinic (well no 8)
- PCR test of hepatitis – B and C positive cases
- Mari Education and Medical Complex (MEMC)
- Financial assistance to local district administration for anti-polio campaign
- Mari Special Education School
- Operational expenditures of schools (at Well No 8, Lohi Pull and Khirohi)

### **Implementation of ISO 26000 Guidelines on Social Responsibility**

MPCL is the first E&P company in Pakistan that has conducted gap analysis of its existing systems against ISO 26000 guidelines on Social Responsibility. SGS Pakistan Private Ltd has carried out ISO 26000 (Guidelines on Social Responsibility) assessment of MPCL in June 2015. During this assessment, SGS auditors interviewed key stakeholders at Head Office, Mari Field Daharki, Sujawal and Halini to identify gaps in our existing systems and suggest measures to achieve role model position in the industry.

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## NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to September 30, 2015, the Company has initiated the process of redeeming preference shares held by minority shareholders along with profit as approved by the shareholders in their Annual General Meeting held on September 18, 2015.

For and on behalf of the Board



Lt Gen Khalid Nawaz Khan <sup>HI (M), SE, (Retd)</sup>  
Chairman

Daharki  
October 20, 2015

# Condensed Interim Balance Sheet (un-audited)

As at September 30, 2015

	Note	30-09-2015	30-06-2015
---- (Rupees in thousand) ----			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
250,000,000 (June 30, 2015: 250,000,000) ordinary shares of Rs 10 each		2,500,000	2,500,000
1,059,000,100 (June 30, 2015: 1,059,000,100) preference shares of Rs 10 each		10,590,001	10,590,001
		<u>13,090,001</u>	<u>13,090,001</u>
Issued, subscribed and paid up capital	5	1,102,500	1,102,500
Undistributed percentage return reserve	6	265,493	395,331
Exploration, evaluation and development reserve	7	8,877,989	8,240,521
Capital redemption reserve fund	8	1,559,597	1,300,000
Reserve for Mari Seismic Unit	9	838,394	422,329
Profit and loss account	10	155,812	35,537
		<u>12,799,785</u>	<u>11,496,218</u>
<b>NON CURRENT LIABILITIES</b>			
Redeemable preference shares - unsecured	11	9,030,404	9,290,001
Deferred liabilities	13	5,603,623	5,468,973
		<u>14,634,027</u>	<u>14,758,974</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	27,361,358	36,656,379
Current maturity of redeemable preference shares	11	1,559,597	1,300,000
Current maturity of long term financing	12	166,253	332,505
Interest accrued on long term liabilities		1,371,008	1,109,742
		<u>30,458,216</u>	<u>39,398,626</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		
		<u>57,892,028</u>	<u>65,653,818</u>

The annexed notes 1 to 34 form an integral part of this condensed interim financial information.

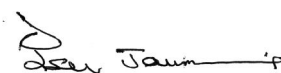


Lt Gen Nadeem Ahmed, HI (M), SE, T Bt, (Hon D Univ), (Retd)  
Managing Director / CEO

# Condensed Interim Balance Sheet (un-audited)

As at September 30, 2015

	Note	30-09-2015	30-06-2015
----- (Rupees in thousand) -----			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	16	10,091,311	9,774,533
Development and production assets	17	2,178,299	2,187,715
Exploration and evaluation assets	18	10,695,716	9,399,602
Long term loans, advances, deposits and prepayments		52,773	31,128
Deferred income tax asset		2,554,630	2,392,765
		<u>25,572,729</u>	<u>23,785,743</u>
<b>CURRENT ASSETS</b>			
Stores and spares		1,749,086	1,717,945
Trade debts	19	24,989,567	32,355,308
Loans, advances, prepayments and other receivables	20	2,651,185	1,882,828
Income tax paid in advance		1,039,039	1,011,359
Cash and bank balances	21	1,890,422	4,900,635
		<u>32,319,299</u>	<u>41,868,075</u>
		<u>57,892,028</u>	<u>65,653,818</u>



Qaiser Javed  
Director

## Condensed Interim Profit and Loss Account (un-audited)

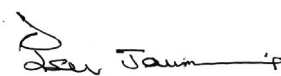
For the Three Months Ended September 30, 2015

	Note	30-09-2015	30-09-2014
- - - - (Rupees in thousand) - - - -			
Gross sales to customers	22	22,569,559	22,432,078
Gas development surcharge		5,740,512	5,162,029
General sales tax		3,194,314	3,140,004
Excise duty		434,838	401,756
Gas infrastructure development cess		7,906,986	9,529,383
Wind fall levy		113,791	177,273
Provisional adjustment		-	(369,801)
		17,390,441	18,040,644
Sales - net		5,179,118	4,391,434
Royalty		661,742	570,421
		4,517,376	3,821,013
Operating expenses	23	1,321,399	1,017,032
Exploration and prospecting expenditure	24	1,442,619	431,359
Other charges		120,737	164,043
		2,884,755	1,612,434
		1,632,621	2,208,579
Other income / (expenses)	25	307,269	(105,517)
Operating profit		1,939,890	2,103,062
Finance income	26	126,543	240,394
Finance cost	27	427,860	117,156
Profit before taxation		1,638,573	2,226,300
Provision for taxation	28	169,631	420,449
Profit for the period		1,468,942	1,805,851
Profit for the period represents the following:			
Distributable profits		155,812	132,110
Transfer to exploration, evaluation and development reserve		637,468	1,321,729
Transfer to capital redemption reserve fund		259,597	-
Reserve for Mari Seismic Unit		416,065	(29,054)
Profit and loss account - undistributable balance		-	381,066
		1,468,942	1,805,851
Earnings per share - basic and diluted			
Earnings per ordinary share (Rupees)	29	13.32	16.38
Distributable earnings per ordinary share (Rupees)	29	1.41	1.20

The annexed notes 1 to 34 form an integral part of this condensed interim financial information.



Lt Gen Nadeem Ahmed, HI (M), SE, T Bt, (Hon D Univ), (Retd)  
Managing Director / CEO



Qaiser Javed  
Director

# Condensed Interim Statement of Comprehensive Income (un-audited)

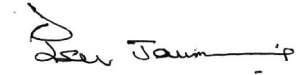
For the Three Months Ended September 30, 2015

	<u>30-09-2015</u>	<u>30-09-2014</u>
	- - - - (Rupees in thousand) - - - -	
Profit for the period	1,468,942	1,805,851
Other comprehensive income	-	-
Total comprehensive income for the period	<u>1,468,942</u>	<u>1,805,851</u>

The annexed notes 1 to 34 form an integral part of this condensed interim financial information.



Lt Gen Nadeem Ahmed, HI (M), SE, T Bt, (Hon D Univ), (Retd)  
**Managing Director / CEO**



Qaiser Javed  
**Director**

## Condensed Interim Cash Flow Statement (un-audited)

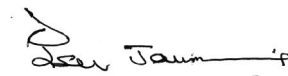
For the Three Months Ended September 30, 2015

	30-09-2015	30-09-2014
	- - - (Rupees in thousand) - - -	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	29,995,374	13,587,011
Cash paid to the Government for Government levies	(27,416,738)	(9,771,945)
Cash paid to suppliers, employees and others	(2,690,555)	(3,275,730)
Income tax paid	(359,176)	(600,360)
Cash flow from operating activities	(471,095)	(61,024)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(2,013,441)	(1,622,652)
Proceeds from disposal of property, plant and equipment	-	81
Interest received	55,112	110,853
Cash flow from investing activities	(1,958,329)	(1,511,718)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing repaid	(166,252)	(356,253)
Finance cost paid	(15,204)	(73,992)
Dividends paid	(399,333)	(91,937)
Cash flow from financing activities	(580,789)	(522,182)
Decrease in cash and bank balances	(3,010,213)	(2,094,924)
Cash and bank balances at beginning of the period	4,900,635	5,307,263
Cash and bank balances at end of the period	1,890,422	3,212,339

The annexed notes 1 to 34 form an integral part of this condensed interim financial information.



Lt Gen Nadeem Ahmed, HI (M), SE, T Bt, (Hon D Univ), (Retd)  
Managing Director / CEO



Qaiser Javed  
Director

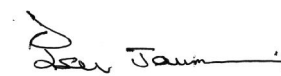
**Condensed Interim Statement of Changes in Equity (un-audited)**  
For the Three Months Ended September 30, 2015

	Issued, subscribed and paid up capital	Undistributed percentage return reserve	Reserve for issuance of bonus shares	Exploration, evaluation & development reserve	Capital redemption reserve fund	Reserve for Mari Seismic Unit	Profit and loss account	Total
- - - - (Rupees in thousand) - - - -								
<b>Balance as at June 30, 2014</b>	<b>918,750</b>	<b>414,014</b>	<b>-</b>	<b>4,584,270</b>	<b>-</b>	<b>1,155,725</b>	<b>9,749,472</b>	<b>18,822,231</b>
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	-	-	1,805,851	1,805,851
Other comprehensive income	-	-	-	-	-	-	-	-
Transfer from profit and loss account to exploration, evaluation and development reserve	-	-	-	1,321,729	-	-	(1,321,729)	-
Transfer from undistributed percentage return reserve to reserve for issuance of bonus shares	-	(183,750)	183,750	-	-	-	-	-
Net Loss of Mari Seismic Unit transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	-	-	(29,054)	29,054	-
<b>Balance as at September 30, 2014</b>	<b>918,750</b>	<b>230,264</b>	<b>183,750</b>	<b>5,905,999</b>	<b>-</b>	<b>1,126,671</b>	<b>10,262,648</b>	<b>18,628,082</b>
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	-	-	3,844,462	3,844,462
Other comprehensive loss	-	-	-	-	-	-	23,915	23,915
Issuance of bonus shares	183,750	-	(183,750)	-	-	-	3,868,377	3,868,377
Dividends	-	-	-	-	-	-	(410,240)	(410,240)
Transfer to redeemable preference shares	-	-	-	-	-	(920,000)	(9,670,001)	(10,590,001)
Transfer from profit and loss account to undistributed percentage return reserve	-	165,067	-	-	-	-	(165,067)	-
Transfer from profit and loss account to capital redemption reserve fund	-	-	-	-	1,300,000	-	(1,300,000)	-
Transfer from profit and loss account to exploration, evaluation and development reserve	-	-	-	2,334,522	-	-	(2,334,522)	-
Net profit of Mari Seismic Unit transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	-	-	215,658	(215,658)	-
<b>Balance as at June 30, 2015</b>	<b>1,102,500</b>	<b>395,331</b>	<b>-</b>	<b>8,240,521</b>	<b>1,300,000</b>	<b>422,329</b>	<b>35,537</b>	<b>11,496,218</b>
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	-	-	1,468,942	1,468,942
Other comprehensive income	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2015 - note 6.1	-	(129,838)	-	-	-	-	1,468,942	1,468,942
Transfer from profit and loss account to exploration, evaluation and development reserve	-	-	-	637,468	-	-	(35,537)	(165,375)
Transfer from profit and loss account to capital redemption reserve fund	-	-	-	-	259,597	-	(637,468)	-
Net profit of Mari Seismic Unit transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	-	-	416,065	(259,597)	-
<b>Balance as at September 30, 2015</b>	<b>1,102,500</b>	<b>265,493</b>	<b>-</b>	<b>8,877,989</b>	<b>1,559,597</b>	<b>838,394</b>	<b>155,812</b>	<b>12,799,785</b>

The annexed notes 1 to 34 form an integral part of this condensed interim financial information.



Lt Gen Nadeem Ahmed, HI (M), SE, T Bt, (Hon D Univ), (Retd)  
Managing Director / CEO



Qaiser Javed  
Director

# Selected Explanatory Notes to the Condensed Interim Financial Information (un-audited)

## For the Three Months Ended September 30, 2015

### 1. LEGAL STATUS AND OPERATIONS

Mari Petroleum Company Limited "the Company" is a public limited company incorporated in Pakistan on December 4, 1984 under the Companies Ordinance, 1984. The shares of the Company are listed on the Karachi, Lahore and Islamabad stock exchanges in Pakistan. The Company is principally engaged in exploration, production and sale of hydrocarbons. The registered office of the Company is situated at 21 Mauve Area, 3rd Road, G-10/4, Islamabad.

### 2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the three months period ended September 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives issued under the Companies Ordinance, 1984 shall prevail.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

### 4. REVISION IN MARI WELLHEAD GAS PRICING FORMULA

The previous gas price mechanism for Mari field was governed by Mari Gas Well Head Price Agreement ("the Agreement") dated December 22, 1985 between the President of Islamic Republic of Pakistan and the Company. Effective July 1, 2014, the Agreement has been replaced with revised Mari Wellhead Gas Price Agreement (2015) ("Revised Agreement") dated July 29, 2015 in line with the Economic Coordination Committee (ECC) decision explained below:

Effective July 1, 2014, the cost plus wellhead gas pricing formula was replaced with a crude oil price linked formula which provides a discounted wellhead gas price to be gradually achieved in five years from July 1, 2014. Mari field wellhead gas price for the period has been determined in line with the revised formula as approved by ECC. The revised formula provides dividend distribution to be continued for next ten years in line with the previous cost plus formula. Accordingly, the shareholders are entitled to a minimum return of 30%, net of all taxes, on shareholders' funds which is to be escalated in the event of increase in the Company's gas or equivalent oil production beyond the level of 425 MMSCFD at the rate of 1%, net of all taxes, on shareholder's funds for each additional 20 MMSCFD of gas or equivalent oil produced, prorated for part thereof on annual basis, subject to a maximum of 45%. Any residual profits for the next ten years are to be reinvested for exploration and development activities in Mari as well as outside Mari field. Under the revised formula, the Government of Pakistan will no more provide exploration funds to the Company.

The Company declared a specie dividend against undistributable balance of profit and loss account at June 30, 2014 in the form of non voting, non-cumulative redeemable preference shares amounting to Rs 9,670 million carrying profit rate of one year KIBOR prevailing on the last working day of each financial year + 3% per annum. The preference shares shall be redeemed in 10 years time in the form of cash to the preference shareholders. In this connection, the shareholders, in their Annual General Meeting held on September 18, 2015, resolved to redeem all preference shares held by minority shareholders.



	Note	30-09-2015	30-06-2015
- - - - (Rupees in thousand) - - - -			
<b>5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
24,850,007 (June 30, 2015: 24,850,007) ordinary shares of Rs 10 each issued for cash		248,500	248,500
11,899,993 (June 30, 2015: 11,899,993) ordinary shares of Rs 10 each issued for consideration other than cash		119,000	119,000
73,500,000 (June 30, 2015: 73,500,000) ordinary shares of Rs 10 each issued as bonus shares	5.1	735,000	735,000
		<u>1,102,500</u>	<u>1,102,500</u>

5.1 As at September 30, 2015, 608,364 bonus shares have not been issued pending resolution of issue relating to deduction of withholding tax on issuance of bonus shares.

**6. UNDISTRIBUTED PERCENTAGE RETURN RESERVE**

	Note	Three months ended 30-09-2015	Year ended 30-06-2015
- - - - (Rupees in thousand) - - - -			
Opening balance		395,331	414,014
Bonus shares issued		-	(183,750)
Final dividend for the year ended June 30, 2015	6.1	(129,838)	-
Transferred from profit and loss account		-	165,067
Closing balance		<u>265,493</u>	<u>395,331</u>

6.1 The Board of Directors in its meeting held on August 12, 2015 had proposed a final cash dividend for the year ended June 30, 2015 @ Rs 1.50 per share amounting to Rs 165.375 million which was subsequently approved by the shareholders in Annual General Meeting held on September 18, 2015. Out of this, Rs 129.838 million has been appropriated out of undistributed percentage return reserve while the balance amount of Rs 35.537 million represents undistributed guaranteed return for the year ended June 30, 2015.

6.2 The amount held in this reserve represents the balance of the percentage return reserve on Shareholders' Funds as referred to in the Revised Agreement.

	Three months ended 30-09-2015	Year ended 30-06-2015
- - - (Rupees in thousand) - - -		
<b>7. EXPLORATION, EVALUATION AND DEVELOPMENT RESERVE</b>		
Balance at beginning of the period/year	8,240,521	4,584,270
Transferred from profit and loss account	637,468	3,656,251
Balance at end of the period/year	<u>8,877,989</u>	<u>8,240,521</u>

- 7.1 This includes Rs 4,584.27 million created by the Company upto June 30, 2014 through the operation of the Agreement and Rs 637.47 million (year ended June 30, 2015: Rs 3,656.25 million) represents the balance amount transferred to this reserve from profit and loss account during the period, to be reinvested for exploration and development activities in Mari as well as outside Mari field.

#### 8. CAPITAL REDEMPTION RESERVE FUND

This reserve has been created to redeem redeemable preference shares in the form of cash to the preference shareholders as explained in note 11.

#### 9. RESERVE FOR MARI SEISMIC UNIT

	Note	Three months ended 30-09-2015	Year ended 30-06-2015
- - - (Rupees in thousand) - - -			
Government's investment in Mari Seismic Unit:			
Opening balance		-	920,000
Transferred to redeemable preference shares	9.2	-	(920,000)
Closing balance		-	-
Shareholders' investment in Mari Seismic Unit:			
Opening balance		422,329	235,725
Shareholders' share of Mari Seismic Unit profit		416,065	186,604
Closing balance		<u>838,394</u>	<u>422,329</u>
		<u>838,394</u>	<u>422,329</u>

- 9.1 The Company has established its own state of the art Mari Seismic Unit (MSU) for the acquisition of 3D and 2D seismic data.
- 9.2 As explained in note 4 and 11, the Government's investment in Mari Seismic Unit as at June 30, 2014 has been converted into non-voting, non-cumulative, redeemable preference shares.

## 10. PROFIT AND LOSS ACCOUNT

The amount of Rs 155.81 million (June 30, 2015: Rs 35.54 million) represents the following:

	Three months ended 30-09-2015	Year ended 30-06-2015
	---- (Rupees in thousand) ----	
10.1 Undistributable balance		
Opening balance	-	9,670,001
Transferred to redeemable preference shares	-	(9,670,001)
Closing balance	-	-
	30-09-2015	30-06-2015
	---- (Rupees in thousand) ----	
10.2 Distributable balance		
Undistributed return	155,812	35,537

This represents guaranteed return @ 41.61% per annum on shareholders' funds for three months ended September 30, 2015.

	30-09-2015	30-06-2015
	---- (Rupees in thousand) ----	
11. REDEEMABLE PREFERENCE SHARES - UNSECURED		
Non-voting, non-cumulative redeemable preference shares	10,590,001	10,590,001
Current maturity	(1,559,597)	(1,300,000)
	9,030,404	9,290,001

- 11.1 As referred to in note 4, the Company issued non-voting, non-cumulative, redeemable preference shares in line with the approval of the ECC of the Cabinet to transfer the undistributable balance of profit and loss account at June 30, 2014 amounting to Rs 9,670 million in the ratio of Rs 87.70 for every ordinary share held in favour of the Government of Pakistan and minority shareholders at the par value of Rs 10 each. Further, the Company also issued non-voting, non-cumulative, redeemable preference shares in respect of Government's investment in MSU at June 30, 2014 amounting to Rs 920 million at par value of Rs 10 each to the Government of Pakistan exclusively. These preference shares rank pari passu inter se each other. Profit rate on preference shares is one year KIBOR prevailing on the last working day of each financial year plus 3% per annum. The preference shares are redeemable by the Company in 10 years time in the form of cash to preference shareholders through a sinking fund created out of the profits of the Company. As at September 30, 2015, 5,335,946 preference shares have not been issued pending resolution of issue of deduction of withholding of tax on bonus shares as explained in note 5.1.

The shareholders in the Annual General Meeting held on September 18, 2015 have approved redemption of preference shares of minority shareholders at par value along with payment of profit accrued upto redemption date.

## 12. LONG TERM FINANCING - SECURED

### Loan for Mari field development

Opening balance

Amount repaid during the period / year

### Loan for Zarghun South field development

Opening balance

Amount received during the period / year

Amount repayable within next twelve months  
shown as current maturity of long term financing

### Loan for Mari Seismic Unit

Opening balance

Amount received during the period / year

Amount repaid during the period / year

### Long term financing - secured

Amount repayable within next twelve months  
shown as current maturity of long term financing

Three months ended	Year ended
30-09-2015	30-06-2015

---- (Rupees in thousand) ----

-	380,000
-	(380,000)
-	-
332,505	665,011
(166,252)	(332,506)
166,253	332,505
(166,253)	(332,505)
-	-
-	666,667
-	150,000
-	(816,667)
-	-
-	-
166,253	332,505

30-09-2015	30-06-2015
------------	------------

---- (Rupees in thousand) ----

## 13. DEFERRED LIABILITIES

Provision for decommissioning cost

Provision for employee benefits - unfunded

Provision for compensated leave absences

Deferred income

5,077,682	4,944,791
398,777	388,642
124,676	126,739
2,488	8,801
5,603,623	5,468,973

30-09-2015      30-06-2015

- - - - (Rupees in thousand) - - - -

14. TRADE AND OTHER PAYABLES

Creditors	570,784	717,249
Accrued liabilities	2,938,260	2,304,597
Joint venture partners	604,883	303,732
Retention and earnest money deposits	52,253	69,531
Gratuity funds	40,203	159,452
Gas development surcharge	4,858,301	3,962,933
General sales tax	2,016,108	2,895,516
Excise duty	164,339	165,491
Gas Infrastructure Development Cess (GIDC)	14,950,958	23,976,978
Royalty	29,339	496,473
Workers' Welfare Fund	861,348	828,577
Workers' Profit Participation Fund	87,966	355,276
Unclaimed dividend	10,313	10,333
Unpaid dividend	176,303	410,241
	<u>27,361,358</u>	<u>36,656,379</u>

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- (i) The Company has not recognized interest income of Rs 7,369.64 million (June 30, 2015: Rs 7,197.19 million) on amounts due from Pakistan Electric Power Company (PEPCO) and has also not made any provision in this condensed interim financial information for related interest expense of Rs 3,220.83 million (June 30, 2015: Rs 3,220.83 million) payable to the Government of Pakistan on account of late payment of Gas Development Surcharge.
- (ii) Indemnity bonds given to Collector of Customs against duty concessions on import of vehicles amounted to Rs 5.23 million (June 30, 2015: Rs 5.23 million).
- (iii) Contractor's claim not acknowledged as debt of Rs 20.35 million (June 30, 2015: Rs 20.35 million).

30-09-2015      30-06-2015

- - - - (Rupees in thousand) - - - -

15.2 Commitments

Capital expenditure:		
- Share in joint ventures	6,255,222	7,507,467
- Mari field	497,340	596,127
	<u>6,752,562</u>	<u>8,103,594</u>

	Three months ended 30-09-2015	Year ended 30-06-2015
- - - (Rupees in thousand) - - -		
<b>16. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening book value	9,774,533	8,671,909
Movement during the period / year:		
Additions	620,840	1,092,263
Tangible assets of Zarghun field transferred from development and production assets	-	1,038,926
Revision due to change in estimates of decommissioning costs	-	179,346
Written down value of disposals	-	(212,383)
Depreciation charge for the period / year	(304,062)	(995,528)
	316,778	1,102,624
Closing book value	10,091,311	9,774,533
<b>17. DEVELOPMENT AND PRODUCTION ASSETS</b>		
Opening book value	2,187,715	3,621,571
Movement during the period / year:		
Additions	35,486	353,205
Tangible assets of Zarghun field transferred to property, plant and equipment	-	(1,038,926)
Transferred to exploration and evaluation assets	-	(443,505)
Revision due to change in estimates of provision for decommissioning cost	-	(153,788)
Amortization charge for the period / year	(44,902)	(150,842)
	(9,416)	(1,433,856)
Closing book value	2,178,299	2,187,715
<b>18. EXPLORATION AND EVALUATION ASSETS</b>		
Opening book value	9,399,602	4,584,270
Movement during the period / year:		
Additions	1,357,115	4,473,202
Capital expenditure transferred from other receivables	-	608,960
Left over inventory transferred to stores and spares	-	(349,711)
Decommissioning cost of wells under evaluation transferred from development and production assets	-	443,505
Revision due to change in estimates of provisions for decommissioning cost	-	(27,838)
Impairment of well and decommissioning cost	-	(179,581)
Depreciation charge for the period / year	(61,001)	(153,205)
	1,296,114	4,815,332
Closing book value	10,695,716	9,399,602



	30-09-2015	30-06-2015
<b>19. TRADE DEBTS</b>	---- (Rupees in thousand) ----	
Due from related parties - considered good		
Pakistan Electric Power Company	154,866	402,866
Foundation Power Company Daharki Limited	5,857,335	5,451,270
Fauji Fertilizer Company Limited	1,817,937	1,516,236
Sui Southern Gas Company Limited	4,026,375	2,533,801
Sui Northern Gas Pipelines Limited	512,477	467,583
Foundation Gas	4	4,932
	<u>12,368,994</u>	<u>10,376,688</u>
Due from others - considered good		
Engro Fertilizer Limited	702,392	12,361,567
Fatima Fertilizer Company Limited	10,922,648	8,527,670
Byco Petroleum Pakistan Limited	614,192	614,192
National Refinery Limited	51,825	89,789
Attock Refinery Limited	264,351	314,781
Pakistan Refinery Limited	39,430	46,853
Western Power Company (Private) Limited	17,595	9,017
Pak Arab Refinery Limited	8,140	14,751
	<u>24,989,567</u>	<u>32,355,308</u>

19.1 Trade debts due from related parties and trade debts due from others are net of provision for doubtful debts amounting to Rs 384.45 million (June 30, 2015: Rs 384.45 million) and Rs 17.38 million (June 30, 2015: Rs 17.38 million) respectively.

**20. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

	30-09-2015	30-06-2015
	---- (Rupees in thousand) ----	
Due from related parties		
Interest accrued - Askari Bank Limited	19,293	412
Due from others		
Loans and advances	800,697	569,544
Advances to joint venture partners	1,592,625	1,185,739
Short term prepayments	234,909	122,341
Interest accrued	3,246	1,510
Others	415	3,282
	<u>2,651,185</u>	<u>1,882,828</u>

21. Cash and bank balances include Rs 1,134 million (June 30, 2015: Rs 4,185 million) held with Askari Bank Limited, a related party.



	Note	30-09-2015	30-09-2014
---- (Rupees in thousand) ----			
<b>22. GROSS SALES TO CUSTOMERS</b>			
Sale of:			
Gas	22.1	21,979,210	21,588,773
Crude Oil	22.2	504,963	638,516
Less: Transportation charges		20,543	8,230
		484,420	630,286
Condensate	22.3	102,251	197,578
Less: Transportation charges		6,150	3,924
		96,101	193,654
LPG	22.4	-	7,735
Own consumption		9,828	11,630
		<u>22,569,559</u>	<u>22,432,078</u>
<b>22.1 This represents sale of gas as per detail below:</b>			
Mari Field		20,396,763	21,082,652
Sujawal block		1,049,556	373,373
Hala block		260,886	99,008
Sukkur block		18,325	27,356
Karak block		13,087	6,384
Zarghun block		240,593	-
		<u>21,979,210</u>	<u>21,588,773</u>
<b>22.2 This represents sale of crude oil as per detail below:</b>			
Karak block		368,519	339,331
Ghauri block		136,444	299,185
		<u>504,963</u>	<u>638,516</u>
<b>22.3 This represents sale of condensate as per detail below:</b>			
Mari Field		25,132	74,154
Sujawal block		59,721	67,408
Hala block		16,614	56,016
Zarghun block		784	-
		<u>102,251</u>	<u>197,578</u>
<b>22.4 This represents sale of LPG from Hala block. During the current period, 8.3 metric tons of LPG was produced.</b>			
<b>22.5 Sale of gas includes sale from Hala block invoiced on provisional prices. There may be adjustment in gross sales upon issuance of final wellhead prices notification by Oil and Gas Regulatory Authority (OGRA), impact of which cannot be determined at this stage.</b>			

30-09-2015      30-09-2014

---- (Rupees in thousand) ----

23. OPERATING EXPENSES

Salaries, wages and benefits	668,056	443,024
Employee benefits	51,826	66,863
Rent, rates and taxes	9,556	3,072
Legal and professional services	61,453	1,409
Fuel, light, power and water	29,833	33,693
Maintenance and repairs	31,871	54,136
Insurance	12,472	13,290
Depreciation	220,668	143,745
Amortization	44,902	36,890
Employees medical and welfare	58,617	45,923
Field and other services	120,294	131,408
Travelling	7,553	7,966
Communications	4,683	3,815
Printing and stationery	1,595	1,356
Office supplies	927	2,535
Technical software	835	-
Auditor's remuneration	-	2,301
Mobile dispensary and social welfare	35,263	42,622
Training	12,210	18,970
Advertisement	4,559	230
Books and periodicals	292	150
Public relations and social activities	1,639	563
Directors' fee and expenses	3,098	1,543
Freight and transportation	618	647
Subscriptions	1,317	2,562
Allied services	9,641	-
Research and development	-	18,589
Sukkur block	9,061	6,257
Ghauri block	28,896	15,283
Hala block	36,312	25,130
Kohat block	203	-
Karak block	23,015	17,168
Ziarat block	(3,574)	14,304
Sujawal block	60,318	31,706
Zarghun block	33,358	4,190
Provision for doubtful debts - related parties	-	13,509
Miscellaneous	728	987
	1,582,095	1,205,836
Less: Recoveries from joint ventures	260,696	188,804
	<u>1,321,399</u>	<u>1,017,032</u>

Note 30-09-2015 30-09-2014  
 - - - - (Rupees in thousand) - - - -

## 24. EXPLORATION AND PROSPECTING EXPENDITURE

### Mari Field

3D seismic data acquisition	780,458	269,182
Joint Ventures		
Prospecting expenditure	662,161	162,177
	<u>1,442,619</u>	<u>431,359</u>

## 25. OTHER INCOME / (EXPENSES)

Mari Seismic Unit income / (loss) - Net of related expenses	25.1	416,065	(29,049)
Rig loss - Net of related rental income	25.2	(120,511)	(86,809)
Line heaters rental income		9,294	9,063
Miscellaneous		2,421	1,278
		<u>307,269</u>	<u>(105,517)</u>

### 25.1 Break-up of Mari Seismic Unit income / (loss) - net is as follows:

#### Income:

Mari Seismic Unit income	775,194	263,618
Income on bank deposits	1,040	5,731
	<u>776,234</u>	<u>269,349</u>

#### Less: Expenses

Operating expenses	290,326	208,754
Depreciation of property and equipment	69,843	72,135
Mark-up on long term financing - secured	-	17,509
	<u>360,169</u>	<u>298,398</u>
	<u>416,065</u>	<u>(29,049)</u>

### 25.2 Break-up of Rig loss - net is as follows:

#### Income:

Rig rental income	263,766	102,333
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#### Less: Expenses

Operating expenses	309,725	165,319
Depreciation of property and equipment	74,552	23,823
	<u>384,277</u>	<u>189,142</u>
	<u>(120,511)</u>	<u>(86,809)</u>

	30-09-2015	30-09-2014
	- - - - (Rupees in thousand) - - - -	
<b>26. FINANCE INCOME</b>		
Income on bank deposits	74,689	104,097
Interest income on delayed payments from Foundation Power Company Daharki Limited	50,780	103,853
Exchange gain	1,074	32,444
	<u>126,543</u>	<u>240,394</u>
<b>27. FINANCE COST</b>		
Profit on redeemable preference shares - unsecured	270,484	-
Mark-up on long term financing - secured	5,986	9,370
Interest expense on delayed payments to the Government of Pakistan	-	90,969
Unwinding of discount on provision for decommissioning cost	132,891	-
Interest on Workers' Profit Participation Fund	18,295	16,424
Bank charges	204	393
	<u>427,860</u>	<u>117,156</u>
<b>28. PROVISION FOR TAXATION</b>		
Current	331,496	530,382
Deferred	(161,865)	(109,933)
	<u>169,631</u>	<u>420,449</u>
	<b>30-09-2015</b>	<b>30-09-2014</b>
<b>29. EARNINGS PER ORDINARY SHARE - BASIC AND DILUTED</b>		
Profit for the period (Rupees in thousand)	1,468,942	1,805,851
Distributable earnings (Rupees in thousand)	155,812	132,110
Number of shares outstanding (in thousand)	110,250	110,250
Earnings per ordinary share (in Rupees) *	13.32	16.38
Distributable earnings per ordinary share (in Rupees) *	1.41	1.20

\*Earnings and distributable earnings per ordinary share for the period ended September 30, 2014 are restated taking into effect of bonus shares issued during the year ended June 30, 2015.

30-09-2015      30-09-2014

### 30. TRANSACTIONS WITH RELATED PARTIES

- - - - (Rupees in thousand) - - - -

Gross sale of gas and LPG to related parties is as follows:

Foundation Power Company Daharki Limited (FPCDL)	2,015,985	1,862,102
Fauji Fertilizer Company Limited	10,249,925	8,989,155
Sui Southern Gas Company Limited	1,557,949	478,951
Sui Northern Gas Pipelines Limited	857,649	144,419
Foundation Gas	-	7,735
Line heaters rental income - FPCDL	9,294	9,063
Interest income on delayed payments- FPCDL	50,780	103,853
Interest income on bank accounts - Askari bank limited	67,647	62,633
Provision for doubtful debts-FPCDL	-	13,509
Remuneration of chief executive and key management personnel	728,362	593,659
Contribution to funded employee benefit plans	53,781	67,528

### 31. OPERATING SEGMENTS

This condensed interim financial information has been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 22.

Revenue from major customers of the Company constitutes 97% of the total revenue during the period ended September 30, 2015 (September 30, 2014: 93%).

### 32. CORRESPONDING FIGURES

Following changes have been made in corresponding figures to conform to current period's presentation:

	<b>Rupees in thousand</b>
<b>Profit and loss account</b>	
Following amounts have been reclassified to Mari Seismic Unit income / (loss) - net in "Other income" from:	
■ Mari Seismic Unit in "Operating expenses"	208,754
■ Depreciation in "Operating expenses"	72,135
■ Mark-up on long term financing - secured in "Finance cost"	17,509
■ Income on bank deposits in "Finance income"	5,731
Following amounts have been reclassified to rig rental loss - net in "Other income " from:	
■ Rig in "Operating expenses"	165,319
■ Depreciation in "Operating expenses"	23,823

33. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

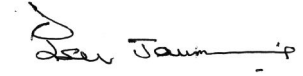
Subsequent to September 30, 2015, the Company has initiated the process of redeeming preference shares held by minority shareholders along with profit as approved by the shareholders in their Annual General Meeting held on September 18, 2015.

34. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 20, 2015.



Lt Gen Nadeem Ahmed, HI (M), SE, T Bt, (Hon D Univ), (Retd)  
**Managing Director / CEO**



Qaiser Javed  
**Director**

## **MARI PETROLEUM COMPANY LIMITED VISION AND MISSION STATEMENT**

### **VISION**

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MPCL envisions becoming an international Exploration & Production Company by improving its professional capacity with highly knowledgeable and talented manpower that builds its underground petroleum reserves by discovering more than the ongoing production within Pakistan and abroad, and improving financial capacity and profitability through enhanced production, while taking environmental safeguard and catering the social welfare needs of the communities inhabiting the area of operations.

### **MISSION**

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To enhance Exploration & Production capability by exploiting breakthroughs in knowledge and innovations in technology and by adopting competitive industrial practices of optimal and cost effective operations to replenish the produced reserves by at least 50% and to enhance production for maximizing revenues and return to the stakeholders and to maintain highest standards of HSE and environmental protection.

ISO 9001 : 2008



ISO 14001 : 2004



OHSAS 18001 : 2007



ISO/IEC 27001 : 2005



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