

Annual Report 2023

Exploring New Horizons



Mari Petroleum Company Limited

COVER STORY



Exploring New Horizons

The title page of our annual report tells the story of exploration, expansion, and embracing the challenges. Amidst a dynamic energy landscape, where the demand for energy continues to rise, we stand as a distinguished energy explorer and producer.

Our journey is driven by the spirit of exploration. We are venturing into untapped frontiers, embracing challenges and converting them into opportunities. We are expanding our exploration acreage across the country and abroad. Each new block signifies not just an addition to our portfolio, but a promise of new prospects and greater energy independence for our country. Our growing footprint indicates our resilience and ability to navigate diverse terrains to unlock energy treasures for our nation's economic growth.

While we embrace the new, we also recognize the immense potential within our existing fields. Our professionals have spotlighted the upside potential that lies within, maximizing extraction efficiency and extending the life of these reservoirs. This approach underscores our efforts for holistic resource management and the responsible stewardship of Pakistan's energy resources.

Our operations are spread all over Pakistan as well as in Abu Dhabi. With this geographic diversity comes a deeper connection to local communities, fostering collaboration, and mutual growth. Our dedication to mainstreaming remote areas does not just signify energy generation, it signifies partnership and shared progress.

Energy security is a cornerstone of national security. Our commitment to a geographically diversified energy portfolio strengthens our resilience and fosters stability in the face of challenges. Our initiatives go beyond energy security, these extend to food security, which is increasingly becoming an area of concern around the globe.

We are playing our part in shaping a more promising future for our country. This future rests upon the pillars of energy and food security, economic progress, and inclusive prosperity. Our focused and collaborative efforts are aimed at a self-sufficient and thriving Pakistan.



ABOUT THIS REPORT

Contents: This Report contains the relevant background information about MPCL, presents a comprehensive review of the Company's performance during the FY 2022-23, and its future plans. The financial data and figures are complemented by graphs, charts and analysis to provide data visualization and necessary explanations. The write-ups capture the important aspects of the Company's operations in narrative form.

The topics covered and where to find them in the Report have been provided in the table of contents.

Scope and Boundary: The Report covers the period from July 01, 2022 to June 30, 2023. However, subsequent events and developments up to the date of printing of the Report have been included where relevant, to keep the information up-to-date.

Financial analysis and reviews are based on the financial information contained in the approved Audited Financial Statements for the year ended on June 30, 2023, with relevant comparative information. The Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Additional data and information have been included in line with the best corporate reports criteria prescribed by the Joint Committee of ICAP-ICMAP and the Pakistan Stock Exchange.

The information contained in the forward looking statements is valid only till the date of publication of this Report.

There have not been any significant changes to the scope, boundary and reporting basis since the last reporting date of June 30, 2022.

External Assurances/Reviews:

The Financial Statements have been audited and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 has been reviewed by the Company's statutory auditors M/s A.F. Ferguson & Co., Chartered Accountants, and their reports are part of this Annual Report.

Disclaimer

All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

Forward looking statements should not be relied upon for making investment or other decisions as the statements speak only as of the date they were made.



Major Producing Fields of MPCL



Mari Gas Field, Daharki - Sindh
Producing Wells 154, MPCL Working Interest 100%,
Production - Gas: 900 MMSCFD, Condensate: 240 BBLs per day



Kalabagh Gas & Condensate Field, Karak Block - Punjab
Producing Well 1, MPCL Working Interest 60%, JVP: MOL 40%
Production - Gas: 1.4 MMSCFD, Condensate: 35 BBLs per day



Sujawal Gas & Condensate Field, Sujawal Block - Sindh
Producing Wells 1, MPCL Working Interest 100%,
Production - Gas: 5 MMSCFD, Condensate: 35 BBLs per day



**Sachal Gas Processing Complex, Mari Field,
Daharki - Sindh**



Zarghun South Gas Field - Balochistan
Producing Wells 3, MPCL Working Interest 35%, JVP: SPUD 40%, GHPL 17.5%, ALHAJ 7.5%
Production - Gas: 4 MMSCFD



Bolan East Oil Field, Ziarat Block - Balochistan
Producing Well 1, MPCL Working Interest 60%, JVP: PPL Europe 40%
Production - Oil: 840 BBLs per day



Halini Oil Field, Karak Block - Punjab
Producing Wells 2, MPCL Working Interest 60%, JVP: MOL 40%
Production - Gas: 1 MMSCFD, Oil: 700 BBLs per day

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OUR PERFORMANCE

FINANCIAL ACCOMPLISHMENTS

Reaching new pinnacles and showcasing exceptional growth

Highest Ever Net Sales

Rs **145.77** billion
(2022: Rs 95.13 billion)
▲ 53%

Highest Ever Net Profit

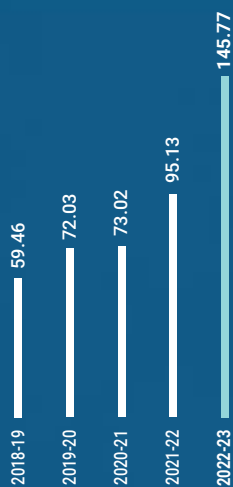
Rs **56.13** billion
(2022: Rs 33.06 billion)
▲ 70%

Highest Ever Earnings Per Share

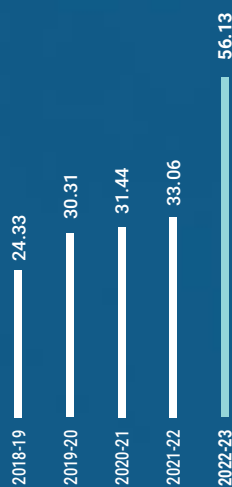
Rs **420.75**
(2022: Rs 247.84)
▲ 70%

Highest Ever Cash Generated from Operations

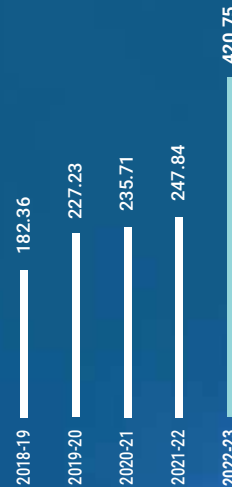
Rs **56.20** billion
(2022: Rs 49.40 billion)
▲ 14%



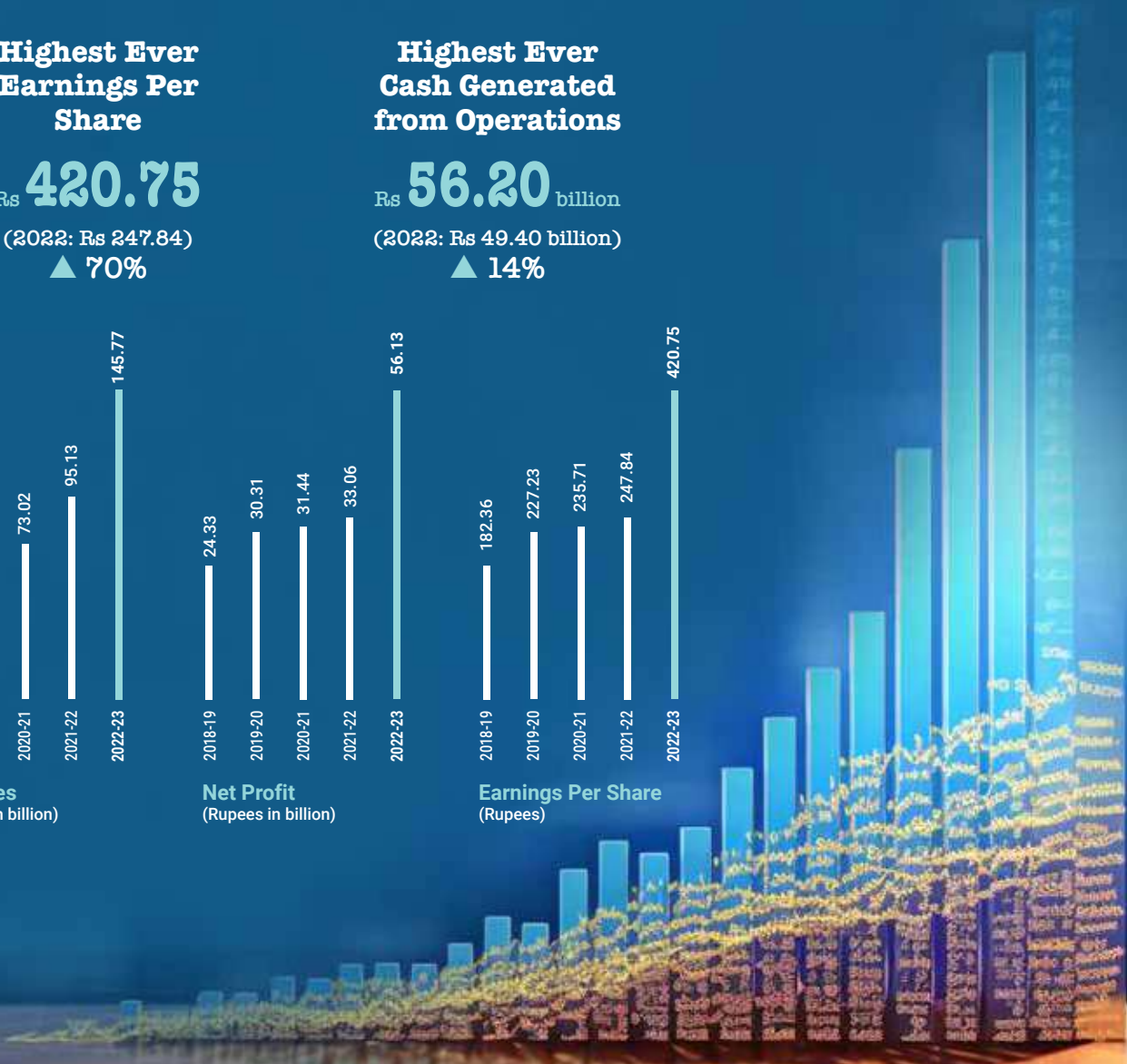
Net Sales
(Rupees in billion)



Net Profit
(Rupees in billion)



Earnings Per Share
(Rupees)



OPERATIONAL EXCELLENCE

Maintaining low operating cost of around **2 US\$/BOE**

Hydrocarbons Sold

36.35

MMBOE

(2022: 36.91 MMBOE)

Gas Sold

275.21

BSCF

(2022: 280.37 BSCF)

Liquid Sold

387,456

Barrels

(2022: 457,101 Barrels)

Total Recordable Injury Rate

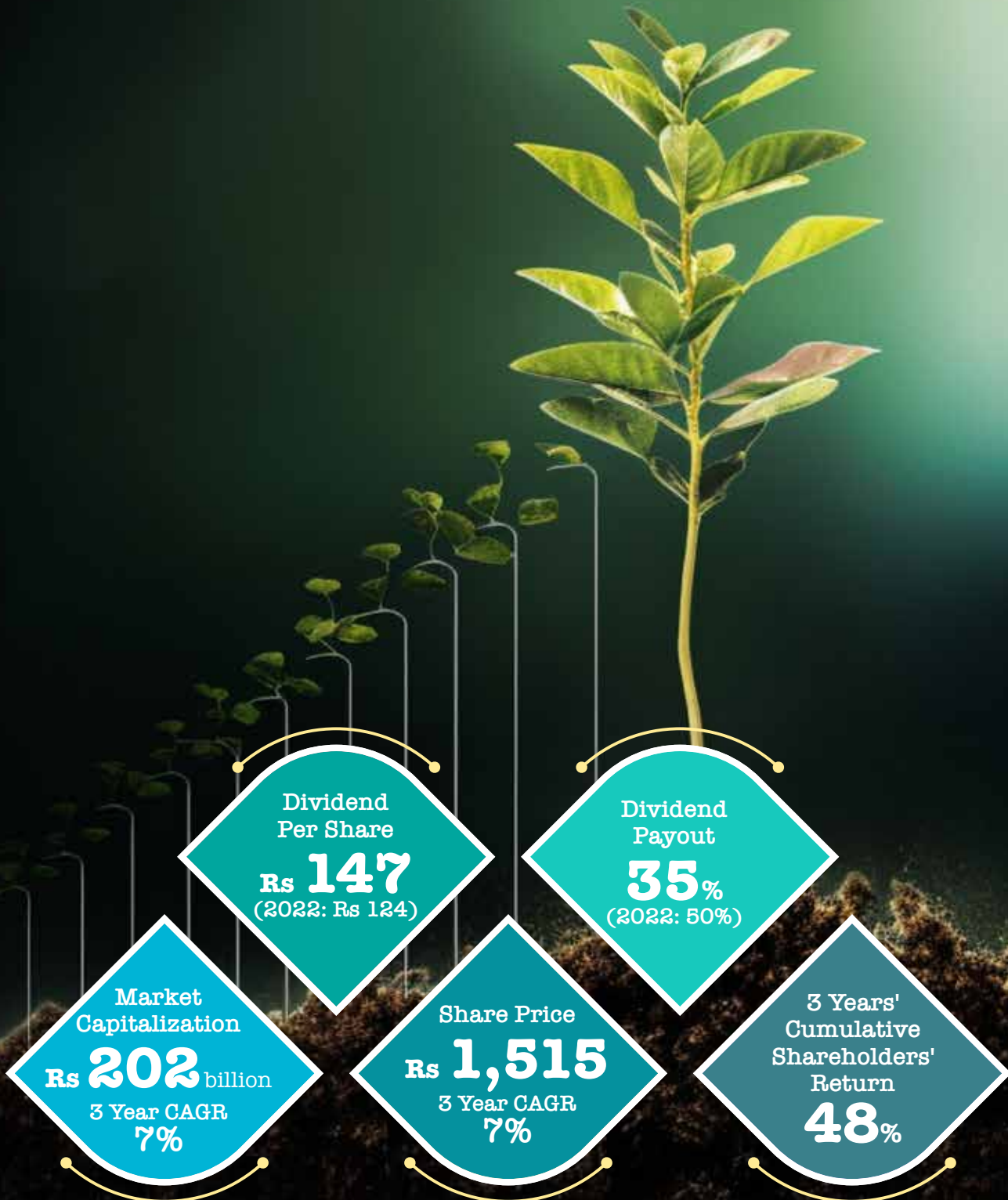
0.06

(2022: 0.12)



SUSTAINABLE SHAREHOLDERS' RETURN

Highest Cash Dividend in the Company's History



REINVESTMENT FOR SUSTAINABLE GROWTH AND FUTURE CASH FLOWS

MPCL has strategically invested in oil and gas and new energy opportunities, maintaining a disciplined approach

Cash Utilized in Investing Activities

Rs 40.46 billion

(2022: Rs 41.01 billion)

Focus on Reserves Replacement Ratio - RRR (2P)

114%

(2022: 32%)

Enhanced Reserves and Resources (2P+2C)

682 MMBOE

(2022: 642 MMBOE)

Focus on Resources Additions (2C)

48%

(2022: 345%)

3 Years' Seismic Data Acquisition

2,287 Line KM 2D

651 Sq. KM 3D

Aggressive 3 Years' Drilling Plan

Drilled and completed **25** wells
5 discoveries from **15** exploratory wells

CONTRIBUTION TO THE NATIONAL ECONOMY

Saved Foreign Exchange
for Pakistan through
LNG Import Substitution

US\$ 3.2 billion

(2022: US\$ 2.9 billion)

Contributing
towards
Uplifting living
conditions of people
through various
CSR programs

Rs 2.29 billion

(2022: Rs 4.15 billion)

Contribution
to National
Exchequer

Rs 73.75 billion

(2022: Rs 77.62 billion)

**Ensuring
Pakistan's
Food Security**

more than 90%
urea production in
Pakistan is based
on MPCL's
supplied gas

**Supplying
gas for power
generation**

to relieve
energy crisis of
Pakistan

**Injecting
gas into
distribution
companies'
networks**

for domestic/
commercial
consumers



ECONOMIC AND SOCIAL IMPACT OVER LAST FIVE YEARS

Community Welfare Initiatives



Spent over
Rs 8 billion
on various
CSR activities

Significant Foreign Exchange Savings



Saved over
US\$ 12 billion
through LNG
Import Substitution

Substantial National Exchequer Contribution

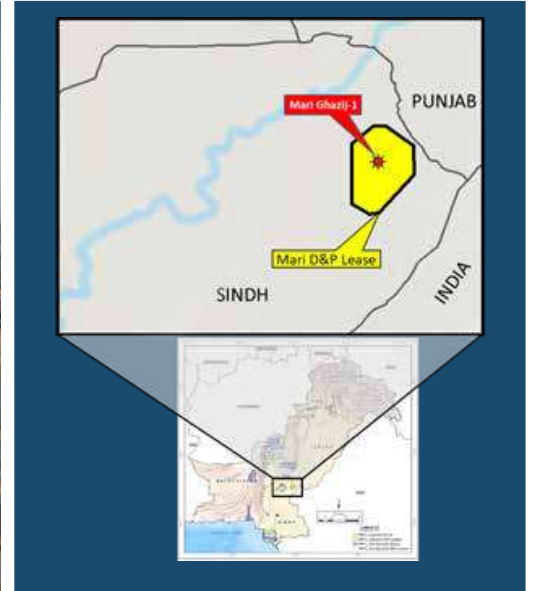


Contributed
Rs 370 billion

SIGNIFICANT ACHIEVEMENTS



Commissioning of Sachal Gas Processing Complex, Mari Gas Field, Daharki - Sindh



Discovery of Mari Ghazij-1 Well at Mari Gas Field, Daharki - Sindh



Mari Revitalization Project Award Ceremony - Islamabad



Well Head at Mari Ghazij-1



Celebration on Discovery in Waziristan Block - Head Office



Highest Ever Daily Gas Production of 978.5 MMscfd on April 15, 2023



First-Ever Horizontal Well, Mari 122H, Mari Gas Field, Daharki - Sindh

SUSTAINABILITY & CSR

Sustainability beyond profits



MOU Signing Ceremony - CSR Project in Waziristan - Head Office

CSR Contributions (2022-23)

Total Contribution Rs 2.29 billion



Mari Dastarkhawan - Rawalpindi



Eid Gift Distribution - Waziristan



Special Education School-Noor-e-Sehar-Daharki



Flood Relief Activities - Balochistan



Mari Dastarkhawan



Miyawaki Forestation- Islamabad



Inauguration ceremony of Miyawaki Forestation-Islamabad



TB & Asthma Clinic in Mari Gas Field-Daharki-Sindh



Signing Ceremony Ambassador for inclusive Education, Noor-e-Sehar-Head Office



School Meal Programme - Waziristan



Flood Relief Activities, Charsadda - KP



Special Education School-Noor-e-Sehar-Daharki-Sindh

HSE ACTIVITIES

MPCL achieved Zero LTI during the year 2022-23 while working around 17 million safe man hours



ESG Policy Training, Head Office - Islamabad



Earth Day Celebration - Islamabad

Health, Safety & Environment (2022-23)

Training Sessions	3,080
Training Man-Hours	81,850
Emergency Drills	701
Emergency Man-Hours	17,910



Scenario Based Emergency Drill, Mari Gas Field (SGPC), Daharki



HSE Session on Fire Fighting - Head Office



Risk Assessment of Electrical Safety for MPCL Projects



HSE Culture Enrichment through Collaboration - Islamabad



World Day for Safety & Health at Workplace - Walk - Halini Field



Medical Emergency Management Training - Head Office



IOISH Managing Safety Training - Head Office



World Day for Safety & Health at Workplace, Firefighting Unit, Halini Field - Karak Block



World Environment Day 2023- Head Office



Emergency Evacuation Training - Head Office

COMPANY INFORMATION

Registered / Head Office

21, Mauve Area, 3rd Road, G-10/4
P.O. Box 1614, Islamabad – 44000
Tel: +92 51 111-410-410,
+92 51 8092200
Fax: +92 51 2352859
Email: info@mpcl.com.pk
Web: www.mpcl.com.pk

Field Office Daharki

Daharki, District Ghotki
Tel: +92 723 111-410-410
+92 723 660403-30
Fax: +92 723 660402

Karachi Liaison Office

D-87, Block 4, Kehkashan, Clifton
P.O. Box 3887, Karachi – 75600
Tel: +92 21 111-410-410
Fax: +92 21 35870273

Quetta Liaison Office

26, Survey-31, Defence Officers
Housing Scheme, Airport Road, Quetta
Tel: +92 81 2821052, 2864085,
2839790 Fax: +92 81 2834465

KP Liaison Office

Block B, Phase I,
Bannu Township.
Tel: +92 8 633612-13

External Auditors

A.F. Ferguson & Co.
Chartered Accountants
A member firm of PwC network

Shares Registrar

Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial
Model Town, Lahore
Tel: +92-42-35839182, 042-35916714
Email: corporate@corplink.com.pk

Legal Advisor

Barrister Panni Law Associates
Advocates - Corporate Consultants
Apt. # E -1, Karakoram Enclave -1,
Hamza Road, Sector F-11/1,
Islamabad
Tel: 051-2856086-88

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
JS Bank Limited
Meezan Bank Limited
Muslim Commercial Bank Limited
National Bank of Pakistan
Standard Chartered Bank
United Bank Limited
The Bank of Punjab

Registration, NTN and GST Numbers

Registration Number:
00012471
National Tax Number:
1414673-8
General Sales Tax Number:
07-01-2710-039-73
Symbol on Pakistan Stock Exchange:
Mari



MPCCL Head Office Building - Islamabad

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the 39th Annual General Meeting (AGM) of the Shareholders of Mari Petroleum Company Limited will be held at the Registered Office of the Company situated at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad on Tuesday, September 26, 2023 at 10 a.m., to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.
2. To approve, as recommended by the Board of Directors, the payment of final dividend @ Rs. 58/- per share (580%) for the financial year ended June 30, 2023. This is in addition to interim dividend @ Rs.89/- per share (890%) already paid.
3. To appoint Auditors for the year 2023-24 and fix their remuneration.
4. Any other business with the permission of the Chair.



NOTES:

1. Book Closure

The Share Transfer Books of the Company shall remain closed from September 20, 2023 to September 26, 2023 (Both days inclusive). Transfers received in order at the Company's Share Registrar, M/s Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore, up to the close of business on September 19, 2023, will be treated as in time for the purpose of attending the AGM and payment of final dividend.

By order of the Board

Muhammad Sajjad
Acting Company Secretary

September 04, 2023

38th Annual General Meeting

September 28, 2022


Mari Petroleum Company Limited



2. Virtual Participation in the AGM Proceedings

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at corporate.affairs@mpcl.com.pk;

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No of Shares	Contact No.	Email Address

Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business on Monday 25 September, 2023. The login facility shall remain open from 10 am till the end of the meeting on September 26, 2023.

3. E-voting

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

4. Attending AGM in person or through Proxy

A member entitled to attend and vote at the above meeting may appoint a person/representative as Proxy to attend and vote on his behalf at the Meeting. The instrument of Proxy duly executed in accordance with the Articles of Association of the Company must be received at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting. For the convenience of shareholders, blank proxy forms (both in English and Urdu) are available on the Company's website at <https://mpcl.com.pk/forms/>

In the case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced before the meeting. The individual members or representatives of corporate members of the Company in CDC must bring original National Identity Cards or Passport and CDC Account and Participant ID Numbers to prove identity and verification at the time of the meeting.

CDC Investor Account Holders will further have to follow the guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) in this regard.

5. Payment of Cash Dividend through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those

Notice of Annual General Meeting



physical shareholders who have not yet submitted their International Bank Account Number (IBAN No.) and CNIC details to the Company, are requested to provide the same on the Dividend Mandate Form available on Company's website at <http://mpcl.com.pk/forms>. The shareholders of the Company in CDC are requested to provide the same to their Participants in CDC who maintain their accounts in CDC, and ensure that their IBAN details are updated. In case of unavailability of IBAN and valid CNIC, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

6. Deduction of Income Tax from Dividend and Exemptions from deduction

The current prescribed rates for the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 from payment of dividend by the companies are as under:

For filers of income tax returns : 15%
For non-filers of income tax returns : 30%

The income tax is deducted from the payment of dividend according

to the Active Tax-Payers List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

Further, according to Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint-holder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

In this regard all shareholders who hold shares jointly are requested to provide the shareholding proportions of principal shareholder and joint-holders in respect of shares held by them to our Shares Registrar in writing as follows:

MARI PETROLEUM COMPANY LIMITED						
FORM OF JOINT SHAREHOLDING PROPORTION						
Folio/CDC Account Number	Total Holding	Principal Shareholder		Joint Shareholders		Signatures
		Name of Principal Shareholder and CNIC No.	Shareholding Proportion (No. of Shares)	Names of Joint Shareholders and CNIC No.	Shareholding Proportion (No. of Shares)	

The joint accounts information must reach our Shares Registrar within 10 days of this notice. In case of non-receipt of the information, it will be assumed that the shares are equally held by principal shareholder and the Joint Holder(s).

The corporate shareholders of the Company in CDC are advised to ensure

that their National Tax Numbers (NTNs) have been updated with their respective participants, whereas corporate physical shareholders must send a copy of their NTN Certificate with their Folio Numbers mentioned thereon to the Company or its Shares Registrar.

The shareholders, who want to avail

exemption u/s 150 of the Income Tax Ordinance 2001, must provide valid Tax Exemption Certificate to our Shares Registrar before commencement of book closure otherwise tax will be deducted on dividend as per applicable rates.

7. Transmission of Annual Audited Financial Statements, Reports and Notice of AGM

The Annual Audited Financial Statements of the Company for the year ended June 30, 2023, have been placed on the Company's website, which can be accessed/downloaded from the following link and QR code: <https://mpcl.com.pk/financial-reports/>



Annual Audited Financial Statements along with the reports and Notice of AGM are being sent to those members through email who have provided their email addresses. Physical copy of the Annual Report will be provided to the members on demand.

8. Consent for Video Conference Facility

Pursuant to Section 132 (2) of the Companies Act, 2017, Members may avail video conference facility for this Annual General Meeting provided the Company receives consent from the members holding aggregate 10% or more shareholding at least 7 days prior to the date of meeting. The requisite form for availing the facility is provided in the Annual Report-2023.

9. Conversion of Physical Shares into Book-Entry Form

As per Section 72 of the Companies Act, 2017, all listed companies are required to replace shares issued by them in physical form to book-entry form within four years of the promulgation of the Act.



Accordingly, all shareholders of the Company having physical shares are requested to convert their shares into book-entry form at the earliest with the Central Depository Company of Pakistan Limited. The shareholders may contact the Company or Shares Registrar, M/s Corplink (Pvt.) Limited for the conversion of physical shares into book-entry form.

10. Unclaimed Dividends and Share Certificates

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends and share certificates are still unclaimed/undelivered, are hereby once again advised to approach the Company to claim their outstanding dividend amounts and/ or undelivered share certificates.

11. Change of Address

Members are requested to immediately notify the change in their mailing address to the Company's

Shares Registrar, M/s Corplink (Pvt.) Limited.

12. Contact Details

For any query/information, the shareholders may contact Company's Corporate Affairs Department, Phone: 051-111-410- 410, Email: corporate.affairs@mpcl.com.pk or to the Company's Shares Registrar, M/s Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore. Phone: 04235916714, 04235916719. Email: corporate@corplink.com.pk, corplink786@gmail.com.

COMPANY PROFILE

MARKET SHARE

Product	Total Output	MPCL's Output	MPCL's Share
Gas (MMSCF)	1,189,515	289,104	24.3%
Oil & Condensate (BBLs)	25,372,712	544,536	2.1%

Source: Pakistan Petroleum Information Service by LMKR on behalf of DGPC. Based on the data for FY 2022-23.



Metering System, Kalabagh Gas & Condensate Field, Punjab



Fin Fan Cooler, Sujawal Gas and Condensate Processing Facility, Sujawal - Sindh

INTRODUCTION

MPCL is an integrated exploration and production company, currently managing and operating Pakistan's largest gas reservoir at Mari Gas Field, Daharki, Sindh. With over 24% market share, it is the largest gas producer in Pakistan and owns the second highest reserves base. The Company's net daily production is around 110,000 barrels of oil equivalent. MPCL plays a pivotal role in ensuring food security of Pakistan as more than 90% urea production in the Country is based on MPCL supplied gas. It also supplies gas for power generation and distribution companies. To its credit MPCL has the unique record of maintaining uninterrupted gas supply to its customers from Mari Field for the last fifty six years, without availing even the permitted outages.

PRINCIPAL BUSINESS ACTIVITIES

MPCL is primarily an exploration and production company in the upstream segment of the petroleum industry. Its principal business activities include oil and gas exploration, drilling, field development, production and sale of hydrocarbons (including natural gas, crude oil and condensate).



Mari Gas Field, Daharki - Sindh

MAJOR BRANDS, PRODUCTS AND OTHER SERVICES

MPCL is a major producer of natural gas. It also produces crude oil and condensate. All the products of the Company are supplied to midstream and downstream customers. The Company also provides 2D/3D seismic data acquisition, seismic data processing, gravity & magnetic survey, drilling and mud logging services.

MAJOR CUSTOMERS/MARKETS

The gas produced by MPCL is supplied to fertilizer manufacturers, power generation and gas distribution companies, while crude oil and condensate are supplied to the refineries for further processing. The Company caters to local customers with currently no activity in the export market.

GEOGRAPHIC PRESENCE

MPCL currently holds seven (07) D&P Leases and seventeen (17) exploration licenses as an Operator. It is also a non-operating joint venture partner in six (06) D&P Leases and seventeen (17) exploration licenses. Its exploration and production assets are spread across all four provinces of Pakistan as well as in Abu Dhabi where it is part of a consortium comprising leading Pakistani National E&P Companies in an offshore block.

CERTIFICATIONS AND RECOGNITIONS

MPCL is an ISO certified Company for Quality, Environment, Information Security, Occupational Health & Safety and has achieved Advanced Level in ISO Certification for Social Responsibility.

MPCL is a blue-chip company at the stock exchange. It regularly wins awards and accolades from various independent bodies for its financial and operational performance, financial reporting, management, HR, HSE, and CSR practices.

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH GROUP COMPANIES

MPCL is a public limited company operating in the private sector. The Management of the Company is vested in Fauji Foundation. The Company is listed on Pakistan Stock Exchange with market capitalization of over Rs. 202 billion as on June 30, 2023. Major

Shareholders of the Company include Fauji Foundation (40%), Government of Pakistan (20%), OGDCL (20%) and General Public (20%). All Fauji Foundation group companies are the associated companies of MPCL.



Separator Bolan East Oil Field, Balochistan

OUR HISTORY

Mari Gas Field was originally owned by Pakistan Stanvac Petroleum Project, a joint venture formed in 1954 between Government of Pakistan and Esso Eastern Incorporated, having 49% and 51% ownership interests, respectively. The first gas discovery was made by the Joint Venture in 1957 when the first Well in lower Kirthar 'Zone-B' Limestone Formation was drilled. Production from the field started in 1967. In 1983, Esso Eastern sold its entire share to the Fauji Foundation. Consequently, it was decided to set up a wholly owned Public Limited Company for the purpose of acquiring the assets and liabilities of the Project.

In 1984, Mari Gas Company Limited (MGCL) was incorporated with Fauji Foundation, Government of Pakistan and OGDCL as its shareholders having 40%, 40%, and 20% shareholding, respectively. The Company took over the assets, liabilities and operational control of the Mari Gas Field and commenced business in its own name

in 1985 under the Mari Gas Wellhead Price Agreement (Mari GPA).

In 1994, the Government divested 50% of its shares and the Company became listed on all the stock exchanges of Pakistan.

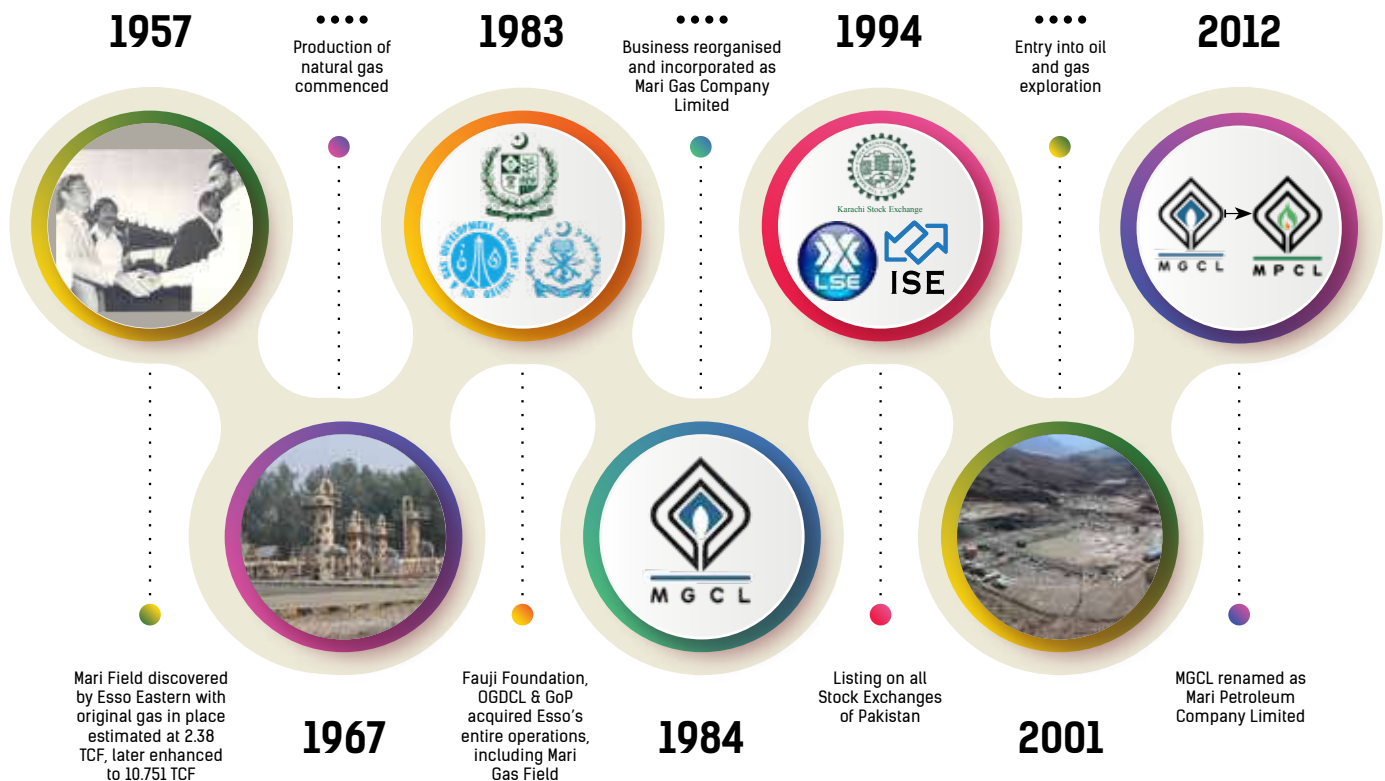
The Company operated only as a gas production company and was engaged in developing the already discovered Habib Rahi Reservoir in the Mari Gas Field for supply of gas to fertilizer plants. The Company pursued appraisal activities within its Mari D&P Lease area by drilling step-out wells to determine the extent of the Habib Rahi Reservoir.

In 2001, the Company achieved a new milestone when it was granted a license for exploration of oil and gas in addition to the production activities. Since then, MPCL has emerged as a successful E&P company with a proven track record in the field of exploration and production.

The Company has grown from the sale of natural gas from an inherited field, to the exploration, production, and sale of gas, oil and other petroleum products from a number of fields in all provinces of Pakistan. The name of the Company was changed from "Mari Gas Company Limited" to "Mari Petroleum Company Limited" (MPCL) in November 2012 to reflect its diversified business operations and expanded activities.

The Company had been outsourcing seismic and drilling business like other E&P companies. However, in 2013 the Company decided to set-up a services division comprising of a 3D seismic data acquisition unit, a 2D/3D seismic data processing centre and a fleet of three on-shore drilling rigs, thus becoming a fully integrated E&P company in the Country.

In 2014, an extension of five years in Mari lease period was approved by the Government, extending the development and production rights in



Unlocking opportunities right from the start

the lease area till 2019. The extension has enabled MPCL to enhance the recovery and produce more natural gas, which is critically needed in the Country.

Since its inception, the Company had been operating on a cost-plus fixed-return formula under Mari GPA 1985. Pursuant to consistent efforts by MPCL Management, a major milestone was achieved in November 2014 when Economic Coordination Committee of the Cabinet approved dismantling of the Mari GPA and its replacement with an international crude oil price linked market oriented formula. Dismantling of the Mari GPA has allowed the Company to operate on commercial terms and become competitive to realize its full potential.

In October 2015, the Company opted for conversion of Mari D&P lease to 2012 Petroleum Policy to avail the price incentives offered by the Government on production enhancement initiatives.

In February 2016, MPCL became the first Pakistani E&P Company to implement its incremental gas production project (at Mari Field) and avail gas price incentive on incremental field production offered in 2012 Petroleum Policy.

Mari Field marked its Golden Jubilee on December 22, 2017. These were 50 years of meticulous operations and true professionalism as evidenced by uninterrupted supply of hydrocarbons to the Company's downstream customers.

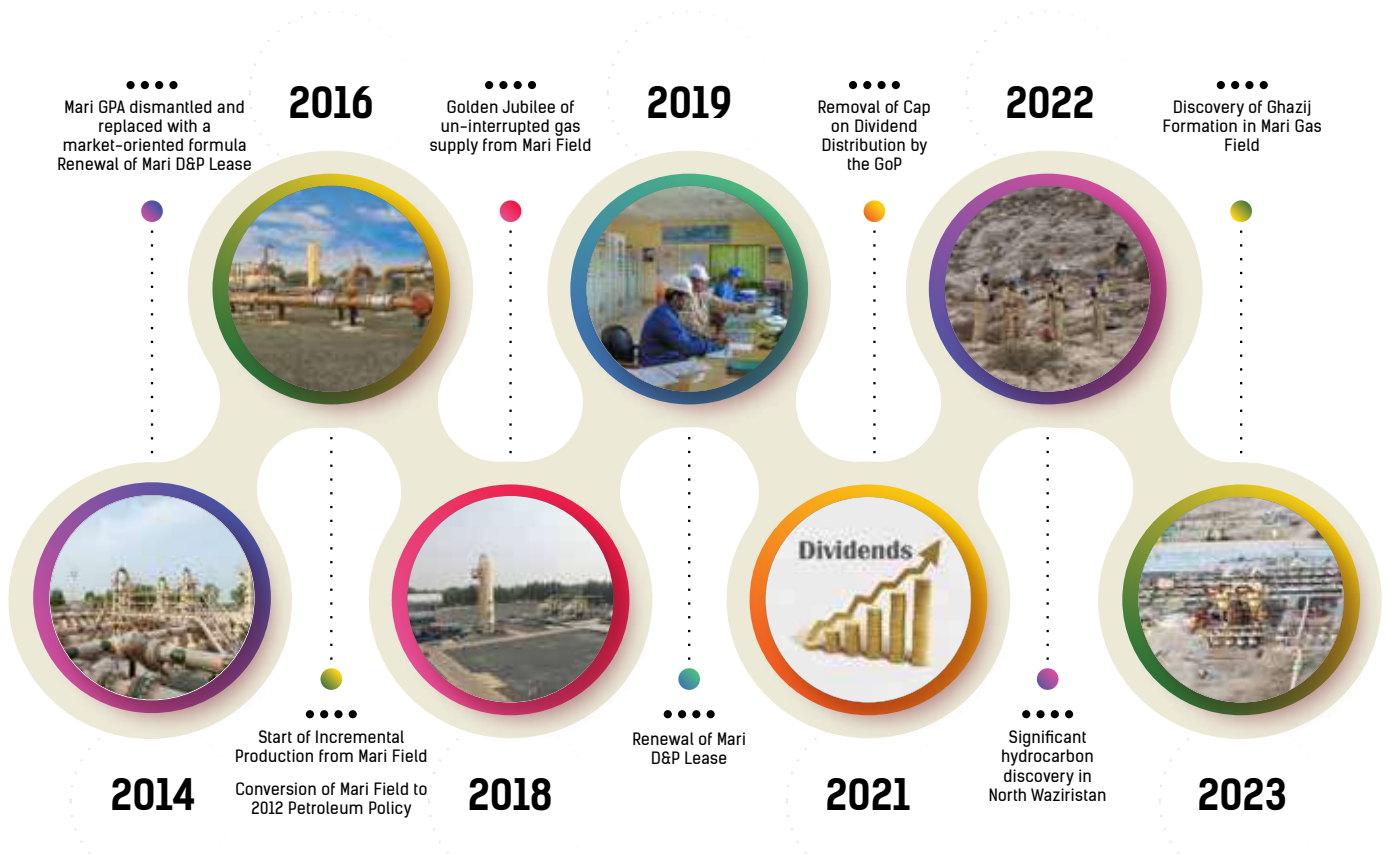
With effect from November 2019, an extension of five years in Mari lease period has been approved by the Government, extending the Company's development and production rights in the lease area till 2024. The extension helped the Company to focus on enhancing recovery from the Field by implementing exploration plans and ramp-up existing production.

In February 2021, the Economic Coordination Committee of the Cabinet approved removal of cap on dividend distribution by MPCL, enabling the Company to decide dividend payout in accordance with the applicable laws, based on its financial performance and internal funding requirements.

MPCL won Offshore Block 5 in Abu Dhabi as part of a Consortium of Pakistani E&P Companies in August 2021.

In June 2022, MPCL made a significant hydrocarbon discovery in the North Waziristan Area. It is the biggest discovery in Pakistan in the recent past.

Further, in January 2023, MPCL made a landmark gas discovery at Mari Ghazij-1 exploration well, opening a new play for hydrocarbon exploration in the country.



OUR VISION & MISSION

MPCL Board of Directors



VISION

MPCL envisions becoming an international integrated exploration and production company by enhancing its professional capacity through highly knowledgeable and talented workforce that builds its petroleum reserves by consistently discovering more than what it produces within Pakistan and abroad; and improving financial capacity and profitability through efficient operations, while taking environmental safeguards and catering to social welfare needs of the communities inhabiting the area of operations.

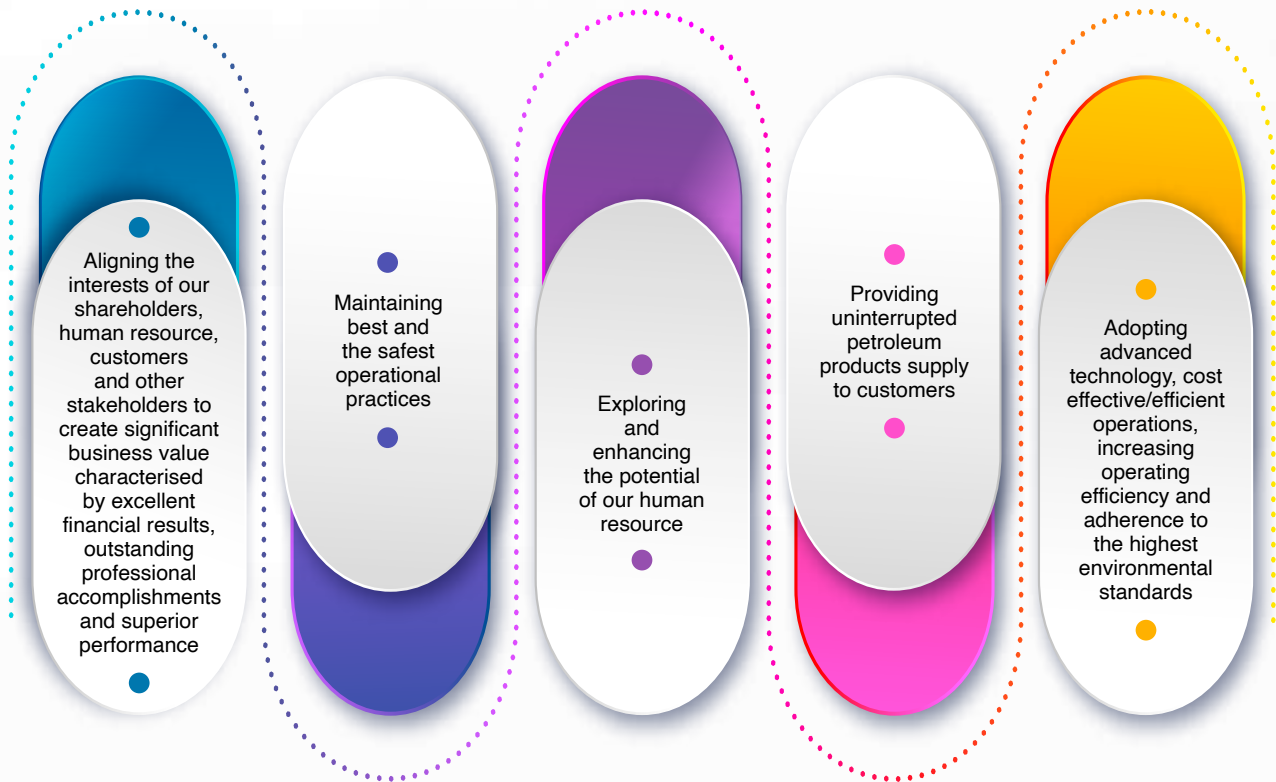
Senior Management Team



MISSION

To enhance exploration and production by exploiting breakthroughs in knowledge and technological innovations, adopting competitive industrial practices to adequately replenish the produced reserves and optimising production for maximizing revenues and return to the shareholders whilst maintaining the highest standards of HSE and CSR.

OUR COMMITMENTS



QUALITY POLICY

In order to ensure that our products and services are of the highest quality, we engage skilled and qualified personnel, employ state of the art technology and adhere to the best industry practices. We have implemented a quality management system to ensure that all our operations and activities are in line with the requirements of ISO 9001:2015 (Quality Management System).

IMS POLICY

To realise our strategic vision and to achieve professional excellence in petroleum sector, we are committed to meet requirements of Integrated Management Systems for Quality, Environment, Occupational Health & Safety and Information Security consistent with internationally recognized management system and standards. We are devoted to maintain effectiveness and continual improvement of IMS by monitoring Company objectives, customer satisfaction and complying with the legal and other applicable requirements. Our top management is committed to provide all resources required to ensure compliance with its IMS Policy and to attain best international performance criterion.

CHANGES

From prior year

There is no change in the Company's vision, mission, and principal business activities. Major changes include transfer of BESOS shares back to the Government of Pakistan, resulting in an updated shareholding structure. The Company has acquired new exploration blocks within the Country, which are displayed in the geographical locations. A newly established department, Engineering, Development and Projects has been added in the organogram. Subsequent to the close of the year, the Company incorporated Mari Mining Company (Pvt) Limited as its wholly owned subsidiary, which is shown in the corporate structure.



SGPC Plant, Mari Gas Field, Daharki - Sindh

CODE OF CONDUCT

MPCL Code of Conduct sets out the Company's objectives and its responsibilities to various stakeholders and the ethical standards required from its directors and employees to meet such objectives and responsibilities.



Financial Disclosure

All transactions should be accurately reflected according to accounting principles in the books of accounts. Falsification of its books, any of the recorded bank accounts and transactions are strictly prohibited.

Conflict of Interest

The directors and employees of the Company must recognise that in the course of performing their duties, they may be out into a position where there is a conflict in the performance of such duty and a personal interest they may have. It is the overriding intention of the Company that all business transactions conducted by it are on arm's length basis.

Compliance with Laws, Directives & Rules

Compliance with all applicable laws, regulations, directives and rules including those issued by the Board of Directors and the management.

Confidentiality

Confidentiality of the Company's

internal confidential information must be maintained and upheld, which includes proprietary, technical, business, financial, joint venture, customer and employee information that is not available publicly.

Conduct of Personnel in Dealings with Government Officials

The Company shall deal with the Government officials fairly and honestly and within the ambit of the applicable laws, in order to uphold the corporate image of the Company.

Time Management

The directors and the employees of the Company shall ensure that they adopt efficient and productive time management schedules.

Business Integrity

The directors and employees will strive to promote honesty, integrity and fairness in all aspects of its business and its dealings with vendors, contractors, customers, joint venture partners and Government officials.

Gifts, Entertainment & Bribery

The directors and employees shall not give or accept gifts, entertainment or any other personal benefit or privilege that could influence business dealings.

Insider Trading

Every director and employee who has knowledge of confidential material information is prohibited from trading in securities of the Company to which the information relates.

Health, Safety & Environment

The Company, its directors and employees will endeavour to exercise a systematic approach to health, safety and environmental management in order to achieve continuous performance improvement.

Involvement in Politics

The Company shall not make payments or other contributions to political parties and organisations. Employees must ensure that if they elect to take part in any form of political activity in their spare time, such activity does not and will not have any adverse effects on the



Corporate Culture and Core Values

Company and such activities must be within the legally permissible limits.

Equal Employment Opportunity

It is the policy of the Company to provide employment opportunities without regard to race, religion, colour, age or disability subject to suitability for the job.

Compliance

All Company directors and employees must understand and adhere to the Company's business practices and Code of Conduct. They must commit to individual conduct in accordance with the Company's business practices and Code of Conduct and observe both the spirit and

the letter of the Code in their dealings on the Company's behalf.

Accountability

Failure to adhere to the Company's business practices or Code of Conduct may result in disciplinary action, which could include dismissal.



HR Session on "Embrace Agility" - Islamabad

PROFILE OF BOARD OF DIRECTORS



Mr. Waqar Ahmed Malik (SI)

Managing Director/CEO, Fauji Foundation
Chairman MPCL Board

Mr. Waqar Ahmed Malik (SI), is a senior corporate leader with over 35 years of Pakistan & global corporate sector experience. Dedicated to promoting business and investment, he is widely respected in the government, business, army and social circles of Pakistan.

Mr. Malik is a fellow of the Institute of Chartered Accountants in England and Wales and is also an alumnus of the Harvard Business School and INSEAD.

Earlier, he served with the British giant then ICI Plc UK Limited for 28 years in various roles including in Pakistan, UK, Americas and the Continent (Europe). His last role with them was as the Chief Executive ICI Pakistan Limited from 2005 to 2012.

His arrival commenced a true story of growth at Fauji Foundation adding US \$ 1 Billion to its bottom line, while also enabling it to become the largest contributor of duties and taxes to the national exchequer.

He is also the Chairman of Pakistan Oxygen Limited (formally Linde Pakistan, a subsidiary of Linde AG) acquired by Adira Capital Holdings (Private) that he co- founded.

He is an Independent Non-Executive Director on PMCL (Jazz), subsidiary of VEON.

Formerly, Mr. Malik also served on the following prestigious boards:

- Pakistan Petroleum Limited
Chairman (Non-Executive & Independent)

- Engro Corporation Limited
Director (Non-Executive & Independent)
- Standard Chartered Bank Pakistan Limited
Director (Non-Executive & Independent)
- Engro Polymer and Chemicals Limited
Director (Non-Executive & Independent)
- TPL Insurance Limited
Director (Non-Executive)
- Rafhan Maize Limited
Independent Non-Executive Director

He has been playing an instrumental role in the development of Pakistan's regulatory system as well as for the advocacy to undertake economic reforms. Few of his other related roles are:

- Director – State Bank of Pakistan (Central Bank of Pakistan)
- President – Overseas Chamber of Commerce & Industry (OICCI)
- President – Management Association of Pakistan (MAP)
- Director – Pakistan Business Council (PBC)

Mr. Malik is also a member of the visiting faculty for Pakistan Institute of Corporate Governance, Former Member of Board of Governors of Lahore University of Management Science (LUMS) and Former Member of Board of Indus Valley School of Arts.

He participates actively in social and philanthropic activities through I-Care Foundation, as a Trustee, where he contributes to improve the quality of life of the underprivileged by enhancing the level of philanthropic support.

As a trustee of Duke of Edinburgh Trust Pakistan, he was awarded the "Prince of Wales Medal"

for his role in the rehabilitation and recovery of flood victims in 2010.

Mr. Waqar Ahmed Malik (SI), joined Fauji Foundation as the Managing Director and Chief Executive Officer on 9th April 2020.

Presently, he is serving as Chairman on the Boards of following Fauji Group Companies:

- Mari Petroleum Company Limited
- Fauji Fertilizer Company Limited
- Fauji Foods Limited
- FFC Energy Limited
- Fauji Fresh n Freeze Limited
- Fauji Cement Company Limited
- Askari Cement Limited
- Askari Bank Limited
- Fauji Akbar Portia Marine Terminal Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal and Distribution Company Limited
- Fauji Infraavest Foods Limited
- Foundation Wind Energy-I & II Limited
- Foundation Power Company Daharki Limited
- Fauji Kabir Wala Power Company Limited
- Fauji Fertilizer Bin Qasim Limited
- FFBL Power Company Limited
- Foundation Solar Energy (Private) Limited
- Daharki Power Holdings Limited

He was awarded with "Sitara-e-Imtiaz" in 2022 for Public Service and Social Welfare.



Dr. Nadeem Inayat

Senior Director (Strategy and M&A)
Fauji Foundation

Dr Nadeem Inayat joined MPCL Board on September 18, 2006. He is Non-Executive Director and Chairman of Investment Committee & Member of Audit Committee.

He is also on the Boards of Fauji Fertilizer Co Ltd, Fauji Fertilizer Bin Qasim Ltd, Fauji Cement Company Ltd, Fauji Akbar Portia Marine Terminals (Pvt.) Ltd, Fauji Oil Terminal & Distribution Company Ltd, Askari Cement Ltd, Daharki Power Holdings Ltd, Pakistan Maroc Phosphor S.A., Foundation Wind Energy-I Ltd, Foundation Wind Energy-II (Pvt.) Ltd, Fauji Fresh n Freeze Ltd, Fauji

Foods Ltd, Fauji Meat Ltd, FFBL Power Company Ltd, Askari Bank Ltd, Fauji Infraavest Foods Ltd, Foundation University and Noon Pakistan Ltd.

Dr Nadeem is also on the boards of different public sector universities and has conducted various academic courses on Economics, International Trade and Finance at reputable institutions of higher education in Pakistan. He is also a member of Pakistan Institute of Development Economics.

He holds a Doctorate in Economics and has over 29 years of diversified experience in corporate governance, policy formulation and deployment, project appraisal, implementation, monitoring & evaluation, restructuring and collaboration with donor agencies.



Maj Gen Ahmad Mahmood Hayat (Retd)

Director Health - Fauji Foundation

Maj Gen Ahmad Mahmood Hayat, HI (M), (Retd) joined MPCL Board on September 07, 2020. He is Non-Executive Director and Chairman of Technical Committee & Member of HR&R, Investment and ESG Committees.

He was commissioned in the Army on 06 Sep 1984. He is a graduate of Command and Staff College Quetta, Command and General Staff Course USA, and National Defence University Islamabad, Pakistan. He holds Master's Degree

in War Studies from Quaid-e-Azam University Islamabad and Fort Leavenworth USA.

He has commanded an Armour Regiment, Independent Armoured Brigade Group, Infantry Brigade and Infantry Division. He also held various staff appointments including Adjutant/ Instructor Pakistan Military Academy, Brigade Major of an infantry Brigade, General Staff Officer-2 and 1 at CGS Secretariat, General Staff Officer-1 at Military Operations Directorate, Chief

of Staff at Corps Headquarter, Director General in Inter Service Intelligence Islamabad and Director General Defence Export Promotion Organization. In recognition of his outstanding services, he was awarded Hilal-i-Imtiaz (Military).

Currently, he is also on the Boards of Fauji Fertilizer Company Limited and Fauji Fertilizer Company Energy Limited.

Profile of Board of Directors



Mr. Faheem Haider

Managing Director/CEO
Mari Petroleum Company Limited

Mr. Faheem Haider is the Managing Director/CEO of MPCL since August 2020. Currently, he is the only Executive Director on MPCL Board.

Mr. Haider is also serving as a Non-Executive Director on the boards of Pakistan International Oil Limited (UAE) and Fauji Akbar Portia Marine Terminal Limited. In addition, he is the Chairman of Pakistan Petroleum Exploration and Production Companies Association (PPEPCA) and Society of Petroleum Engineers (SPE) – Pakistan Section.

During his international career spanning over 29 years, he has held various technical and leadership positions with international oil and gas companies such as Union Texas Petroleum, OMV Pakistan Exploration GmbH, Helix RDS Limited UK, BG Group Plc UK, and Neptune

Energy Group UK (formally known as Engie E&P International). Other than Pakistan, he has been based in full-time roles in the UK, Oman, Egypt and France working on a variety of projects in the Middle East, North Africa, across Europe and the Asia Pacific.

He has a sound understanding of the E&P business from a technical, operational and commercial perspective. Apart from handling the core E&P operations in different parts of the world, he has hands-on experience of joint venture management, leading growth strategies, business development, operational excellence, organization development, transformation and stakeholders' management. Before joining MPCL, Mr. Haider was working with Neptune Energy as Head of Strategy and Business Development for North Africa and Asia Pacific, based in London

where he significantly contributed towards the growth of Neptune's business in Egypt, Indonesia and Australia.

Although Mr. Haider is an upstream E&P professional, his most recent assignment at MPCL, board experiences and exposure to Fauji Foundation Group's other businesses have allowed him to diversify his expertise beyond oil and gas to other sectors e.g. mining, power, cement, fertilizer and terminals business.

Mr. Haider holds a Master's degree in Petroleum Engineering & Production Management (w/ distinction) from Imperial College London, UK, a post-graduate diploma from College of Petroleum Studies, Oxford, UK and a BSc (w/honors) degree in Petroleum Engineering from University of Engineering & Technology, Lahore, Pakistan.



Captain Muhammad Mahmood (Retd)*

Secretary Petroleum

Mr. Muhammad Mahmood joined MPCL Board on October 18, 2022, representing Government of Pakistan. He is a Non-Executive Director and a Member of the Board's Audit and ESG Committees.

Mr. Mahmood holds a Master's degree in Public Policy Analysis and Economics from the Institute of Development Studies, UK and Master of Governance and Development Economics, Australian National University, Canberra, Australia.

He is a senior public sector executive and a seasoned development practitioner having more than twenty-seven years of experience

of implementing development projects, trade activities, facilitating private and public sector investments and collaboration with national and international financial and development institutions.

He has worked with the World Bank, Asian Development Bank, United Nations, UK's Department for International Development, Canadian International Development Agency and Swiss Agency for Development and Cooperation on various projects and initiatives for socio-economic development sponsored by these multilateral and bilateral agencies.

As a member of the civil administration, he

has made valuable contributions in financial, infrastructure development, energy, agriculture & livestock, digital technology, small & medium enterprises development, and trade & commerce sectors.

He is the author of several papers and public policy documents. His services and contributions have received local as well as global recognition. In particular, he was awarded Tamgha-e-Imtiaz and the Best Public Servant of the Year Award in 2015.

In addition to MPCL, he is also serving as a director on the boards of Pak Arab Refinery Company, Pakistan Petroleum Company Limited, and Government Holdings Private Limited.

* Nomination withdrawn by GoP post year end.



Mr. Mohammad Hassan Iqbal

Additional Secretary, Ministry of Energy
(Petroleum Division)

Mr. Mohammad Hassan Iqbal joined MPCL Board on August 03, 2023, representing Government of Pakistan. He is a Non-Executive Director and a Member of the Board's HR&R and Technical Committees.

Mr. Mohammad Hassan Iqbal is a distinguished civil servant and an officer of the Pakistan Administrative Service. Currently, he is serving as an Additional Secretary of the Petroleum Division. He attained his B.Sc. in Civil Engineering from UET, Lahore, and obtained a Master's Degree in Transport Engineering & Planning from the University of Leeds, United Kingdom. In addition, he has completed several professional training courses, including the Common

Training Program, Specialized Training Program, Mid-Career Management Course, Senior Management Course, and National Management Course.

Mr. Hassan has extensive experience of working in various provinces of Pakistan. He has served as Additional Chief Secretary for the Environment, Climate Change, and Coastal Development Department in Sindh, Secretary for the Food Department as well as Special Secretary for the Home & Tribal Affairs Department in Balochistan. In Punjab, he has held the position of Secretary of Social Welfare & Bait-ul-Maal, Special Education, Population Welfare, Mines & Minerals, Housing, Urban Development & Public Health Engineering,

and Auqaf & Religious Affairs Departments. Early in his career, Mr. Hassan also served as District Coordination Officer and as Assistant Commissioner in various districts of Punjab.

His expertise, combined with his extensive experience in public service, makes him an invaluable member of the Petroleum Division.

In addition to MPCL, Mr. Hassan currently serves on the boards of Government Holdings (Pvt) Limited, Pakistan LNG Limited, and Pakistan State Oil Company Limited, as a Government representative.



Mr. Ahmed Hayat Lak

Managing Director / CEO
OGDCL

Mr. Ahmed Hayat Lak joined MPCL Board on June 26, 2014, representing OGDCL. He is a Non-Executive Director and Member of Audit and HR&R Committees.

Mr. Ahmed Hayat Lak possesses extensive experience of strategic leadership, corporate governance, public sector management and E&P industry. He was appointed Managing Director / CEO OGDCL on February 22, 2023. Previously he was serving as Company Secretary and head of Legal Services. Mr. Lak is a director on the Boards of Mari Petroleum Company Limited (MPCL), Reko Dik Mining Company Limited and Pakistan International Oil Limited (PIOL). Prior

to joining OGDCL, Mr. Lak served in Pakistan Oil Fields Limited (POL) as head of Corporate and Legal Services. He also worked in the National Accountability Bureau as Advisor to the Chairman and as Consultant in the office of Prosecutor General.

He holds post graduate degree in law from the university of Wolverhampton – UK and Bachelor of Law (Hons.) degree from the University of London, United Kingdom.

Profile of Board of Directors



Mr. Muhammad Aamir Salim

Executive Director (Petroserv)
OGDCL

Muhammad Aamir Salim joined MPCL Board on April 12, 2023, representing OGDCL. He is a Non-Executive Director and member of the Investment, Technical and ESG Committees.

Mr. Muhammad Aamir Salim has been Executive Director (Petroserv) at OGDCL since August 2019. In this key role, he is responsible for drilling and work operations, as well as infrastructure development across OGDCL's countrywide operations. Mr. Salim has 26 years of experience in oil and gas industry and had spent career with world-renowned Oilfield Services provider Schlumberger and its joint venture partner. Throughout his career he has worked extensively in both offshore and onshore drilling

operations and project management roles in various countries, including Pakistan, Singapore, Thailand, Vietnam, Indonesia, UAE, and Saudi Arabia.

Prior to joining OGDCL, Mr. Salim spent eight years in senior leadership roles in Operations Excellence, Offshore Rigs Construction Projects, Corporate HSE, and Operations Compliance for Schlumberger's joint venture company in Saudi Arabia. During this time, he led various business units and was instrumental in Company's growth and setting up transformational offices with joint venture company becoming one of the leading service providers to Saudi Aramco. Mr. Salim brings diversified skill set in technical and

commercial leadership roles related to setting up and executing major projects and implementing transformation processes.

Mr. Salim holds a Bachelor's degree in Mechanical Engineering from NED University of Engineering & Technology, Karachi, and an Executive MBA from London Business School. He also serves on the Petroleum Engineering advisory board of NED University of Engineering & Technology.



Mr. Adnan Afridi

Managing Director/CEO
National Investment Trust Limited

Mr. Adnan Afridi joined MPCL Board on March 21, 2019, representing shareholding interest of General Public (Minority Shareholders). He is an Independent Non-Executive Director and Chairman of HR&R Committee and member of Audit, Technical and Investment Committees. He is at present Managing Director of the National Investment Trust Limited.

Mr. Afridi has a degree in Economics (A.B, Magna Cum Laude, 1992) from Harvard University and a degree in Corporate Law (JD, Magna Cum Laude in 1995) from Harvard Law School. Mr. Afridi is an active supporter of charitable organizations.

Mr. Afridi has over 29 years' international experience in Change Management, business transformation, innovation and profitability enhancement in blue chip companies, public sector and start-up situations. He has led a distinguished career in financial services and capital markets including serving as Member SECP Policy Board, Managing Director of the Karachi Stock Exchange, CEO, Overseas Investors Chamber of Commerce and Industry (OICCI), Chairman of National Clearing Corporation of Pakistan (NCCPL) and Board of Directors of Central Depository Company (CDC).

He has served as the President of the Old Grammarians Society & Trust and is currently Vice Chairman of the Board of Governors of the Kidney Center and a member of the Board of Governors of Shaukat Khanum Memorial Trust. He is also a Member of YPO Pakistan since 2008 and currently serving on the board of YPO- Gold Pakistan.

Currently, in addition to MPCL, he is on the Boards of Bank Al Habib Limited, International Industries Limited, Dynea Pakistan Limited, Lotte Chemical Pakistan Limited, Siemens Pakistan Ltd, & Biafo Industries Ltd, as an independent director.



Mr. Abid Niaz Hasan
 Non-Executive Director
 Mari Petroleum Company Limited

Mr. Abid Niaz Hasan joined MPCL Board on June 24 2022, representing shareholding interest of General Public (Minority Shareholders). He is an Independent Non-Executive Director and Chairman of Audit and ESG Committees and Member of HR&R Committee.

He possesses over 30 years of experience as a development banker and served in the World Bank Group from 1975 till 2006. He served as the Operations Advisor, Pakistan Program (1997-2006), Principal Financial Sector Specialist (South Asia Region), (1992-97), Chief of Industry and Energy Unit, Bangladesh (1988-92) and Senior Financial Analyst (East Asia Region) (1975-88).

During his association with the WBG, he was responsible for relationship management with cabinet and senior policy makers, multilateral and bilateral agencies, banks, private investors, and media, overseeing implementation of World Bank programs for macroeconomic, sectoral reforms covering energy, banking, private, development, water resources, agriculture, infrastructure, SOEs, and social sectors.

After retirement from the WBG, he held a number of positions including: Member of the Government of Pakistan’s Economic Advisory Committee (2010-2018), Member of the Boards and Chairman of the Board’s Audit Committees

in Pakistan Tobacco Company (2007-2016), Khushali Bank (2007-2009), and Wateen Telecommunications (2012-2017).

Currently, he is a Member of the Board of Governors of two NGOs, Hunar Foundation and Chal Foundation.



Ms. Seema Adil
 Non-Executive Director
 Mari Petroleum Company Limited

Ms. Seema Adil joined MPCL Board on June 24, 2022, representing the shareholding interest of General Public (Minority Shareholders). She is an Independent Non-Executive Director and Member of Technical, Investment and ESG Committees.

She is a qualified Chemical Engineer and possesses 33 years’ experience in oil & gas industry in Pakistan.

She served in Shell Pakistan for 30 years in various capacities in marketing, supply, distribution, technical support, and business process re-

engineering. She also served as a management team member and as Shell appointed Director on PAPCO Board.

Later, she served in Pakistan Refinery Limited for 3 years as Deputy Managing Director. As a senior member of the refinery leadership team, she carried direct responsibilities of plant operations, oil movement, commercial activities, crude economics, pricing, HSEQ and was the Management Representative ensuring ISO qualification.

She is a leader focused on achieving results in

highly competitive and diverse environments that demand continuous improvement. She is skilled in building and motivating cross-functional and cross-regional teams performing towards achieving corporate goals and expectations. She is also a skilled program/project manager.

She also possesses hands-on experience of corporate governance of medium to large sized organizations.

Ms. Seema Adil is currently a director on the Board of Wyeth Pakistan limited.

Profile of Chief Financial Officer and Company Secretary

Mr. Nabeel Rasheed
Chief Financial Officer

Mr. Nabeel Rasheed joined Mari Petroleum in June 2021 and presently occupies the position of Chief Financial Officer. Mr. Rasheed is a Fellow member of the Institute of Chartered Accountants of Pakistan.

Mr. Rasheed has worked in Asia, Africa and Europe specializing in financial management and commercial structures. He had a long association with Eni and his last assignment was as Director Finance & Control for a SPE established to build a 3.4 MPTA FLNG.

He brings with him 16 years of post-qualification experience and holds a Post Graduate Diploma in Oil and Gas Law along with a MBA in Oil and Gas Management from Robert Gordon University, U.K.



Mr. Muhammad Sajjad
Acting Company Secretary

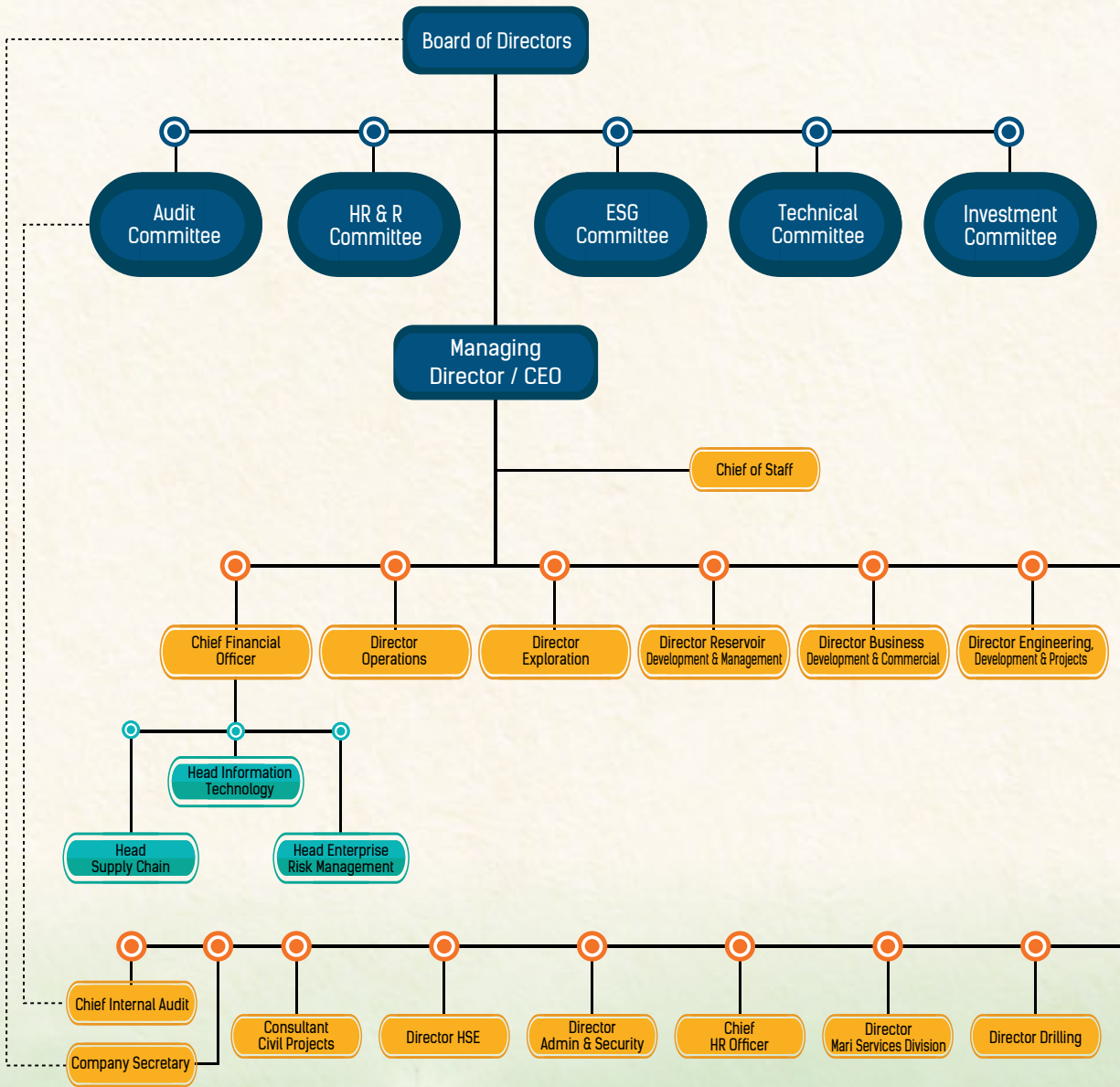
Mr. Muhammad Sajjad is a Member of the Association of Chartered Certified Accountants (ACCA) with over 24 years of diversified experience with reputable national and international organizations.

He joined MPCL in 2015 and was appointed Acting Company Secretary on July 2, 2022. He brings in rich experience of Petroleum, Real Estate Development, and Hospitality industries.

He has attended numerous courses and trainings in Pakistan and abroad on Corporate Governance, Leadership and Strategy, and Enterprise Risk Management.



ORGANOGRAM



— Administrative Relationship
 - - - Functional Relationship



CHAIRMAN'S REVIEW



Dear Shareholders,

It is my privilege to present to you the Annual Report of Mari Petroleum Company Limited for the financial year ended on June 30, 2023.

The year was marked by unprecedented challenges, as well as extraordinary opportunities within the oil and gas sector. Despite the global volatility and issues at home, the company demonstrated its resilience and commitment to delivering consistent and sustainable returns for its valued shareholders. The difficult economic situation that we are facing as a nation has once again laid bare the necessity for increasing our domestic output and reducing our dependence on imports. Since inception, Mari Petroleum has been playing an admirable role in the socio-economic development of our country through indigenous production of oil and gas. During FY 2023, the company once again helped the country save foreign exchange worth USD 3.2 billion on account of energy import substitution. This was on top of substantial contribution of Rs. 74 billion to the Government exchequer in the form of various

taxes and levies, Rs. 2.29 billion spent on flood relief and other impactful CSR initiatives, creation of numerous employment and business opportunities, and infrastructure development initiatives in operational areas.

As I highlighted in the beginning, one of our main priorities is to deliver optimum return to our valued shareholders. The Board has recommended a final cash dividend of Rs. 58 per share (580%) for approval of the shareholders in the upcoming AGM. With this, the total dividend for FY 2022-23 will come to Rs. 147 per share (1,470%), making it the highest cash dividend in the Company's history.

MPCL Board of Directors is agile to providing swift support and guidance to the management to take on various strategic and operational challenges faced by the Company and make best use of the opportunities that arise during the course of the

operations. Throughout the year, the Board convened nine times to rigorously review and approve a variety of essential matters, including key business risks and mitigation measures, strategic business plan, periodic financial statements, annual budget, and more. Moreover, the Board's four permanent Committees also maintained a regular meeting schedule to fulfill their obligations as stipulated by their respective terms of reference.

The Board's careful oversight helped in achieving optimal resource use, heightened transparency, improved disclosures, and better governance across all processes. The Board has also approved the Company's Vision-2030, which comprises three pillars: strengthening the core business by enhancing investment in exploration & development, diversification into mineral mining and green energy for supporting long-term viability

of the Company, and promoting sustainability and environmental consciousness.

In particular, I want to highlight that the Board has recently approved the Company's Environmental, Social and Governance (ESG) Policy, constituted the ESG Committee of the Board, while the work on the company's first-ever Sustainability Report is in final stages. This makes MPCL the first company in local energy landscape to have an ESG Policy and Sustainability Report. This is an important step towards MPCL becoming a national ESG leader, which is one of the strategic objectives of the Company.

At the core of our operations lies a strong commitment to good governance principles. Our unwavering dedication centers on upholding the utmost levels of accountability, transparency, and ethical behavior. To ensure an impartial evaluation of our governance practices and Board operations, we have once again sought the expertise of the Pakistan Institute of Corporate Governance (PICG). In their assessment during FY 2021-22, PICG affirmed the effectiveness of our Board and our adherence to good governance practices. We have implemented their previous recommendations for further enhancing our Company's governance framework.

We place significant emphasis on the continuous professional development of both our Directors and executives. As part of this commitment, two mandatory Directors' Training

Programs, facilitated by PICG, were conducted for Directors and Company executives, including female leaders, over the course of the year. We are actively arranging additional programs for Directors who recently joined the Board. Further, a number of Directors had the opportunity to attend short training courses relevant to their respective areas of expertise at esteemed international institutes, while executive leadership programs at top-tier international universities are being organized for middle management and N-1 positions.

During the year, our Board experienced a few changes, including the replacement of two nominee directors, one from GoP and another from OGDCL. Additionally, after the year's conclusion, another GoP nominee was replaced. I would like to take this moment to express my sincere appreciation to the retiring directors for their invaluable contributions and for fostering a harmonious boardroom environment. On behalf of the Board, I extend my best wishes to them as they embark on new endeavors in the future. To the incoming directors, I extend a heartfelt welcome and eagerly anticipate the fresh perspectives and diverse expertise they are bringing to our esteemed team.

We are entering the new fiscal year with a cautious optimism. Our company is well-positioned with a diversified asset base, a resilient balance sheet, and a clearly defined strategy. With a portfolio of exciting exploration and development projects across

Pakistan and a team of dedicated professionals, we are confident in our ability to create sustainable value for all our stakeholders.

I am honored to be part of this journey of corporate success as we continue to push the performance envelope, seize the opportunities coming our way, and deliver sustainable growth. Our dedication to professional excellence, responsible practices, and innovation will ensure that we remain a leading player in the E&P sector.

Thank you for your continued trust and confidence in MPCL.

Waqar Ahmed Malik (SI)
Chairman
MPCL Board of Directors

MANAGING DIRECTOR'S Outlook



Faheem Haider
Managing Director/CEO

Dear Stakeholders,

Since commencing our business transformation program in mid-2020, I am excited to report that we have made remarkable progress on multiple fronts during 2023 to deliver value to our stakeholders.

These include:

- Renewed emphasis on Health, Safety, and the Environment (HSE)
- Maximizing production, improving efficiency, optimizing costs, enhancing asset integrity management and application of advanced technologies in our day-to-day operations
- Building solid business growth platform by adding new Reserves and Resources while reducing finding and development costs
- Expanding our portfolio both locally and internationally and embracing international best practices as we seek to expand our global footprint
- Undertaking a far reaching HR transformation program, which covers Reward and Remuneration revamp and valuing our people, as we seek to attract best in class talent in our journey to excellence
- Achieving financial and operational self-sufficiency for our Services Division
- Proactively contributing to communities we interact with through our Corporate and Social Responsibility (CSR) programs

I am pleased to report that the strategic shift towards business growth and proactive initiatives to improve underlying performance are yielding remarkable dividends for MPCL. In FY 2023, the company's net sales and net profit recorded impressive growth of 53% and 70%, standing at the historically highest levels of Rs 145.8 billion and Rs 64.7 billion before 10% super tax, respectively. After provision for super tax, net profit is Rs 56.1 billion. EPS also reached the highest ever level of Rs 420.75 per share from Rs 247.84 per share of the previous year.

MPCL Transformation Journey	2023	2020	▲
Net Sales (PKR Billion)	145.8	72.0	+103%
Net Profit (PKR Billion)*	56.1	30.3	+85%
EPS (PKR)	420.8	227.2	+85%
Market Capitalization (PKR Billion)	202.1	165.0	+22%

* Growth in net profit would have been 114% without the impact of super tax

Commitment to Health, safety, and the environment (HSE):

We remained steadfast in our commitment to safety in all our operational activities. In July this year, we marked one year without any Lost Time Injury (LTI) while clocking around 17 million safe man hours along with safe driving of more than 9 million kilometres. This is a momentous achievement considering the fact that we operate in highly challenging environment that includes extreme weather conditions, unprecedented rains, security issues, local contractors’ issues and mountainous terrains.

Maximizing production: The commissioning of the Sachal Gas Processing Complex (SGPC) in Mari Deep and its integration into the SNGPL network through MPCL’s own cross-country pipeline along with the Mari Habib Rahi Limestone (HRL) Reservoir Swing Volume Project have been instrumental in generating higher sales revenue, as a majority of the volumes sold from these strategic projects were entitled for incentive price under the 2012 Petroleum Policy. Despite challenges posed by customers' unplanned outages, these strategic initiatives have effectively mitigated most of the shortfalls, resulting in company achieving 36.35 MMBOE in hydrocarbon sales.



Sachal Gas Processing Complex, Mari Field, Daharki

The company has executed a framework agreement with our three fertilizer customers for debottlenecking of surface pipeline network and installation of pressure enhancement facilities. Funded by the fertilizer customers, this project aims to maintain Mari HRL Reservoir production plateau at desired delivery pressure(s) for gas supplies to the fertilizer plants. Debottlenecking of the surface network is currently in progress while decision support package for compression facilities is being finalized for FEED study which will be followed by project execution.

Several critical projects are currently underway that will boost the company’s production and revenues upon completion. These include installation of Early Production Facilities (EPF) at Shewa-1 discovery in North

Waziristan, which, subject to completion of SNGPL pipeline and conducive security situation, will be ready for production by start of 2024. Drilling of Shewa-2 appraisal well is also underway and, in case of success, will add to the volumes being processed at the Shewa-1 EPF.

Optimizing costs: The production was accomplished with an impressive low operating cost of approximately US\$2.0 per BOE, resulting from cost optimization strategies executed by the management across all operational aspects.

Reserves and Resource Addition: Through dedicated exploration and development endeavours, we have accomplished an impressive Proved plus Probable (2P) Reserves Replacement Ratio (RRR) of 114% and a substantial 48%

MPCL Transformation Journey	2023	2020	▲
Production Capacity (KBOED)	121	104	+16%
Reserves and Resources (MMBOE)	682	568	+20%
Net Production (MMBOE)	36	33	+9%
Finding Cost (USD/BOE)	3.2	22.2	-86%

Managing Director's Outlook



Celebration of Ghazij-1 Discovery at Head Office - Islamabad

increase in Contingent Resources (2C), reinforcing our current reserves and bolstering our future energy potential. Our 2P Reserves and 2C Resources stand at 682 MMBOE net on 30th June 2023. We have also completed third party reserves certification by DeGolyer & MacNaughten giving us confidence that our internal reserve estimation quality and process is in line with international best practices.

Application of advanced technologies: The Company has achieved a ground breaking technological milestone by successfully drilling its first ever horizontal well Mari-122H in the mature HRL Reservoir of the Mari Field. This accomplishment was followed by another successful horizontal well Mari-123H after the year-end. These wells exhibit substantially higher deliverability

and pressures compared to conventional vertical wells, and will play a crucial role in extending the HRL production plateau for a prolonged period. Building upon the success of these wells, we are planning to drill more horizontal wells in the coming years. We have also deployed a variety of advanced technologies in our drilling operations across the company.

Improving Efficiency: Since the introduction of our company's first-ever asset integrity management policy and the initiation of an extensive asset integrity campaign at different fields, we have witnessed a remarkable improvement in reliability, safety, and performance of our critical assets and operational infrastructure. For the very first time, we have also implemented

a Well Integrity Management System (WIMS) to ensure the safety and reliability of our existing and future wells throughout their entire lifecycle.

Exploration: On the exploration front, Ghazij-1 gas discovery in Mari D&PL has added a new reservoir horizon in the existing Mari Field after an interval of 18 years. This discovery has also opened a new play concept within the mature basins across the country, presenting exciting opportunities for further development and resource addition.

Drilling of exploratory well Maiwand X-1 in Block-28 in Balochistan is also underway. This is a strategic well and in case of success it could open doors for further exploration opportunities in the area in addition to adding new Resources.

Expanding Portfolio: We have expanded our portfolio by acquiring 5 new exploration blocks. With these additions, our exploration portfolio now comprises 34 exploration licenses, with an impressive 16 licenses added within the last three years, including one offshore block in Abu Dhabi.

Mari Services Division financial and operation self-sufficiency: The capability of Mari Services Division has been further enhanced by adding gravity and magnetic survey capability. MSD

MPCL Transformation Journey	2023	2020	▲
Exploration Licences (Number)	34	18	+16
Exploration Acreage (Square Kilometres)	68,290	34,976	+ 33,314
International Presence (Abu Dhabi)	1	-	+1

has undertaken two third-party seismic acquisition projects, in addition to providing unmatched services for internal projects. MSD has successfully acquired Tier-1 and Tier-2 Qualification with JSRS- Oman and it can now access tender documents of Saudi Arabia, UAE, Qatar, Bahrain, Kuwait and Oman.

HR Transformation: We proactively acquired and retained top-tier talent, which has injected fresh perspectives and innovative ideas into our organizational culture. Moving forward, we remain committed to nurturing and empowering our talented workforce, to fuel the sustained growth and prosperity of our company. A focused effort is ongoing to transform the company’s culture towards building a proactive and dynamic organization delivering continuous improvement, efficiency and growth through learning, collaboration and teamwork.

Corporate Social Responsibility: We collaborated closely with local stakeholders to implement projects aimed at enhancing education, healthcare, and livelihood opportunities especially in under developed areas of KP and Balochistan. Concurrently, we diligently tried to minimize our ecological footprint through sustainable operational practices and tree plantation drives at Islamabad and field locations.



HR Training Session, Islamabad



Inauguration of Mobile Health Units for Waziristan

Future Outlook: Moving forward, we have defined a vision with three key imperatives to be achieved by 2030. These imperatives include:

- Strengthening of core business by increasing production and achieving RRR of 100%.
- Business diversification beyond oil & gas by allocating funds for targeted investment in mining, green hydrogen and renewables.

- Becoming a national ESG leader by reducing our carbon footprint, enhance business efficiency and continuing community development and CSR initiatives.

We are working closely with GoP and our customers to manage circular debt issue being faced by the energy sector to mitigate its impact on our operations. We are strategizing all operational activities in collaboration with the relevant law enforcement

MPCL Transformation Journey		2020-23
Dividend Payout *		Rs. 55 Billion
CSR Spending		Rs. 07 Billion
Contribution to Govt. Exchequer		Rs. 214 Billion

** This includes final dividend of Rs 58 per share recommended by the Board of Directors for approval of shareholders.*

Managing Director's Outlook

“Mari Mining Company has been incorporated to undertake mineral mining projects in the country”

“In its pursuit of becoming a national ESG leader, the company has taken a significant stride by formulating an ESG Policy. Currently, it is working on the development of its inaugural Sustainability Report”

agencies to ensure continuity of our operations in security sensitive areas.

In addition to above, during 2023-24, we are taking on new challenges in our core business to increase production to another record level; exploring in more challenging area for Resources additions; developing already discovered Resources on a fast track basis to progress Resources to Reserves and continuously

improving efficiency in our business to deliver higher value to all stakeholders. This requires sharp focus on building capability and improving delivery efficiency through the ongoing HR and cultural transformation and organizational development initiatives.

Taking this opportunity, I want to extend my heartfelt appreciation to my exceptional team for their hard work, dedication, and resilience throughout the year. I am truly privileged to have such talented individuals driving our company forward.

MPCL is on a growth trajectory and my focus in the coming year will be to deliver the key ongoing projects, work on the organization culture, training and development of our staff and reinforcement of management system / international best practices so that we are able to deliver our ambitious business plan and Vision 2030 in-line with the approved strategy by the Board.

In closing, I want to express my deepest gratitude to the law enforcement agencies, petroleum division, joint venture partners, shareholders, Board of Directors and all other stakeholders who have contributed in our journey towards success. Their unwavering support, collaboration and partnership have been crucial in navigating the myriad challenges we face, and building a stronger, more resilient organization that continues to make a positive impact on the lives of many. As we move forward, we will continue to foster these valuable partnerships, ensuring that we uphold our commitment to integrity, transparency, and responsible corporate citizenship. I thank them all for being an integral part of our story.



Faheem Haider
Managing Director/CEO



MPCL Management Employees with the Managing Director



MD's Visit to SGPC, Mari Gas Field, Daharki

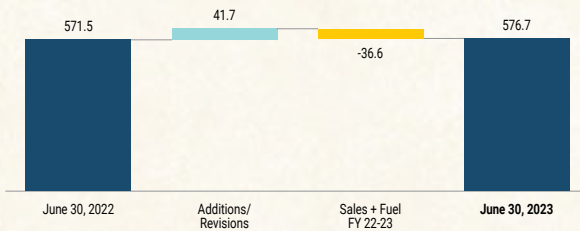
MPCL RESERVES & RESOURCES

Considering Reserves replacement and Resource addition as the most important indicator for any E&P Company, all our efforts are directed towards resource addition and reserves replacement while enhancing the current production. During the year, the proved and probable reserves increased by 42 MMBOE from various fields, which translates into Reserve Replacement Ratio (RRR) of 114%. This increase in

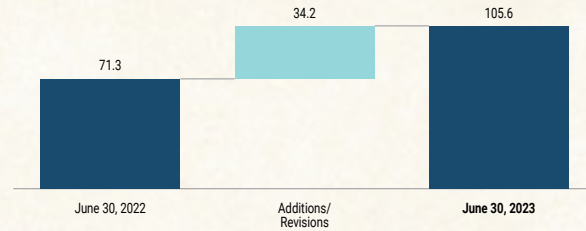
reserves primarily includes reserves addition for HRL reservoir owing to surface facilities debottlenecking, horizontal well drilling, sanction of Pressure Enhancement Facilities project and other revisions. In addition, the Company's net contingent resources also increased by 34 MMBOE during the year which mainly relate to Ghazij Discovery. Overall, these additions resulted in around 48% increase in the contingent resources.

Total reserves and resources as at 30 June 2023 stand at 682 MMBOE. During the year MPCL also engaged services of external certified Reserves and Resources estimator for independent 3rd party evaluation of MPCL Operated fields Reserves and Resources. The study concluded that the MPCL total Reserves and Resources are within marginal variance compared to the 3rd party evaluation.

Estimated Proved + Probable Reserves
(2P) MMBOE NET



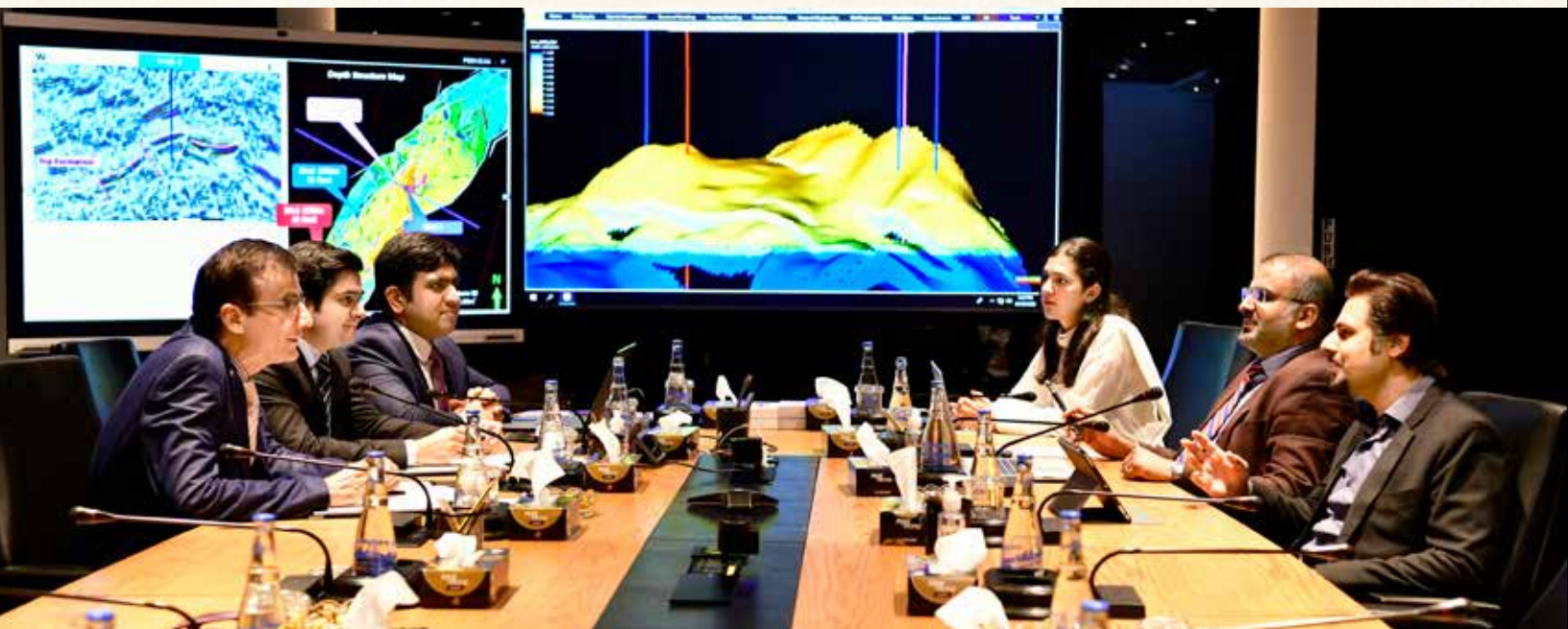
Estimated Contingent Resources
(2C) MMBOE NET



Proved and Probable (2P) Reserves denote the best estimates of reserves to be commercially recoverable from known reservoirs under defined economic conditions, operating methods, and government regulations.

Contingent (2C) Resources denote the best estimate of contingent resources to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.

(Reference: SPE Petroleum Resources Management System, August 2022)



Discussion on Reservoir Modeling and Future Development - Head Office, Islamabad

SHEWA-1 EARLY PRODUCTION FACILITIES

With 55% working interest, MPCL is the operator of Waziristan Block (formerly Bannu West) situated in North Waziristan area of the KP Province. OGDCL and Orient Petroleum International (OPI) are joint venture partners with 35% and 10% working interests, respectively. MPCL made a significant gas and condensate discovery at Shewa-1 exploratory well in the block in June 2022, the largest hydrocarbon discovery in Pakistan in the last 12 years.

Soon after the discovery, MPCL commenced field development work to bring the discovery on stream with a target to (a) achieve early monetization (b) mitigate declining hydrocarbon production in the country, and (c) economically empower the local populace.

Early Production Facilities (EPF) vs Conventional Field Development

A thorough analysis of project durations for conventional field development and Early Production Facilities was made, showing a difference of over four years between first gas dates under the two options. The installation of EPF would enable production to commence in as little as 9 months, contingent on factors, such as security situation in the volatile NW area, timely completion of the sales gas transmission pipeline, regulatory approvals, contractual agreements, uninterrupted supply chains, and the stability of fiscal and economic circumstances. EPF would also provide invaluable insights into the reservoir, for defining its characteristics and establishing design parameters for a full field development. In light of these considerations, it was decided to opt for EPF, initially on a rental basis for a minimum of 2 years, as the most feasible choice for Shewa-1.



Signing Ceremony of Gas Processing Contract for EPF – Shewa-1 Waziristan

MPCL reached out to several E&P companies in Pakistan to check the availability of a suitable processing facility that could be transported and installed at Shewa. Orient Petroleum International (OPI) confirmed the availability of its 100 MMSCFD capacity EWT train matching the specifications to process Shewa-1 gas according to SNGPL requirements. The plant was installed at Zamzama Gas Field (ZGF) by a well-known international company. It came fully equipped with required utilities and auxiliary systems, and was available for immediate relocation.

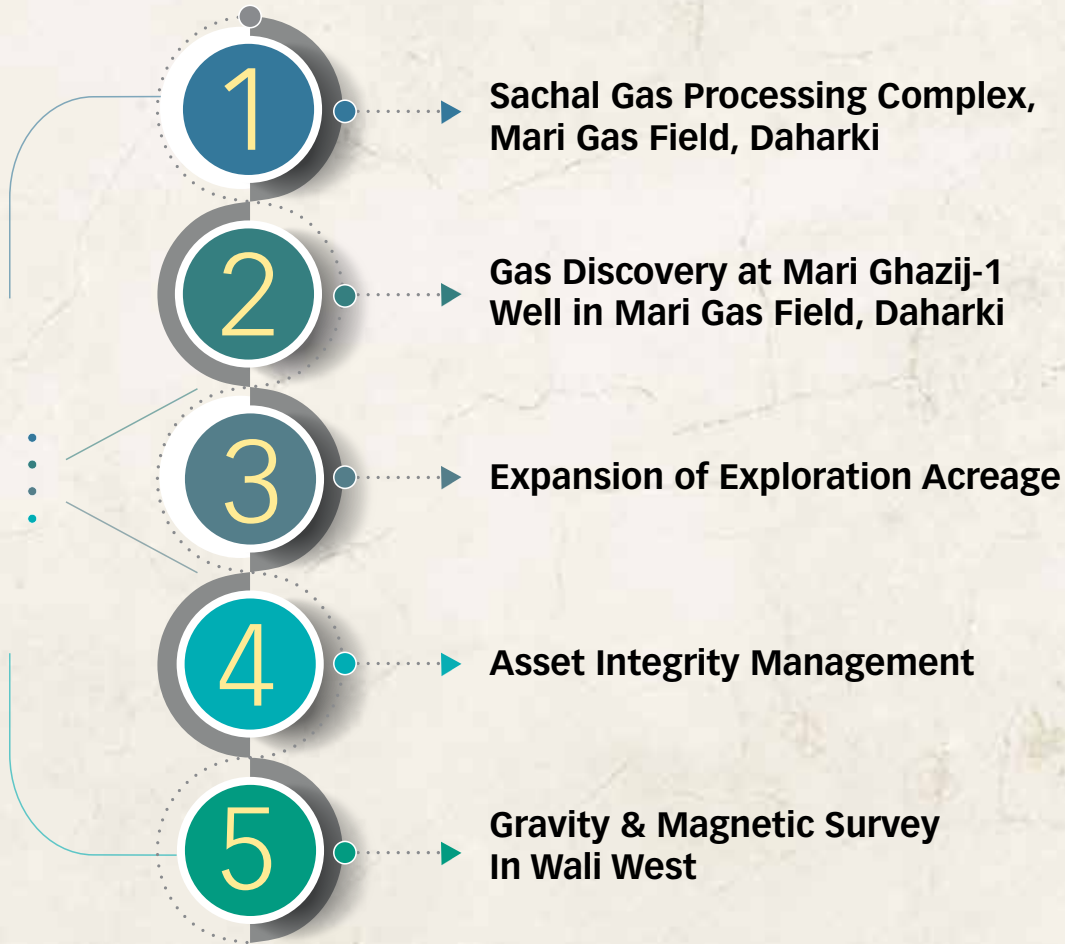
After approval of the Board and JV Partners, MPCL signed a Gas Processing Contract with OPI on April 12, 2023 for supply of Waziristan EPF. The Waziristan JV will have the flexibility to buy the plant or extend the rental arrangement after two years initial period. The project is currently under execution. The plant has been dismantled and transported to Shewa site, where it is currently being re-installed, with expected completion by end of Q2 2023-24. Key project risk now sits with SNGPL on the transmission

pipeline, due to security situation and issues with locals.

MPCL's Engagement Strategy

MPCL has collaborated on multiple levels to ensure smooth execution of the project. This includes engaging the law enforcement agencies including the army, civil administration, local communities, and the implementation of a well thought out CSR program. Details of MPCL's CSR initiatives in Waziristan are covered in the CSR Section of this Report. MPCL is actively supporting SNGPL in the formulation and implementation of their CSR plans, further demonstrating its commitment to collaborative project development in the National Interest.





Success



Stories

Sachal Gas Processing Complex

Mari Gas Field, Daharki

Besides its exploratory efforts and focus on early monetization of new discoveries, MPCL is committed to maximizing production from its producing fields to meet Pakistan's energy requirements from indigenous resources.

Executed during the worst of COVID-related restrictions, the USD 250 million SGPC project was completed in record time in the face of adversities including extremely hostile weather, pandemic-related restrictions, supply chain disruptions, and forex-related challenges for the import of critical equipment and material.

Overcoming these challenges, the company completed Phase-1 of SGPC in March 2022 with an initial production of around 20 MMSCFD of sales gas from the Tipu compartment of Mari Deep for supply to SNGPL, while Phase-II was completed in December 2022, with an initial supply of 50 MMSCFD, which was gradually ramped-up to around 100 MMSCFD.

The processed gas from SGPC is being injected into the SNGPL network through MPCL's own, 20-inch diameter, 25-kilometer-long cross-country gas transmission pipeline, constructed in 2021.

This pipeline has provided MPCL connectivity with the national grid and the company is able to inject gas from Mari Field into the SNGPL network for the first time via its own infrastructure. This is another strategic achievement by the company.

Mari Deep Reservoir

Mari Gas Field's producing reservoirs are classified into shallow (HRL, SML/SUL, PKL, Ghazij) and deep (Goru-B including Tipu). The deeper formations of the Field remained unexplored until the company drilled Mari Deep-1 (MD-1) in July 1997. Encouraged by the results, the second MD well was drilled in February 1998.

The new discovery was named Goru-B and several development wells were drilled based on the 2D seismic. In November 2017, the Tipu compartment of Goru-B reservoir was discovered, which was followed by successful Tipu-2 appraisal well.

Under the appraisal program, six deep wells were drilled, four of which produced gas. The detailed reservoir study conducted by a US based specialist consultant revealed total gas reserves of about 1.9 TCF.

Over the years, the company explored different options to utilize this gas, including: raw gas supply to power plants, mixing Goru-B gas with HRL gas to bring down the CO₂ content, and processing of this gas to convert it into pipeline quality gas.

Eventually, the processing of gas to pipeline specification option was selected, leading to the setting-up of the SGPC plant.



SGPC Plant, Mari Gas Field, Daharki - Sindh

Success Stories



MD's visit to SGPC Plant, Mari Field, Daharki

Significance of SGPC

With a current supply capacity of over 100 MMSCFD of pipeline specification gas, SGPC has added about 5% gas to Pakistan's indigenous production and is helping save substantial foreign exchange of over US\$ 300 million per annum, through LNG import substitution.

The addition of SGPC has pushed the company's total daily sales gas production over 850 MMSCF, making it a leading gas producer in the country.

SGPC is a momentous development in the company's history and embodies our long-term vision for the Mari Gas Field. It is the largest development project undertaken by the company to date, involving significant investment, and has been executed safely in line

with the best engineering and HSE practices while overcoming multiple challenges. It will not only help develop and optimally exploit deeper reservoirs of Mari Field but will also significantly enhance the company's processed gas production capacity to help meet the ever-increasing natural gas demand in the country.

SGPC has been made possible with out-of-the-box thinking of

MPCL's Projects, Operations, and Commercial teams, who executed multiple activities simultaneously, finalized the commercial agreements, secured requisite regulatory approvals, and expeditiously concluded the construction, commissioning, and performance testing of the plant, to bring additional volumes of gas into the national grid at the earliest.



SGPC Plant, Mari Gas Field, Daharki - Sindh

Gas Discovery at Mari Ghazij-1 Well

in Mari Gas Field, Daharki

In January 2023, MPCL announced a landmark gas discovery at Mari Ghazij-1 exploration well, drilled in Mari Development & Production Lease (Mari D&PL) area, located in Sindh Province.

The well was spudded-in on November 24, 2022 and successfully drilled down to the depth of 1,015 meters. The pre-acid gas flow rate established through Drill Stem Test was 5.1 MMSCFD with Wellhead Flowing Pressure (WHFP) of 232 Psi at 64/64 inch choke size. A post acid well test was carried out to understand the well's behavior. The post acid gas flow rate was 8.5 MMSCFD with WHFP of 434 Psi at 64/64 inch choke. The well was further tested at 128/64 inch choke to establish its production potential and it flowed 9.6 MMSCFD of gas with a WHFP of 292 Psi.

Significance of Ghazij-1 Discovery

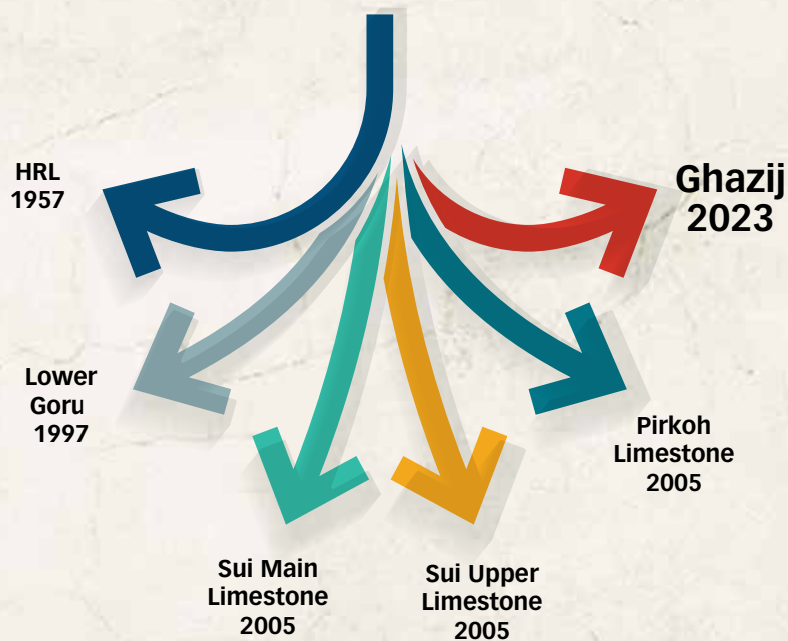
This is the first discovery in limestone units of Ghazij Formation. Prior to this discovery, the Ghazij formation was considered a cap rock for major oil and gas reservoirs in the basin. The idea emerged during testing of Iqbal-1 well in Mari D&PL wherein a thin limestone unit in Ghazij formation was perforated and it made minor contribution to the flow rate. Based on that test, the limestone units within Ghazij Formation were thoroughly studied in Mari D&PL to ascertain their reservoir potential and deliverability within the play sweet spot, which was successfully proven through Mari Ghazij-1 discovery.

This discovery is a remarkable success for MPCL, and shows relentless efforts of our geoscientists to add an additional reservoir horizon in Mari D&PL after a gap of almost 18 years. The discovery has also opened up a new play concept, especially for infrastructure led exploration, in mature basins.

Mari Ghazij-1 is currently on Extended Well Testing (EWT) and produced gas is being utilized as fuel gas for operating SGPC plant. This arrangement is a double win for MPCL as it has provided the swiftest route to EWT for Ghazij while saving SGPC gas. The Company aims to carefully appraise the discovery to prove its extent and, in parallel, evaluate its development options.

MPCL remains committed to contribute towards mitigating the declining gas production in the Country, through a combination of maximizing production from current fields and discovering new resources via aggressive exploration strategy, targeting high grade prospects within the Company's portfolio.

Timelines Discoveries of Mari Field Formations



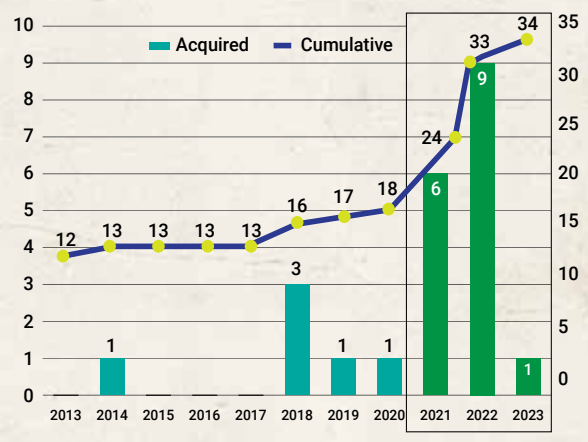
Success Stories

Expansion of Exploration Acreage

Exploration Portfolio Expansion–Ensuring Future Organic Growth

National Operations
• Concessions Area ~ 68,290 Sq.Km
• 33 Exploration Licenses
• 13 Development & Production Leases
International Operations
• Offshore Block 5, Abu Dhabi
• Concessions Area 6,223 Sq. Km

Aggressive Strategy to Acquire New Exploration Acreage (16 blocks in 3 years including ADNOC Offshore Block 5)



According to various studies, Pakistan is bestowed with extensive hydrocarbon resources, which, if explored, can increase indigenous oil and gas production to meet the country's future energy needs. Expansion of exploration acreage is the first step in a rather long journey towards possible hydrocarbon discoveries and for enhancing the production.

With a renewed focus on core E&P business, MPCL has been aggressively seeking to acquire new exploration acreage to ensure

future sustainable organic growth through availability of prospects in the Company's inventory to find new hydrocarbon resources.

During FY 2022-23, the Company won four (04) new exploration blocks, one as an Operator and three as a JV Partner with OGDCL and PPL. The blocks have been granted after competitive bidding on the basis of work commitments during Block Bid Round 2022 (October) conducted by DGPC. Subsequent to the year end, MPCL acquired working interest in Kalchas South Block through farm-in.

During the last three years, the Company has added 16 new blocks to its portfolio including one international block in Abu Dhabi, through participation in bidding rounds and farm-in. With total exploration acreage of 68,290 Sq.Km., MPCL is now a medium sized-E&P Company on an international scale.

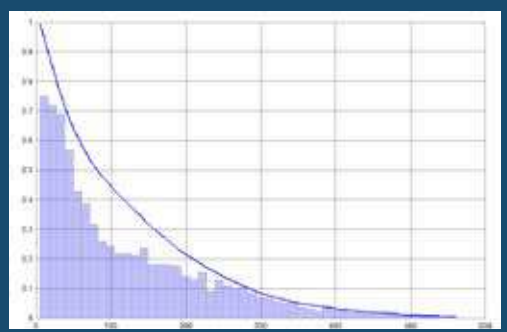
Exploration programs for newly acquired blocks are being carved out to expeditiously commence G&G and seismic activities.

IMPLEMENTATION OF GEOX SOLUTION

MPCL has recently implemented SLB's GeoX integrated solution software to further strengthen exploration projects assessment and business decisions. GeoX provides probabilistic controls on exploration projects for consistent volume-to-value assessment by capturing subsurface and surface uncertainties. GeoX provides a corporate database which enables uniform and structured evaluation.

MPCL has a diverse exploration portfolio from wildcat to near field exploration areas having unique technical challenges and risk scenarios. GeoX allows to model all possible scenarios, assists in quality assurance and reporting for informed decisions.

Inplace Accumulation Size Oil [1e6 STB]



Production Net Oil [1e6 STB]



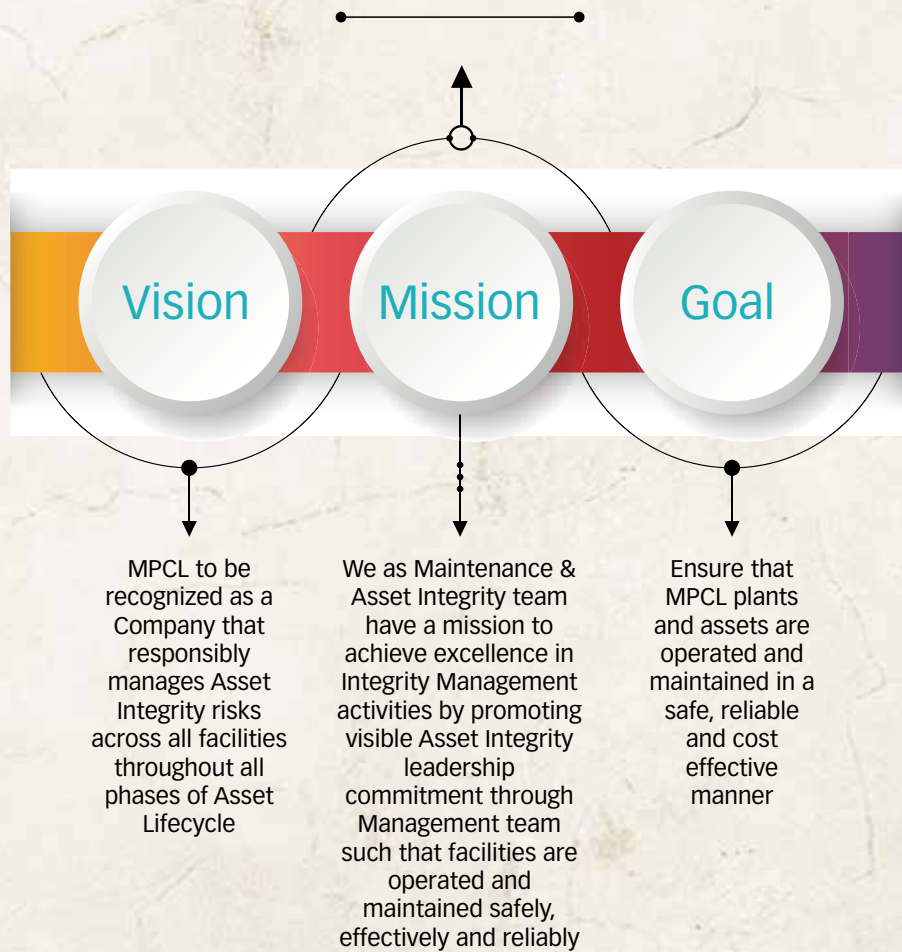
Asset Integrity Management

The establishment of MPCL's first-ever Asset Integrity Management (AIM) Policy marked a significant milestone that demonstrates the management's commitment to meeting business objectives throughout all stages of the asset lifecycle.

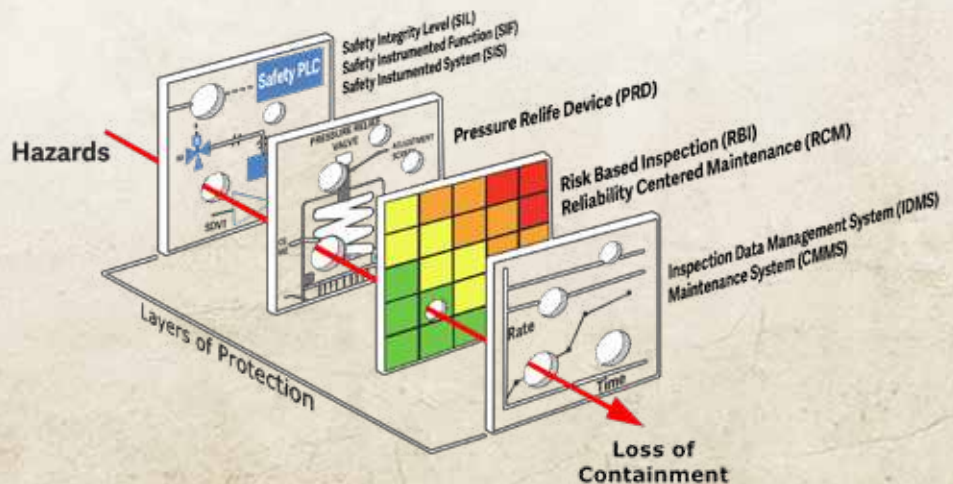
Being one of the country's largest gas producers, MPCL possesses a diverse range of assets, including rotary, static, and E&I equipment. With a remarkable 56-year track record of uninterrupted gas supply to customers, MPCL faced the challenge of managing both an aging asset base and a state-of-the-art mega, green field project, the Sachal Gas Processing Complex (SGPC).

To address the unique diversity of assets, the Maintenance & Asset Integrity (M&AI) Department conducted an initial self-assessment in accordance with the ISO 55000 standard recommendations, with technical integrity being the primary focus. Objectives were established for gradual enhancements, accompanied by ongoing audits. Additionally, M&AI embraced the Swiss Cheese Model, also known as the Barrier Approach.

Vision, Mission & Goal



Swiss Cheese Model



Asset Integrity Management Policy defines the management commitment for meeting the business objectives and operational excellence throughout all phases of the Asset Lifecycle whilst minimizing hazards that cause harm to people, environment and property

Success Stories

Procedural Barriers

Under the AIM framework, MPCL has developed over 150 procedures and 10 operating manuals specifically for SGPC. Additionally, 18 corporate-level governance procedures have also been established.

Physical Barriers

MPCL carries an extensive portfolio of pipelines that are equipped with internal as well as external corrosion management systems including coatings, cathodic protection systems, and corrosion injection systems to prevent corrosion and maintain their structural integrity.

Human Barriers

Effective training, competency assessment, and continuous learning programs have been implemented for the competence development of a workforce that comprehends the risks associated with asset integrity and can identify and respond appropriately to potential threats.

In the fiscal year 2022-23, a series of Asset Integrity initiatives were set in motion, including:

- Developing and updating the As-Built Drawings for the Mari Field – Daharki
- Implementation of Risk and Reliability Studies
- Long Range Ultrasonic Testing (LRUT)
- External Corrosion Direct Assessment Surveys of Pipeline Networks
- Survey of Electrical Assets under National Fire Protection Association
- Motor Current Signature Analysis
- Structural Audit
- American Gas Association and American Petroleum Institute - Compliant Inspections

Further, a 5-year AIM Plan pertaining to Mari Field has been established. Additionally, a dynamic study for compression packages has been successfully concluded and baseline inspection data for the compression packages was gathered for reliable operations using Windrock Inspection & ODS Analysis. The evaluation of AIM Software, to enhance asset health and performance monitoring through analysis, prediction, and optimization of inspection plans, has been finalized, with plans for implementation in the upcoming fiscal year.

During the year, the M&AI Department also accomplished notable achievements within the SAP PM module, encompassing the establishment of the initial SAP standardized procedure, conducting workforce training across all locations, creation of interactive dashboards for KPI monitoring, implementation of monthly stewardship, and successful deployment of SAP at SGPC. These initiatives have resulted in visible improvement in data visibility, transparency, KPI monitoring, standards compliance,

and workforce competence.

Artificial Intelligence & Machine Learning (AI & ML) For Maintenance & Asset Integrity Management

Digitization offers significant benefits to the oil and gas industry, including improved efficiency, safety, cost reduction, collaboration, and environmental sustainability. Embracing digital tech is vital for competitiveness, market adaptability, and thriving in the modern energy landscape. Utilizing business intelligence tools, the M&AI Department has developed internal dashboards to monitor activities, and track selected reliability and corrosion KPIs, and critical asset trends. Additionally, M&AI is pursuing R&D pilot projects to incorporate advanced analytical tools like AI and ML for enhanced integrated asset performance.

AI and ML technologies are pivotal in analyzing extensive data, identifying patterns, and predicting maintenance enhancements, risk mitigation, and asset optimization. These advanced tools enable proactive and predictive maintenance strategies. For instance, the configuration of MyPlant on compressors has enabled us to remotely monitor their performance, and conduct real-time analysis and diagnostics under OEM supervision. MPCL reached a milestone by integrating a Gas Processing Plant's PLC with the cloud, establishing a data bank. This equips us with AI and ML capabilities for real-time forecasting, enhancing field finances, production, asset performance, and process monitoring. MPCL aims to harness AI and ML for improved efficiency, cost reduction, heightened asset reliability, and overall operational excellence.

Gravity & Magnetic Survey

In Wali West Block, Waziristan District

- A Triumph

Crew build up by training locals and developing their technical skillset to undertake the Survey in Wali West Block, Waziristan District



Local workforce Performing Magnetic Readings



Magnetometer

In resource exploration endeavors, involving the local community not only fosters a sense of ownership but also contributes to sustainable development. This success story highlights the remarkable outcomes achieved by conducting Gravity and Magnetic survey in Wali West Block, where the survey is being executed by leveraging the local workforce.

Challenges and Objectives: The region had long been overlooked due to limited resources and economic opportunities. Unemployment rates remained high, and the lack of technical expertise hindered the exploration and development of its potential mineral deposits. The primary objective of conducting the Gravity and Magnetic

survey was twofold: a) to empower the community by providing employment opportunities and b) to gather crucial geological data for future resource exploration.

Methodology and Execution:

To ensure the success of the survey, a collaborative approach was adopted, bringing together the resources of MPCL, local authorities, and community representatives. The local workforce was trained and equipped with the necessary skills to conduct the gravity and magnetic survey effectively. Specialized training programs were organized, focusing on data collection techniques, and equipment operation. This approach not only provided employment

opportunities but also empowered the community with valuable technical knowledge. G&M Crew comprised of MPCL staff (for field processing only) and field operational with twenty local skilled staff.

Key Findings and Successes:

Community Engagement:

The involvement of the local workforce instilled a sense of pride and ownership within the community. By actively participating in the survey, individuals felt a stronger connection to their land and its potential. This engagement fostered a positive attitude towards resource exploration and

Success Stories



Managing Director/CEO Visit to Wali West G&M Survey Project



Local workforce performing G&M Survey Activities



development, enhancing community support and cooperation.

Technical Expertise Development:

The training programs offered to the local workforce enabled the acquisition of valuable technical skills which could potentially contribute to assistance in future exploration activities.

Cost Optimization:

Utilizing local workers significantly reduced labor costs, making the gravity and magnetic survey more cost-effective. This allowed for a greater allocation of resources towards the acquisition of advanced survey instruments and improved data analysis techniques. The cost optimization ultimately maximized

the efficiency and accuracy of the survey.

Socio-Economic Impact:

By providing employment opportunities and training, the project positively impacted the socio-economic conditions of the community. Unemployment rates decreased, disposable income increased, and skill development stimulated additional economic activities.

Conclusion: The success story of conducting Gravity and Magnetic survey with the local workforce demonstrates the transformative power of community engagement and empowerment. By providing employment opportunities and

technical training, the project not only gathered crucial geological data but also generated long-lasting socio-economic benefits. This success story serves as an inspiration for future resource exploration initiatives, emphasizing the importance of involving local communities in achieving sustainable development and unlocking the full potential of resource-rich regions.

The crew will remain engaged for other G&M Surveys in other regions after completion of this project.

MARI SERVICES DIVISION (MSD)



Mari Drilling Unit (MDU)

MDU operates five land based drilling rigs including, Rig Mari 1 (1500HP), Rig Mari 2 Sky Top Brewster (300 HP), Rig Mari 3 (2500 HP), Rig Mari 4 (2000 HP) and Rig Mari 5 (2000 HP). A 750HP is under acquisition to replace vintage Rig Mari 2. MDU has the capacity to drill up to the depth of 8,000 meters and has drilled vertical, horizontal and S shape wells in diverse geographic terrains and conditions. For over a decade, MDU has helped its customers achieve unmatched safety and cost savings.

Mari Seismic Unit (MSU)

MSU provides globally acclaimed technology for 2D/3D land seismic data acquisition, which has been tried and tested under diverse environmental and geological challenges. MSU currently comprises Alpha, Beta and Charlie crews that are fully equipped with latest survey, sourcing, acquisition and uphole equipment. During FY 2022-23, MSU completed Ziarat 3D in Balochistan, while Wali West 2D in KP, Nareli 2D and third party Musakhel 2D in Balochistan are in progress.



Mari Mud Logging Unit (MMLU)

MMLU monitors drilling activities from spud till completion with critical mud logging data to enhance the drilling efficiency. By utilizing top-notch equipment from Geolog Italy, MMLU provides necessary support during core drilling operations for internal and third party projects. During FY 2022-23, MMLU provided mud logging services with exceptional results at Bolan South-1, Mari 122H and Mari 123H wells. MMLU has also started to provide Real Time Data Transmission services that are currently in the testing and development phase. Early Kick Detection System (EKDS) will also be added to MMLU umbrella, shortly.

Mari Seismic Processing Center (MSPC)

MSPC is powered by CGG's Geovation Software Suite, which brings together the latest geophysical technology across the full spectrum of seismic processing and imaging to provide best in class results. During FY 2022-23, MSPC undertook the 2D/3D seismic data processing on the data pertaining to Ziarat, Taung, Karak, Sujawal, Hanna, Kalchas, Wali West & Ghauri Blocks. MSPC staff also attended an on-line Pre-stack Depth Migration training conducted by the industry leader CGG.



CGG Expert (French) visiting MSPC



Gravity Meter

Mari Gravity & Magnetic Survey Unit (MGMS)

MGMS is the latest addition to MSD portfolio. A gravity and magnetic survey is a geophysical exploration technique that helps to identify subsurface geological structures, mineral deposits, and other valuable information about the earth's composition. These surveys are a cost-effective method in frontier areas to locate potential resource-rich areas and understand the underlying geological characteristics. After completing its maiden project in Sharan Block in Balochistan, MGMS is currently deployed in Wali West Block, KP.

Business Expansion & Open Market Opportunities

MSD is gradually expanding its operations within the country and making efforts for international expansion. MSD regularly competes for the projects of major E&P companies operating in Pakistan through open bidding. MSD has completed 3D seismic project in Kirthar Block operated by Polish Oil & Gas Company (Pakistan) and is currently undertaking 2D seismic acquisition in Musakhel Block operated by PPL.

MSD has signed an MOU with ARGAS, a Saudi and French Company, to expand its operations in international market through collaboration. MSD has also successfully acquired Tier-1 and Tier-2 Qualification with JSRS-Oman and it can now participate in bidding for projects in Saudi Arabia, UAE, Qatar, Bahrain, Kuwait and Oman. MSD participated in SPE/PAPG Annual Technical Conference in January 2023 and set-up a booth at the event to highlight its accomplishments as a leading E&P service provider in the country.



RISKS AND OPPORTUNITIES REPORT

MPCL recognizes that its ability to manage risk across the organization is central to the success of its business and the continuous delivery of value to its stakeholders. The Company, therefore, supports a comprehensive Enterprise Risk Management program, aimed at proactively identifying and mitigating risks that can threaten its targeted business model, future performance, sustainability and capital availability.

BOARD'S EFFORTS FOR DETERMINING THE COMPANY'S LEVEL OF RISK TOLERANCE

MPCL has instilled a risk-focused culture and consistent risk management framework that permeates all levels of the organization, with strong guidance from the Board. In alignment with the Code of Corporate Governance (COCG), the Board assumes the responsibility of overseeing the company's overall strategic direction and ensures the implementation of a robust risk management and internal control system.

To this end, the Board has developed an Enterprise Risk Management (ERM) Policy that serves as the foundation for effectively managing and governing the risks encountered by the company. This policy establishes minimum standards and practices that must be in place to manage enterprise risks within the defined risk appetite.

In addition, the Board through Board Audit Committee conducts periodic assessments of the company's primary risks, including those that have the potential to jeopardize the business strategy, operating model, performance, solvency, and liquidity. This rigorous evaluation enables the Board to maintain an effective

oversight of key risks faced by the company.

The Board and Management engage in periodic discussions throughout the year to address emerging risks. MPCL acknowledges that complete elimination of risk is not feasible, and there are certain risks that the Board and/or Management accepts while pursuing strategic business opportunities. This acceptance of risk is determined at an appropriate authority level and is reflected within MPCL's pre-defined risk appetite and tolerance levels.

The Board sets MPCL's risk appetite and acceptable risk tolerance levels for each of the principal risk categories. Key Risk Indicators are also devised against the Risk Appetite Statements which are actively monitored for breaches. Breaches, if any, are reportable to the Board for information along with a mitigation plan to ensure their non-occurrence in future.

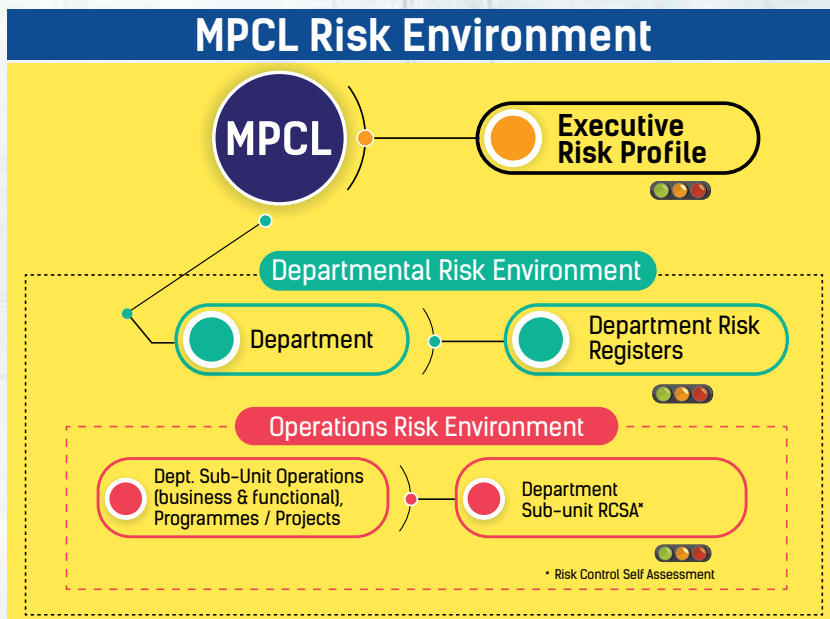


Sujawal Gas and Condensate Field Sujawal Sindh

ENTERPRISE RISK MANAGEMENT FRAMEWORK

MPCL's Enterprise Risk Programme has been developed in line with the Risk Management Guidelines in ISO 31000:2018. Its architecture in the Company also complies with the Institute of Internal Auditor's (IIA) 'Three Lines of Defense' model, ensuring assurance at all levels of risk management. A dedicated ERM Department facilitate the Board's Audit Committee to have an efficient and effective oversight on company's risk practices. The Department also has the important role of facilitating business decision-making process for the management. This involves equipping the management with a 360° view of the risks and opportunities attached with the decision at hand so that they are able to make risk-informed decisions, resulting in outputs with limited potential for surprises. A robust ERM programme in the Company also ensures that the Company unlocks the true value of ERM, which includes contribution in business performance, achievement of organizational objectives, resilience and adherence to corporate governance standards.

To fulfill this objective MPCL's ERM process is applied at both the Operational as well as the Enterprise level. This approach recognizes that risks are different at varying levels of management due to the different focus, strategic vs. operational, differing tolerances for risk and levels of management authority to deal with unacceptable risks. This MPCL ERM hierarchy is outlined in the schematic below:



This hierarchy directs the escalation of risks between the different levels of the organization and risk reporting requirements.

Risk Management in MPCL comprises of an inclusive process with the philosophy that respective domain heads are primarily responsible for all

the risks in their domain. Key aspects of the risk management framework/ methodology can be summarized as below:

- The Company's risk management strategy is to create a positive risk culture throughout the organization and to integrate risk

management into activities at all levels of organization from strategic planning to business unit processes.

- The approach employed in MPCL for risk management ensures that risks are identified in both a 'top-down' and a 'bottom-up' manner from the various management levels of the organization to give assurance that no significant risk has been missed out.
- Risk identification encompasses review of MPCL's internal and external risk environment for changes that can affect MPCL's defined Strategic and other Business objectives. Furthermore, review takes both forward-looking view (to try to identify what could happen) as well as a historic view (to look backwards as a means of identifying what could happen and how likely it is).
- Risk assessment and analysis involves the consideration of causes of risk events and their uncertainties, their positive and negative impacts, and the likelihood that those impacts can occur. Consideration is also given to identify the control measures that act to prevent risks and control measures that act to mitigate the impacts.

- Risk treatment comprises of measures and strategies that can include actions aimed at terminating (avoiding), optimizing (mitigating), transferring or retaining risk (tolerating).

Risks and Opportunities Report

KEY RISKS FACED BY MPCL

A brief account of key risks faced by the Company along with an overview of management strategy, performance during the year and their effect on availability, quality and affordability of Capitals is presented below:

CAPITALS-Legend



STRATEGIC RISKS

Risks to earnings and capital arising from changes in the business environment and from adverse business decisions or failed implementation of decisions

Internal Factors

- High dependency on Mari Field: Reservoir failure/security issues at Mari Field could affect the long-term sustainability of the business.
- Impending production decline from Mari Field due to natural depletion could result in loss of conventional, as well as incremental price revenue
- Challenges in achievement of adequate resource addition on a consistent basis.
- Delay in commercialization of existing discoveries affecting achievement of organizational objectives.

External Factors

- Fast emerging new technologies, trends and regulations that may gradually replace the use of fossil fuels.

How the risk is managed

- Exploration led growth strategy to enhance Company's resource base and attaining sustainable future growth in production and revenues.
- Evaluation of shallow offshore prospects to identify potential areas, within Company's risk appetite, as targets for future exploration activities.
- Active scanning of domestic farm-in opportunities to enhance exploration acreage.
- In view of the limited indigenous hydrocarbon potential, the Company is also evaluating the strategy of farm-in opportunities in overseas exploration and producing assets to augment its reserves base and achieve sustainable future growth.
- Efforts are underway to extend current plateau period of existing reservoirs.
- Apart from efforts in core business, the Company is also actively seeking diversification opportunities outside of the E&P sector to augment and act as a hedge for our core business.



Performance & Way forward

- Additional reservoir horizon in the existing Mari Gas Field through landmark gas discovery at Mari Ghazij-1 Exploration Well, drilled in Mari D&PL.
- Extension of SML-SUL reservoirs plateau through drilling of development well.
- Expeditious efforts are underway to install the Early Production Facilities (EPF) at Shewa-1 well. High level collaboration is being undertaken with SNGPL for timely completion of gas pipeline.
- Addition of four new exploration blocks in portfolio via participation in the competitive bid round held in October 2022.

Risk Exposure Trend: ↓

Affected Capitals:



OPERATIONAL RISKS		
The risk of loss and/or missed opportunities resulting from inadequate or failed internal processes, people or systems or from external events		
<p>Internal Factors</p> <ul style="list-style-type: none"> ● Safety incidents due to natural causes, human error or negligence, non-compliance of HSE procedures resulting in injuries, deaths, disruption of operations and associated losses. <p>External Factors</p> <ul style="list-style-type: none"> ● Terrorism/ sabotage incidents at work sites due to precarious situation especially in remote and frontier regions where the Company operates or holds working interest resulting in disruption of business operations and ongoing projects. ● Challenges in opening of LCs due to shortage of FX resulting in supply chain disruption affecting operational activities. ● Worsening economic situation significantly affecting the financial health of MPCL contractors impacting their capacity to deliver contracted services/work. ● Breach of digital security compromising the Company's cyber security and/or technology resilience with loss or misuse of data or sensitive information, business/production disruption. ● Extreme weather events especially excessive rains/ super floods etc. resulting in operational disruption and asset damage. 	<p>How the risk is managed</p> <ul style="list-style-type: none"> ● Strong safety leadership culture maintained with an emphasis on process safety. ● Senior management commitment to HSE demonstrated through various engagement activities, visits to operated facilities, and sponsorship of and participation in safety events. ● Improvement in overall Asset Integrity Management through implementation of comprehensive AIMS framework at all fields. ● HSE related evaluation of contractors during award of new contracts. ● Comprehensive multi-tier security management plan at all work sites utilizing state of the art equipment and protocols. MPCL also collaborates with national security apparatus to ensure safety of personnel and assets in the security sensitive areas. ● Active follow-up at appropriate forums to ensure timely opening of LCs along with evaluation of alternate avenues for provision of material locally. ● Proactive preventive and corrective measures in place to deal with contractor non-performance. ● Information Security Management System 27001:2013 certification and its strict compliance. ● Strengthening of the corporate culture in the Cyber Security with particular focus to the behaviors to be adopted (e.g. safe smart working). 	<p>Performance & Way forward</p> <ul style="list-style-type: none"> ● During the period, HSE performance remained consistent and the Company achieved all of its set HSE related targets. Details about the HSE performance and way forward can be reviewed in the HSE section of the report. ● Following the Asset Integrity Management System (AIMS) framework multiple R&D pilot projects are being undertaken with the objective to employ advanced analytical tools and artificial intelligence. ● The security situation remains volatile in KP and Balochistan, with direct and indirect threats to MPCL personnel and assets. The high-risk environment is impacting MPCL operations and resulting in an increase in its security costs. The Company has enhanced its coordination with the Law Enforcement Agencies, and is also enhancing its internal security capabilities to attain a conducive working environment for MPCL's projects of national significance. <p>Risk Exposure Trend: </p> <p>Affected Capitals:</p> 

Risks and Opportunities Report

REGULATORY & COMPLIANCE RISKS

The risk of having the 'license to operate' withdrawn by a regulator, or having conditions applied (retrospectively or prospectively) that adversely impact the economic value of an enterprise.

Internal Factors

- Non-compliance of applicable laws, rules & regulations, policies and requirements resulting in penalties and reputational exposure.

External Factors

- Adverse impact on long-term strategies and business performance due to unfavorable/unanticipated changes in government regulations.
- Delays in requisite approvals from the Government in allocation of gas/condensates from new discoveries depriving the Company of early revenues.
- Current economic situation/strict foreign exchange regulations inhibiting Company's ability to capitalize on profitable opportunities outside Pakistan.

How the risk is managed

- Zero tolerance stance of the Company against any non-compliance whether internal or external.
- Checklists of all applicable laws, rules and regulations maintained and updated regularly.
- The Company keeps a close watch on changes in regulations and promptly adjusts its business strategy and operations to take advantage of the offered incentives.
- Continuous follow-up with concerned authorities for approval of foreign investments when required.

Performance & Way forward



- Due to unprecedented challenges being faced by the National Economy, risk for unfavorable changes in government regulations has significantly increased.
- The economic situation of the country and dwindling forex reserves have affected the company's activities.
- The Company is undertaking proactive engagement with relevant governmental bodies and building a portfolio of longterm purpose-led partnerships with our key suppliers for steady and sustainable value-creation in terms of cost-efficiency and performance across the supply chain.

Risk Exposure Trend: 

Affected Capitals: 



Front End Compression at Kalabagh

FINANCIAL RISKS		
Risks arising from adverse market conditions and reporting risks from unreliable or inaccurate information and reporting procedures		
<p>External Factors</p> <ul style="list-style-type: none"> ● Risk of unfavorable fluctuations with reference to crude prices compared to planning assumptions. ● Delay in settlement of Company's dues by its customers due to circular debt issue, negatively impacting company's liquidity position. ● Tax matters related to sub-judice GIDC dispute between MPCL's customers and regulator resulting in financial and reputational exposure for the Company. 	<p>How the risk is managed</p> <ul style="list-style-type: none"> ● Actions aimed at improving the financial resilience, flexibility (in terms of investment decisions) and efficiency (capital discipline and action on structural costs) of the company to deal with lower than expected oil price scenario or low oil price over an extended period of time scenario. ● Active scanning of diversification opportunities in related business for portfolio optimization in order to hedge low oil price shock risk. ● Active follow-ups at appropriate levels are kept to ensure timely payments of government related dues and company's receivables. ● Adequate measures taken on all applicable forums to protect the Company's interest in the sub-judice GIDC matter which is a pass through charge for the Company. 	<p>Performance & Way forward</p> <ul style="list-style-type: none"> ● Trade debts are on an increasing trend due to increased supply of hydrocarbon to SNGPL. Rising trade debts is a major concern as these can create cash flow issues and impact the Company's future investment plans. The Company has taken up this matter with the relevant government authorities for its immediate resolution. <p>Risk Exposure Trend: </p> <p>Affected Capitals: </p>

KEY OPPORTUNITIES FOR MPCL

MPCL is currently pursuing opportunities to create value in the short, medium and long term through identification of potential areas of investment associated with its strategic objectives, policies and targeted growth.

- With a significant reserve base along with a strong equity and cash position for both medium and long term allows MPCL to enjoy a greater degree of operational freedom and flexibility for investment in near core and related businesses e.g., renewables, mining etc.
- Due to the challenging macro-economic situation in the Country, many companies in the

energy value chain would be reconsidering their investments thus providing M&A opportunities for MPCL.

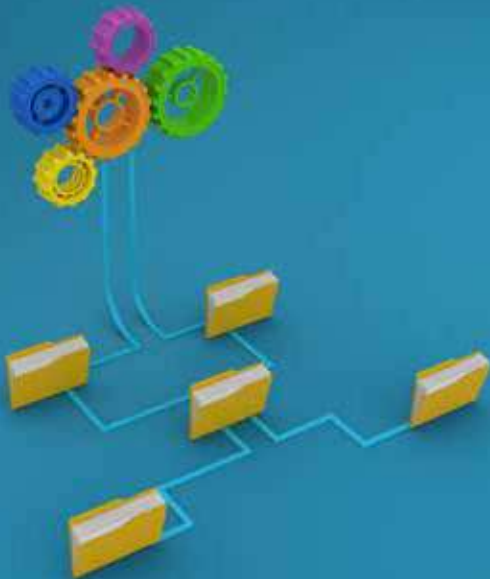
- Offshore exploration in Pakistan is a relatively lesser-explored front. MPCL is actively evaluating shallow offshore potential for opportunities having associated risk which is within the appetite of the Company. This can potentially expand the prospect inventory of the Company greatly and can contribute towards its growth in the longer term.
- Capacity enhancement of Mari Services Division through initiatives like acquisition of drilling rigs, mud logging unit, directional drilling etc. shall allow the Company an opportunity to explore security sensitive but

high potential areas in the wider national interest. With enhanced capacity and proven record of accomplishment, MSD would be able to offer its services to other E&P companies operating in the country and outside as well.

CREATING VALUE FROM OPPORTUNITIES

The Company has processes in place to actively seek and evaluate potential investment and diversification opportunities. The Company's strategic business plans are accordingly reviewed under guidance of the Board to ensure that identified opportunities come to fruition and adequately contribute towards value creation and achievement of the Company's vision.

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



The Effect of Seasonality on Business in Terms of Production and Sales

In Pakistan, the demand for oil and gas generally follows a seasonal pattern. During winter, the demand for natural gas rises primarily due to heating requirements for spaces and water, while in summer, the demand for oil increases due to the higher fuel requirements for power generation. As a result, the year-on-year demand-supply gap remains relatively constant throughout the year. MPCL, being primary supplier of gas to fertilizer companies which have a stable gas demand year-round, is less affected by seasonality. Only a small volume of gas is supplied to the power sector and national grid, which are more susceptible to seasonal trends. MPCL's production and sales are also affected by planned and unplanned turnarounds or shutdowns by customers.

To mitigate these factors, the company implements various strategies. These include maintaining close communication with all customers to minimize shutdowns/turnarounds and synchronizing MPCL's planned turnarounds with customers' plants. Moreover in order to minimize the impact of such shutdowns, MPCL has implemented a program under which the undrawn volumes are diverted to other customers or the national grid, specifically SNGPL. This helps in continuation of production at the optimum levels.

Significant Factors Affecting The External Environment And Organizational Response

There are different factors which may impact the operations of the company if they are not managed properly. In order to safeguard

its interest different strategies are employed by MPCL to protect itself from the changes in external environment which are discussed below.

Political: Geo-political tensions, instability, and the exchange of acrimonious statements between nations wield considerable influence over the oil and gas sector. A prime illustration of this phenomenon is the Russian invasion of Ukraine, a development that has sent seismic shocks through the energy landscape. The resultant disruption in energy trade between Europe and Russia has propelled global gas markets to unparalleled heights. Furthermore, impediments within the supply chain of low-carbon technologies have emerged as formidable barriers to advancing the transition towards cleaner energy.

Given the stringent regulatory framework encircling the exploration and production (E&P) realm of Pakistan, fluctuations in the political milieu hold the power to mould industry policies. MPCL operates independently of political affiliations and plays a crucial role in ensuring the food and energy security of the country. This requires close integration with customers such as fertilizer and power producers. Any shifts in government policies regarding these stakeholders can have ripple effects on all parties involved

To mitigate the impact of potential changes in government policies, MPCL maintains a cordial and professional relationship with all its stakeholders. This approach allows the company to shape positive opinions and advocacy for policy changes that benefit each stakeholder. By fostering strong relationships, MPCL aims to overcome challenges and leverage policy

changes for the collective benefit of all stakeholders.

Economic Environment:

Changes in the economic environment can significantly impact the financial performance and stability of the company. Recent times have showcased the volatility of energy prices which have been influenced by factors such as OPEC quota restrictions, sanctions on Iran, and Russia's invasion of Ukraine.

To maintain financial stability in such volatile markets, it becomes crucial to have a dynamic portfolio. The company takes proactive measures to align itself with this market by continuously evolving its growth strategy to enhance production and optimize resource utilization. In order to achieve this, it actively seeks opportunities both in domestic and international markets.

Furthermore, MPCL is exploring diversification opportunities in areas near and beyond its core business. By diversifying its portfolio, the company can hedge its risks and achieve sustainable growth.

Social Environment: MPCL's operations are directly impacted by the social environment in the areas where the company conducts its exploration and production activities.

MPCL is fully cognizant of the needs of the local population where it operates. The company strives to align itself with the aspirations of the local communities, focusing on their social uplift and economic development. To achieve this, MPCL takes into account local norms and traditions, actively engaging with the communities and involving them not only in employment opportunities but also in the decision-making



Green On Wheels - Environmental Initiatives



Earth Day Celebration, Head Office - Islamabad

process while carrying out its operations. This approach fosters a positive relationship and goodwill among the communities, enabling the company to fulfill its corporate social responsibility objectives in a meaningful and sustainable manner.

Technological Environment:

Technology plays a vital role in enhancing success rates, reservoir recovery, and unlocking the potential of resources of an E&P company.

Efficient utilization of technology can lead to cost reduction and increased productivity in operations. Technological advancements have greatly influenced the E&P industry, enabling the discovery and development of oil and gas resources at lower costs while maximizing recovery from existing reservoirs. MPCL recognizes the importance of staying updated with advanced technologies and has adopted various technologies

Organizational Overview and External Environment



Firefighting Drill Activity, Head Office - Islamabad



World Environment Day 2023, Head Office - Islamabad

in its operations. MPCL was able to deploy these technologies to tap into unconventional resources that were previously considered unviable and the most recent example of such deployment is the drilling of horizontal wells at one of its field. MPCL also utilizes the latest technologies to access advanced information data, optimize its processes, and improve mechanical efficiencies.

Environmental Factors: Oil and gas exploration and production activities can have significant ecological impacts, including air and water pollution, land damage, and the potential for accidents

or spills. It is crucial to carefully identify, manage, and mitigate these environmental effects. Environmental sustainability is a key focus of global development goals set by organizations like the UN and other international organizations.

The company places utmost importance on Health, Safety, and Environment (HSE) considerations, making them a paramount concern. The company undertakes extensive measures to address potential risks prior to the commencement of any project. The company also acknowledges the possible hazards associated with E&P (Exploration and Production) activities,

encompassing their impact on life, the environment, and its standing. The company diligently engages in monitoring, evaluations, analysis, and collaborates closely with pertinent government bodies, agencies, and partners to guarantee the proficient execution of environmental policies and standard operational protocols.

As an eco-friendly company, MPCL is actively exploring projects to reduce its operational carbon footprints (Scope-1 & Scope-2) through internal investments. The Company is also actively involved in tree plantation drives in and around its operational areas.

Legal Environment: The Company enters into various agreements involving government entities, joint venture partners, buyers, contractors, and service providers. These agreements entail legal risks that could lead to significant losses and harm the Company's financial integrity and credit rating. To safeguard against technological, commercial, financial, and legal risks, the Company's in-house legal, commercial, and technical professionals conduct thorough reviews of all agreements and contracts. The Company's internal legal team handles legal matters and disputes with the government, partners, customers, and third parties. In cases where additional support is required, external legal



counsel is engaged to assist the Company in addressing legal issues and concerns.

The legislative and regulatory environment in which the organization operates.

All surface and sub-surface minerals are property of Federal Government and are regulated through Mines and Oilfields & Mineral Development (Government Control) Act, 1948 which provides the basis for the provisions related to mines & oilfields and covers the activities including but not limited to Grant or revocation of Exploration licenses, mining leases, Determination of rates of royalties, rents or taxes, Control of production, storage and distribution of minerals oils etc.

Petroleum Rules are promulgated by the GoP in exercise of powers conferred by the 1948 Act and are issued and notified by the Government in its official Gazette and supported by Petroleum policies which are issued by GoP from time to time.

The exploration, transport, storage, processing, distribution and sale of petroleum in Pakistan are regulated by (i) the Ministry of Energy (MOE), specifically through the Directorate General Petroleum Concessions (DGPC) which falls under the policy wing of the MOE and (ii) the Oil and Gas Regulatory Authority (OGRA).

The Policy wing of Petroleum Division in MOE is further divided into different directorates/ authorities, which manage different E&P functions.



The legitimate needs, interests of key stakeholders and industry trends

The oil and gas (O&G) industry has a history of supply disruptions and price volatility. In recent years, we have witnessed significant fluctuations, with \$15/bbl in April 2020 to over \$122/bbl in June 2022 and then decreasing to \$66/bbl in March 2023. Going forward, the situation presents a combination of multiple challenges relating to economic, geopolitical, financial, trade and policy, which has exacerbated the issue of underinvestment in the E&P sector and has created an imbalance in the energy equation. This situation has placed immense pressure on energy security, supply diversification and the low-carbon transition.

The disruption of energy trade in Europe has driven the global gas markets to unprecedented highs. Moreover, supply chain challenges associated with low-carbon technologies have hindered progress

in the energy transition. As a result, natural gas has assumed a new role in the clean energy transition, with a focus on reducing emissions while cleaner alternatives are developed and deployed. Consequently, investments in natural gas, particularly those aimed at reducing greenhouse gas (GHG) intensity and enhancing related infrastructure, are expected to increase in the coming years.

The outlook for the upstream sector in Pakistan continues to be downbeat, as existing reserves mature and continuing exploration in areas under E&P activities are not yielding new reserves; not big enough to arrest depletion of country's hydrocarbon reserves base. Covid-19 related headwinds have started to be diminish however, the poor inflows of foreign investment into the sector remains a major risk, as it forces the investment and development burden onto three top E&P national players.

The E&P companies are striving to meet the constantly increasing energy demand in the face of growing share in circular debt,

Organizational Overview and External Environment

additional security cost and mounting operational and financial constraints. However, by looking at the past performance of local E&P sector, with the exception of few successes the analysts believe that local sector is more likely to see consistent stream of small-scale finds from onshore blocks, but scope for larger finds needed to overturn declining upstream fortunes remains low.

LNG imports could bring some relief to the energy deficient economy but growing energy import dependence, particularly refined fuels and LNG makes the country vulnerable to international energy price fluctuations. Geopolitical issues also pose a real threat to future oil and gas supplies, thereby casting serious concerns over energy security of the country. Hence, for the energy security of the country, the government and the local energy companies would be aggressively looking at indigenous resources to meet country's energy needs.

SWOT Analysis of the company

Strengths:

- Large reserves base with strong financial outlook
- Low operating cost among peer companies

- Dominant gas player operating Pakistan's biggest gas field
- Successful operating history in security-sensitive areas
- Efficient & highly resilient Services Division
- Experienced & highly qualified workforce with positive work attitude
- Strategic position as backbone of national food security

Weaknesses:

- High dependency on Mari field for production and revenues
- Dependence on the local geology with limited prospectivity for organic growth

Opportunities:

- E&P growth potential available in existing D&PL areas
- Exploration acreage across all over the country
- M & A opportunities in the oil and gas value chain
- Investment opportunities in near core and related business
- Substantial demand for oil and gas in the country

Threats:

- Volatile oil prices – geopolitical instability and other factors negatively impacting oil & gas business
- Forex restrictions and Rupee devaluation
- Adverse security situation in key area of active operations
- Slow economic recovery and mounting trade debt issues
- Adverse changes in the applicable policies
- Growing environmental concerns due to GHG emissions

Competitive landscape and market Positioning

MPCL oversees and operates the largest gas reservoir in the country located at Mari Gas Field, Daharki in Sindh. As the second largest gas producer in the country, MPCL holds a market share of over 24% and achieves a cumulative hydrocarbons production of around 110,000 BOE per day.

MPCL has a distinctive position in Pakistan's petroleum exploration and production industry due to its extensive customer base, mainly comprising fertilizer manufacturers, who rely on natural gas as their primary feedstock. The gas produced from Mari Field possesses an ideal chemical composition for urea manufacturing, requiring no additional processing for utilization in the fertilizer sector. MPCL supplies over 90% of the natural gas used in the country's urea production. As a predominantly gas-focused company, MPCL's gas composition and production cost provide it with an advantage over other gas producers and sources.

Currently, there is no immediate competition from other exploration and production companies operating in Pakistan, particularly since gas utility companies are facing a widening imbalance between gas supply and demand. This situation has led to a heavy reliance on imported RLNG (Re-gasified Liquefied Natural Gas), which is priced under a ring-fenced full cost recovery mechanism. The pricing of indigenous gas production for the fertilizer sector is subsidized, effectively eliminating competition with RLNG.



Swap Over Activity, Mari Gas Field, Daharki - Sindh

This situation is expected to persist in the foreseeable future, as indigenous gas production continues to decline while the gap between demand and production widens. However, there is a remote possibility that the company may face challenges in selling off-spec gas and encountering pipeline capacity issues if the government prioritizes the preferential use of RLNG.

Significant events occurred during the year and after the reporting period

With its aggressive exploration and development strategy MPCL has made a number of key achievements which have augmented its production growth and reserves base. Some of the significant events and their impact on company's performance are summarized as follows:

Sachal Gas Processing Complex (SGPC) In December 2022, Sachal Gas Processing Complex (SGPC), formerly known as GTH project, was commissioned, and overall supply from Goru-B to SNGPL was gradually ramped up to 100 MMSCFD. The supply will be further enhanced after commissioning of an additional Amine Sweetening Unit (ASU). The processed gas is being supplied to SNGPL through a 20", 25 km, dedicated pipeline, which has provided connectivity between Mari field and the national grid via SNGPL's network.

Ghazij Discovery: In January 2023, MPCL made another significant gas discovery in its exploration well Ghazij-1 in Mari D&P Lease area.



Mari Gas Field, Daharki - Sindh

Discovery in Ghazij formation is first of its kind in the history of Pakistan and has opened up a new play for the peer companies. During EWT well flowed ~7 MMSCFD gas which is being produced and transported via dedicated line to SGPC and consumed there as fuel gas. Appraisal cum development program is being chalked out to optimize production from new discovery and make it available for commercial production.

Blocks Acquisition: In order to supplement its growth trajectory, enhancing exploration portfolio by adding new blocks has been the key focus of management during last 3 years. In the last two bidding rounds held in April & October 2022 company acquired exploration rights in 9 new

blocks, three (3) of them as an operator and six (6) as a JV partner with other companies. In addition, the Company has also farmed into Kalchas South block and with the addition of these new blocks, MPCL now has a total portfolio of 34 Exploration Licenses. These blocks which are spread across all basins will give the company much needed flexibility to optimize its exploration program in line with its growth strategy.

Mari Mining Company: MPCL has incorporated Mari Mining Company (Private) Limited to tap opportunities in the mining sector.

Strategy and Resource Allocation



Short, medium and long-term strategic objectives and strategies in place to achieve objectives

Upstream Business:

MPCL's upstream portfolio includes a wide range of opportunities and resources to drive the Company's ongoing growth. At present, major portfolio of the company consists of conventional onshore oil and gas fields at various maturity stages which shall serve as a platform to increase output and maximize revenues.

Exploration Portfolio Management:

After implementing the exploration portfolio management strategy, the Company has ranked its exploration portfolio and has prioritized 13 Prospects and Leads during 2023-26 ensuring a robust risk reward matrix, based on which drilling and seismic plans have been made for optimum utilization of available resources including funds, by targeting high grade exploration wells to ensure robust capital discipline and production maximization.

Enhancement of Production:

The company is obligated to supply gas from Mari field to its fertilizer customers at natural flowing pressure at Point Of Delivery ("POD"). There is a natural decline in POD pressure. In order to manage delivery pressure and to extend

plateau production, MPCL is working jointly with its fertilizer customers to ensure national food security. The PEF (Pressure Enhancement Facilities) project at Mari Field consists of debottlenecking of surface pipeline infrastructure and installation of compression facility at various nodes.

Diversification and Clean Investments:

The company is also evaluating various options to dispose-off CO₂ separated from natural gas as a result of its gas processing operations by permanently sequestering it underground to reduce its carbon footprint. CO₂ disposal options through injection into depleted reservoirs/wells or reusing it for commercial purposes are being studied at the moment.

Besides focusing on its core business portfolio, MPCL is also evaluating

various investments in near core or non-core areas such as renewables, mining, green hydrogen, energy infrastructure and other investment avenues in the midstream or downstream sectors. The company has also engaged local and international consultants to help in carrying out studies for exploring potential opportunities in clean energy space and Carbon Capture and Storage (CCUS).

Resource allocation plans to implement the strategy

The company is almost entirely structured on Equity Finance. Total equity as on June 30, 2023 was Rs. 168 Billion. In order to maintain financial discipline in investment decisions making, Company follows a robust and highly efficient capital allocation process which deploys built-for-purpose financial models for assessing multiple scenarios and sensitivities affecting the potential projects.

As of June 30, 2023, the Company had bank balance and short term investments of Rs. 41 billion. During the year Rs. 56 billion were generated from operating activities. At present the Company has sufficient funds to cater for its routine short term capital and operational requirements. However, in order to execute its aggressive exploration and development plans, particularly in the wake of continuously increasing burden of circular debt, priorities are being set to ensure efficient capital allocation to maximize value both for the Company and its shareholder.

Hence, the Company plans to meet its financing requirements in the following years through available reserves and internal cash generation. Further, if need be, financing from external sources can be easily secured due to strong

financial footing of the Company.

Company's Vision for 2030 sets the operational priorities for its business plan, which undergo a rigorous process of consultation and deliberations before commencement of annual budgeting process. In synchronization with the business plan, capital budget is derived from the comprehensive work program keeping in view the available resources and the prevalent macroeconomic conditions. The projects are prioritized based on a number of criteria accounting for projects in-flight, work commitment, ease of operations, proximity to existing infrastructure and overall project returns while taking into account concentration risk and the cash buffer. The short listed projects are further stress-tested on key risks, including but not limited to security situation in the area, import constraints due to forex issues, trade debts & regulatory considerations and are rationalized by drawing on previous experiences, lifecycle cost considerations and resources availability.

The aforesaid approach has led to an optimal work program for FY 2023-24, which will enable the company to carry out exploration and development activities as well as keep the overall cash flows in check.



The capabilities and resources of the company to provide sustainable competitive advantage

Human Capital: MPCL benefits from a dynamic and diverse workforce that significantly contributes to the exceptional performance and growth of the company. As the company's operations expand, its workforce is also gradually expanding.

Hydrocarbon Reserves: MPCL possesses substantial hydrocarbon reserves that ensure its ability to meet long-term supply commitments. As of June 30, 2023, the company's 2P+2C reserves and resources stood at 682 million barrels of oil equivalent (MMBOE). MPCL ranks 2nd in the country in terms of reserves, with OGDCL being the only company with a larger reserves base. To secure the company's long-term viability, concerted efforts are being made to maintain a reserves replenishment ratio of 100%.

Financial Resources: As of June 30, 2023, MPCL had shareholders' funds totaling Rs 168 billion at its disposal with only Rs. 0.67 billion in long-term financing. This strong balance sheet provides the company with greater flexibility to pursue opportunities in both core and non-core areas.

In-house Seismic data acquisition, processing, and Drilling Capabilities: MPCL possesses in-house capabilities for seismic data acquisition, seismic

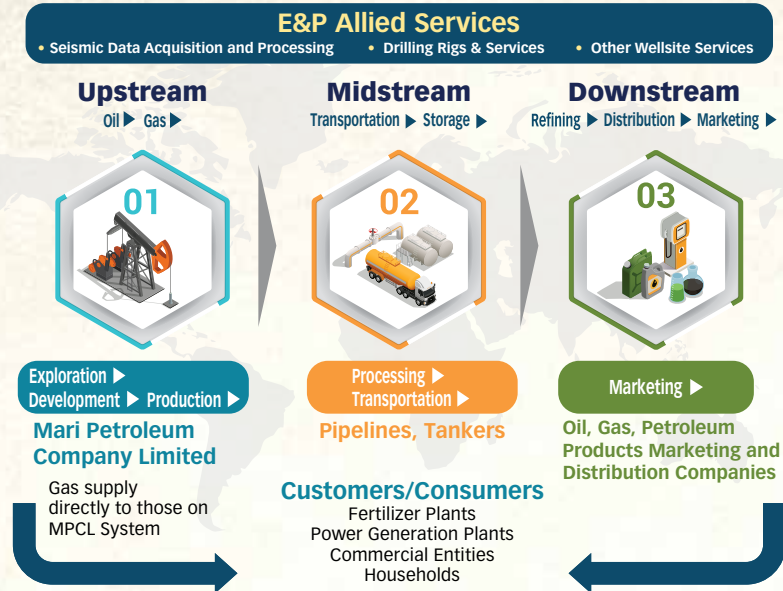
Organizational Overview and External Environment

data processing, magnetic and gravity surveys, on-shore drilling and mud logging that meet international standards. This gives the company flexibility and ensures the availability of required services, especially in security-sensitive areas and challenging geographical terrains. The company has further strengthened these capabilities by acquiring 4th seismic recorder, and two additional land drilling rigs, while a replacement 750 HP Rig is under acquisition.

Brand Equity: MPCL holds a prominent position among corporate entities in the country. The company's corporate image, market reputation, reliability, and strong relationships with customers, suppliers, joint venture partners, and local communities contribute significantly to its corporate success. MPCL also has a unique reputation and a proven track record of operating in security-sensitive, remote, and challenging areas.

The gas sales prices for the fertilizer sector was last revised in September 2020 and since then no revision has so far been made despite the increase in wellhead gas prices with respect to Mari gas field which is now resulting in a negative differential margin for the company. This negative differential margin is primarily arising due to lower gas sale prices as compared to the wellhead gas price of Mari field and is giving rise to receivables from the government. Payments from the public sector owned gas utilities are also delayed which is giving rise to the trade receivables. This is resulting in cash flow / liquidity issues and challenges for the company to sustain operations and exploration initiatives.

MPCL's Position in Petroleum Value Chain



Analysis of the Company's Current performance Vis-à-vis targets

The Company's focus on core business, disciplined capital allocation, operational excellence, use of new technologies and major investments in exploration and development projects is creating value for all stakeholders. The Company has enhanced its production capacity, maintained low operating cost and has been able to grow its resource base and portfolio. Some of the key highlights of FY 2023 are given below:

- Net Sales of Rs. 145.8 billion (FY 2022: Rs. 95.1 billion) and Net Profit of Rs. 56.1 billion (after super tax @ 10%) (FY 2022: Rs. 33.1 billion), showing an increase of 53% and 70%, respectively compared to last year. Earnings per share stood at Rs. 420.75 per share vs. Rs. 247.84 per share

in FY 2022). Better prices, higher exchange rate, and incremental pricing for SGPC and swing volume helped in achieving these results.

- Sales capacity has been enhanced to 116,200 BOE per day. Hydrocarbon sales during FY 2023 stood at 36.35 MMBOE (FY 2022: 36.91 MMBOE) at an average of 99,600 MMBOE per day. Sales were impacted by lower offtake by fertilizer customers and SNGPL, suspension of supply to CPGCL, closure of production from Zarghun and Bolan Fields due to flooding.
- Commissioning of Sachal Gas Processing Complex (SGPC) and its connectivity with SNGPL network via cross country pipeline resulted in monetization of Goru-B discovery. In addition, HRL Swing Volumes project created flexibility for the first time to divert undrawn volumes of fertilizer and power customers to SNGPL, thus optimizing the production and sales. Despite erratic customers' offtake, these projects compensated most of the shortfall in production.



- The management implemented conscious cost optimization measures in all operations and has been able to sustain operating cost of around USD 2 per barrel of oil equivalent.
- Ghazij-1 gas discovery in Mari D&PL added a new reservoir horizon in the existing Mari Field after a gap of 18 years and has opened a new play concept in mature basins across the country. In addition, the Company achieved a technological milestone by drilling its first-ever horizontal well (Mari-122H) in HRL Reservoir. A second horizontal well (Mari 123H) was also successfully drilled and put on production subsequent to year end.
- Reserves Replacement Ratio (2P) of 114% and 48% increase in Contingent Resources (2C), reinforcing current reserves and bolstering future energy potential. 2P Reserves and Resources stood at 682 MMBOE (net) as on June 30, 2023.

- Five (05) new exploration blocks added to the Company's portfolio. The Company's exploration portfolio now consists of 34 exploration licenses (16 added in the last 3 years).

The company overcame several challenges to achieve the financial and operational results enumerated above. The challenges continue and include the following:

- **Security Situation:** There is an upsurge in terrorist activities in KP and Balochistan, and operations remain challenging under a high threat environment. Precautionary measures have been taken in collaboration with LEAs and operations continue with disruptions and delays. The company is also working on rationalization of security cost.
- **Delay in Gas Price Notifications** are resulting in build-up of negative price differential. The "uniform gas pricing" is the main cause for

delay in revision of sale gas prices, leading to adverse financial implications for MPCL. This is a new form of circular debt. The company is working with Petroleum Division to resolve this issue.

- **Circular Debt:** On-balance sheet receivables as at June 30, 2023, from customers relating to circular debt has crossed PKR 50 billion. The continued build-up of the circular debt could cause cash flow issues for the company and hamper its future operations.
- **Macro-Economic challenges** such as inflation, forex non-availability, and delays in LC opening are posing challenges for the company to meet its international commitments.

Diversification:

The company intends to hedge against the upstream oil and gas sector risks through diversification and targeted opportunistic investments in other sectors. The Company is evaluating and conducting due diligence of various projects and plans to invest, subject to their economic feasibility and requisite government approvals. The company has recently established Mari Mining Company, as a wholly owned subsidiary, to explore and capitalize on the opportunities in the mining sector. The company is also exploring investment opportunities in Green Hydrogen and Carbon Capture.



Organizational Overview and External Environment



MPCL Business Model

MPCL's business model aligns its objectives with operational priorities and provides a comprehensive strategic roadmap. This roadmap takes into account both internal and external market dynamics, evaluating strategic opportunities in various key areas, including but not limited to:

Strengthening the E&P Core:

This involves expanding exploration blocks both onshore and offshore, enhancing production from existing reservoirs, and exploring adjacent industries by setting up renewable projects.

Cost Optimization and Budgetary Control:

Measures are implemented to reduce finding, development, and operating costs, ensuring efficient resource allocation.

Optimizing Field Production:

The focus is on maximizing field production, particularly in the Mari D&PL area, to generate additional

revenues that can be used to fund exploration activities.

International Growth: MPCL aims to acquire international blocks, prioritizing short cycle and low-cost assets to facilitate international expansion.

Exploration-led Growth Strategy:

The company continues to pursue exploration activities to replenish existing reserves and counter the depletion trend.

To ensure a balanced growth approach, MPCL's business model emphasizes the following strategic areas:

- Growth:** In this area focus is on business growth strategies and plans, such as, hydrocarbon production, resource addition, reserves enhancement, the acquisition of exploration acreages and business expansion initiative including diversification.
- Financials:** The focus is on increasing returns to shareholders, enhancing net profit through sales growth

and receivable recoveries, implementing budgetary control measures, and achieving financial self-sufficiency for all sections of the Mari Services Division.

- Internal Processes:** There is an emphasis on restructuring internal business processes by adopting the latest technology and techniques to improve operational efficiency.
- Stakeholders:** MPCL considers the expectations of its stakeholders, including joint venture partners, shareholders, customers, employees, and local communities in the areas where the company operates.

Risk of Supply chain disruption due to an environmental, social/ governance incident and company's strategy for monitoring and mitigating these risks

Our supply chain rely on a complex network of suppliers to procure goods and services in order to fulfil our operational requirements. Macro-economic trends, geo-political factors, environmental disasters, social issues, and governance failures etc. can potentially impact our supply chain, leading to disruptions in operations. MPCL endeavors to proactively managing and mitigating the risks associated with supply-chain disruptions caused by environmental,



HRL Compression Project, Mari Gas Field, Daharki - Sindh

social or governance factors. Our strategy to monitor and mitigate these risks encompasses the following key elements:

- a. We prioritize the implementation of sustainable practices and responsible business conduct throughout our supply chain by ensuring that our suppliers are contractually bound to adhere to stringent environmental standards, ethical practices, and compliance with all relevant laws and regulations. We emphasize the significance of their commitment to fostering sustainability and conducting business responsibly.
- b. We have established contingency plans and alternative sourcing strategies to address potential disruptions effectively. By developing resilience within our supply chain, we aim to ensure continuity of our operations.
- c. We conduct regular supplier audits to verify their compliance with contractual obligations, sustainable and ethical business conduct, and industry best practices. Additionally, we actively engage with our suppliers to encourage dialogue and collaboration, promoting a shared commitment to sustainability and

risk mitigation. This enables us to make informed decisions when selecting and engaging with suppliers.

- d. We strive to reduce our dependence on a single supplier for a particular category by diversifying our supplier-base. This approach helps us minimize the potential impact of disruptions and enhances our ability to respond effectively to unforeseen events.

We are committed to regularly evaluating and refining our risk mitigation strategy as part of our continuous improvement efforts. By embracing a proactive approach and fostering strong relationships with our suppliers, we strive to safeguard our supply chain and ensure the continuity of our operations.



3D Seismic Acquisition, Ziarat Block - Balochistan



Forward-Looking Statement

As we continue on the trajectory of success, our focus remains on delivering exceptional value to our shareholders, fostering sustainable growth, and upholding our commitment to environmental stewardship and social welfare.

For the coming year, our priorities include successful completion of on-going projects including: installation and commissioning of Shewa-1 Early Production Facilities, completion of pipeline debottlenecking and finalization of study for installation of compressors under HRL Pressure Enhancement Facilities Project, turnaround of SGPC and commissioning of third Amine Sweetening Unit, safe delivery of strategic wells (Shewa-2, Maiwand-X1, and Bolan West), additional horizontal wells in HRL Formation, appraisal and development of Ghazij-1 discovery, Mari Re-vitalization Project, and completion of seismic, gravity and

magnetic surveys in Nareli, Wali West and other blocks.

In the medium to long term, our focus will be on strengthening of the core business by increasing production and achieving 100% reserves replacement ratio (RRR). By optimizing our core operations, we aim to ensure sustainable growth and resilience in the oil and gas sector. We also plan to diversify our business beyond oil & gas and are exploring opportunities in mining, green hydrogen and renewables. Diversification will enable us to seize emerging opportunities and enhance our resilience to market fluctuations. We are also committed to become a national ESG leader by reducing our carbon footprint and monetizing remaining carbon emissions through carbon capture, improving policies and procedures to enhance business efficiency, and community development and CSR initiatives. In addition, we will continue leveraging Mari Services Division's capabilities to support the Company's upstream operations, save foreign exchange, and attract third party business to provide additional revenue stream for the company.

We are facing several challenges that will continue to test our resilience. These include, deteriorating security situation in KP and Balochistan, continuous build-up of circular debt and receivables from GoP, and macro-economic challenges. Mitigation strategies are in place and we are working closely with the relevant government departments and LEAs to overcome these challenges.

Looking ahead, we are excited about the opportunities that lie ahead and confident in our ability to navigate challenges effectively. With a strong foundation and a clear strategic vision, we are well-positioned to continue delivering sustainable growth and value to our shareholders and making a positive impact on the energy landscape of Pakistan.

Sources of information and assumptions used for projections/forecasts in the forward-looking statement and assistance taken by any external consultant

The projections and forecasts in MPCL's business plan are based on a combination of reliable sources, including PPIS reports, the Economic Survey of Pakistan, and various international oil and gas industry-specific sources such as publications and websites from the International Energy Agency (IEA). These external



sources are complemented by the company's internal data related to exploration, production, and finance.

The information obtained from these sources undergoes a rigorous examination and thorough deliberations by the company's area experts. This ensures the accuracy and reliability of the data used in developing the business plan. The business plan sets clear objectives and targets for the upcoming year, forming the basis for the formulation of forward-looking statements.

By utilizing a comprehensive range of information from both external and internal sources, MPCL strives to create a robust and well-informed business plan that guides its operations and decision-making processes.

Analysis of Prior Period Forward-Looking Disclosures

The focus areas identified in the last year's forward looking statement included, enhancement of production from Mari and other fields, expansion of exploration acreage, reserves augmentation, development of Shewa-1 discovery, exploration activities in Mari Field, Block-28 and newly acquired blocks, and diversification opportunities. The actual performance of the Company and status of projects as explained in the section titled "Analysis of the Company's Current Performance vis-à-vis the Targets" indicate that the Company's priorities were in line with the forward looking statements and its performance was on target in all areas.

Status of the projects in progress and were disclosed in the forward-Looking Statement in the previous year

The current status of the projects that were disclosed in the last year's forward looking statement has been disclosed in detail in the Managing Director's Outlook, Director's Report and Success Stories.

Effects of Technological Changes, ESG Reporting and Innovation on Company Strategy and Resource Allocation

Being a premier E&P company in the country with aspiration to go global, MPCL's strategic outlook and resource allocation are moulded by the effects of technological changes, ESG reporting challenges, innovation imperatives, and resource shortages.

1. Technological Changes: The E&P industry has witnessed a transformation through technological advancements. The adoption of new technologies can enhance

the efficiency and accuracy of seismic, drilling, and production operations, leading to optimized resource identification and extraction.

2. ESG Reporting Challenges: E&P companies worldwide are facing intensified scrutiny due to the environmental impact of their activities. Stricter regulations, stakeholder demands, and changing investor preferences are forcing these companies to allocate resources toward improving their environmental practices. Due to adverse impact of climate change, focus on ESG is gaining traction in Pakistan as well.

3. Innovation: As the E&P industry evolves to meet sustainability goals and address resource challenges, innovative practices are redefining how resources are discovered, extracted, and utilized.

MPCL Response:

MPCL has introduced the following international best practices and new technologies in its operations for driving transformative change and to remain competitive in a rapidly evolving landscape:

- Performance Monitoring Dashboards
- Cloud AI & ML applications
- Integrated Asset Performance Management System
- Wireless EM Telemetry
- RSS & LWD (at HRL 123H)
- DrillPlan, DrillOps and DrillOps Orchestrate (at Shewa-2)

Organizational Overview and External Environment

- Petroleum Resource Management System
- Portfolio Ranking and Capital Allocation
- Dual Cellar Wellsite
- Invizon RT Implementation
- Wells Integrity Management System
- Horizontal drilling

MPCL has also adopted an ESG Policy and is working on its first-ever ESG report to capture and demonstrate its responsible resource management, carbon footprint reduction, community engagement, and alignment of the company's operations with sustainable goals.

Resource Shortages: Over the years MPCL has built its financial, human, manufactured, intellectual, social and natural capital and presently does not face any resource shortages. The company is allocating resources to diversify its portfolio by investing in unconventional energy sources, such as green hydrogen, as well as optimizing resource utilization through advanced recovery techniques, to mitigate the impact of potential resource shortages in the core business.

However, there are some emerging areas of concern. For instance, the continued build-up of the circular debt is impacting financial capital of the company and could hamper its future operations. Increased brain drain especially to Middle East market is impacting human capital, making it challenging for the company to attract and retain talent. The company is proactively

addressing these issues to position itself for long-term success while meeting the evolving demands of the energy landscape

Major Plans and Decisions

A. Corporate Restructuring:

The company's financial and operational performance has been consistently outstanding. With a robust balance sheet and strong operational cash flows, there are no plans for corporate restructuring. Internally, a new department, Engineering, Development and Projects has been established as a dedicated function, focused on front-end development engineering, project execution and delivery.

B. Business Expansion – Core

Operations: The Company has been substantially enhancing its exploration and development portfolio. During FY 2022-23, the company successfully completed and commissioned Phase-II of its mega development project, the Sachal Gas Processing Complex, enhanced capacity of HRL Swing Volume Project by installing additional compressors at CMF-II, successfully drilled and completed two horizontal wells in Mari Field, entered into a Gas Processing Contract with M/s OPI for installation of Early Production Facilities at Shewa-1 discovery in Waziristan Block, executed a Framework Agreement with a consortium of three fertilizer customers for HRL Pressure Enhancement Facilities Project, acquired five new exploration blocks through participation in bidding round/farm-in, acquired 2D/3D seismic and Gravity & Magnetic data

in various blocks, enhanced MSD capabilities by overhauling and commissioning two more land drilling rigs, establishing Gravity & Magnetic survey units, and acquisition of 4th seismic recorder, while a replacement rig has also been ordered. Several strategic exploratory and appraisal wells are currently in progress/planned for the next year apart from more horizontal wells in Mari Field, and seismic data acquisition projects in Nareli and Wali West blocks.

Business Expansion –

Diversification: Mari Mining Company has been incorporated as fully owned subsidiary of MPCL to undertake mineral mining business in the country. As part of the company's green initiatives, an initial study for Green Hydrogen has been completed by M/s McKinsey & Co. Further, a carbon capture project is also being considered.

C. Discontinuation of Operations:

The Company has no plans to discontinue any of its major operations.

Key performance indicators (KPIs)

Operational KPIs for FY 2022-23 pertained to costs, profitability, HSE, sale of hydrocarbon, and exploration. Strategic KPIs for FY 2022-23 included: portfolio expansion, Mari lease extension, Mari revitalization project, ADNOC appraisal plan, commissioning of SGPC, Shewa-1 EWT, ESG strategy, management of circular debt, diversification through green project, HR transformation, and Cultural transformation.

For FY 2023-24, Operational KPIs will remain unchanged while exact targets have been adjusted after taking into account various internal and external factors. Strategic KPIs will include completion of on-going projects from FY 2022-23 as well as new KPIs related to portfolio optimization, strategic targets, capability enhancement and cultural/behavioral changes.

Material changes in the business model during the year

There has been no material change in the company's business model during the year.

Stakeholders' engagement process and the frequency of such engagements

a) Customers and Suppliers:

MPCL recognizes the importance of engaging with customers and suppliers to maintain strong relationships. Regular and ongoing communication is vital to understanding their needs, addressing any concerns, and fostering mutually beneficial partnerships. The frequency of engagement with customers and suppliers may vary depending on the nature of the business and the specific requirements of each party.

The framework agreement between MPCL and its fertilizer customers is a prime example

of such engagement whereby MPCL is working jointly with its three fertilizer customers (FFC, Engro and Fatima) to reach a potential solution aiming to ensure national food security. As per commercial agreements with its fertilizer customers, MPCL is obligated to deliver HRL gas volumes at natural flowing wellhead pressure without any processing or treatment. The PEF (Pressure Enhancement Facilities) project for HRL reservoir at Mari Field involves debottlenecking of surface pipeline infrastructure and installation of compression facility at various nodes. The said project shall be executed by MPCL on behalf of customers at their cost and risk.

b) Regulators:

Engagement with regulators is essential for MPCL to comply with industry regulations, demonstrate responsible corporate behavior, and maintain a positive image. Regular interactions with regulators help establish a transparent and cooperative relationship, enabling the company to stay informed about any changes in regulations, industry standards, or compliance requirements.

MPCL is also a member of Pakistan Petroleum Exploration and Production Companies Association (PPEPCA) and MD/CEO of MPCL is its Chairman (till September 2023). PPEPCA is an advisory and representative body of the Upstream Petroleum Industry of Pakistan and plays an important role in presenting E&P companies' point of view in front of regulators.

Composition of local versus imported materials and sensitivity analysis due to foreign currency fluctuations.

A significant portion of our annual procurement spend comprises of foreign-sourced materials and services, primarily denominated in USD. The persistent devaluation of PKR against the USD has escalated economic volatility to unprecedented levels. As a result, our global sourcing initiatives, which aim to secure top-tier materials and services from across international markets while achieving optimal cost efficiencies, have become increasingly challenging.

The impact of exchange rate fluctuations also extends to our local sourcing initiatives. Key local suppliers, who rely on imported raw materials, are inevitably impacted by these currency fluctuations. This disruption compels the suppliers to factor in a risk premium into their pricing as a safeguard against unforeseen currency shifts. This defensive pricing mechanism subsequently inflates the costs of local procurement initiatives, thus undermining efforts to minimize expenses and uphold price stability.

SCM is committed to navigating these challenges through a proactive approach, entailing effective risk mitigation strategies, a dynamic response to market changes, and close collaboration with suppliers. Only by taking these measures we can effectively strike a balance between quality, cost-efficiency, and supply chain resilience in the prevailing volatile economic situation.

Sustainability & CSR Initiatives

1. Health, Safety and Environment (HSE)
2. Environmental, Social and Governance (ESG)
3. Human Resource (HR)
4. Corporate Social Responsibility (CSR)
5. Value Addition to Shareholders



HEALTH, SAFETY & ENVIRONMENT POLICY

MPCL while conducting business & operational activities is committed to promote & pursue excellence in the Health & Safety of everyone impacted by our activities. We will take all necessary measures to protect the environment in our surrounding areas with key focus on the development & welfare of communities in our operational areas. Establish accountability & responsibility for HSE within line management for equal importance as all other business processes.

We will ensure continuous improvement by measuring & analyzing our HSE performance during the implementation of Integrated Management Systems in all our activities. Everyone who works for MPCL should go home in good physical & mental health, which will be achieved by identifying and eliminating risks related to Health, Safety, Environment and Quality for our people, assets, environment and company reputation.

We believe that all incidents are preventable and relentless efforts by all responsible employees and contractors are required to collaborate in achieving this ambition. Everyone working on behalf of MPCL shall comply to this policy and proactively contribute to achieve zero incident goal. We will comply with all applicable laws, regulations and standards while conducting our business.



Mr. Faheem Haider
Managing Director/CEO
Mari Petroleum Company Limited





Health, Safety and Environment Policy



HEALTH

- Identify, evaluate and control operational health risks through safety reviews along with health programs implementation;
- Communicate in a reasonable manner to potentially affected individuals or organizations about health risks gained from our health programs;
- Determine at the time of employment & thereafter the medical fitness of employees to do their work without undue risk to themselves or others;
- Arrange for medical services necessary for the treatment of employee occupational illness or injuries & for handling of medical emergencies;
- Monitor health related performance to ensure compliance with this policy;
- Implement Alcohol and Drug Abuse Policy among employees and contractors.



SAFETY

- Design & maintain facilities, establish management systems, provide trainings & conduct operations to safeguard people.
- Respond swiftly & effectively to crisis & emergencies or operational incidents;
- Conduct & support safety analysis to extend operational safety effects' knowledge, applying findings and sharing;
- Keep informed all concerned about their responsibility and accountability for safe performance on the job and encourage safe behavior off the job;
- Ensure operational integrity throughout each business activity's life cycle by carrying safety reviews & evaluations, operation's reliability & availability coupled with high quality assurance at all times;
- Ensure that HSE takes priority over production, cost & schedule. We will ensure stop work policy's implementation when unsafe act / condition occurs.



ENVIRONMENT

- Encourage concern and respect for the environment, emphasize every employee's responsibility in environmental performance and ensure appropriate safe operating practices & trainings;
- Work with government & industry groups to foster development of effective environmental laws & regulations based on sound science & considering risks, costs & benefits & effects on energy & product supply;
- Manage its business with the goal of preventing environmental incidents, controlling emissions & wastes to below harmful levels; design, operate and maintain facilities to this end;
- Respond quickly & effectively to environment related operational upset incidents, cooperating with relevant government agencies & others;
- Communicate with the public on environmental matters & share its experience with others to facilitate improvement in environmental performance.



Fire Fighting Drill-Mari Gas Field, Daharki - Sindh

HEALTH, SAFETY AND ENVIRONMENT

LEADERSHIP COMMITMENT:

At MPCL, HSE issues are assigned the highest priority through devoted and committed leadership, and participation at every individual level. Our management and all employees remained strongly committed to ensure compliance to Health, Safety and Environment at all our operational activities.

Maintaining safe operations with excellence across our portfolio remains our fundamental objective, while linking HSE core values of ownership, integrity, mutual respect, and teamwork. MPCL continued its commitment to act responsibly, always taking into account health, safety, and the environment, with the highest level of quality assurance and control embedded in every activity, including the social influence of our business.

As we operate in a hazardous environment, MPCL consistently recognized and managed all risks related to our operations responsibly and pro-actively, aiming to maintain risk levels as low as reasonably practicable (ALARP). We ensured risk reduction to acceptable levels in our work processes and operational activities as a regular practice. This involves ensuring the availability of the right materials for the right job, proper personnel management, contracted services, and procedures, all integrated into our business decision matrix.

To effectively monitor HSE goals, the platform of HSE Committee meetings is being successfully utilized. These meetings are chaired by the MPCL Managing Director and attended by committee members, including all departmental directors and respective site managers. As we operate in high hazardous environment, we must



ESG Training Session, Head Office, Islamabad

remain focused on Process Safety Management in every domain of our activities including material selection, Quality Assurance /Control and disciplined operations.

OUR HSEQ GOAL

MPCL is strongly committed to ensuring that HSE is given paramount importance, aiming to manage sustainable and safe operations with excellence. To fulfill our commitment and long-term sustainability strategy, we are ensuring the implementation of MPCL HSE policies and Management System, while adhering to relevant international standards for continuous improvement.

MPCL believes that a strong HSE culture and people buy-in are vital for achieving sustainability and ensuring continuous business success. Henceforth, as part of our strategy, emphasis is placed by the leadership teams on fostering the HSE culture throughout the entire organization. Capacity building of all employees remains our focus so that expectations are met through various trainings. MPCL HSE efforts

focus on creating value within the well-integrated organization with goal of "no harm to People, Environment, Asset and Reputation", while considering HSE as an integral part of the business strategy and operations.

Our strategic consideration remains on assuring HSE performance measurement through Key Performance Indicators as a part of the performance management system so as to create an enabling and competitive working environment whereby motivating all employees to contribute positively to drive results.

Effectively managing incidents and having a robust Emergency and Crisis Management System, while ensuring business sustainability, is vital for MPCL. High emphasis is given on Contractor Safety management to achieve HSE targets. Health and well-being is a focus area, where human factors are prioritized, creating an enabling and psychologically safe working environment. Here, individuals

Health Safety and Environment

can exercise Stop Work Policy and openly express their input on HSE matters. Our focus is on integrating Environmental Stewardship by aspiring to follow the best available technologies, while assuring compliance with all regulatory requirements.

HSE PERFORMANCE AND TARGETS:

Measuring HSE Performance accurately and reliably is considered key to winning for MPCL HSE Program and assurance to meet overall corporate performance goals.

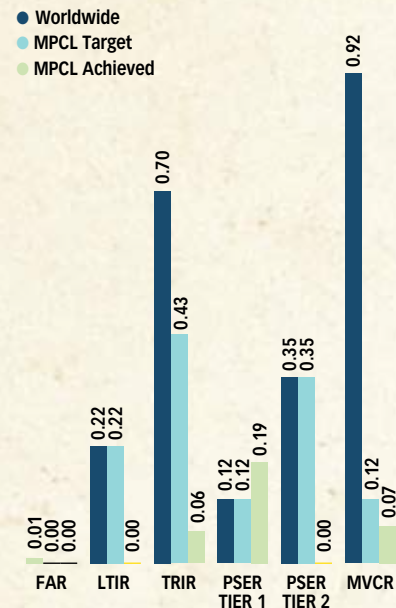
This year MPCL remained steadfast to continue its journey by ensuring that the working environment is both safe and serves to promote employees' personal development, job satisfaction and good health. MPCL worked systematically to ensure our employees' safety and to safeguard their working environment. We have successfully aligned our HSE Standards with

MPCL's Strategy, Policy, and Objectives. Our comprehensive performance review encompasses key facts and statistics related to various aspects of Health, Safety, Environment, and Quality in the workplace. The results of our HSEQ statistics are showing continuous improvement while benchmarking with international standards.

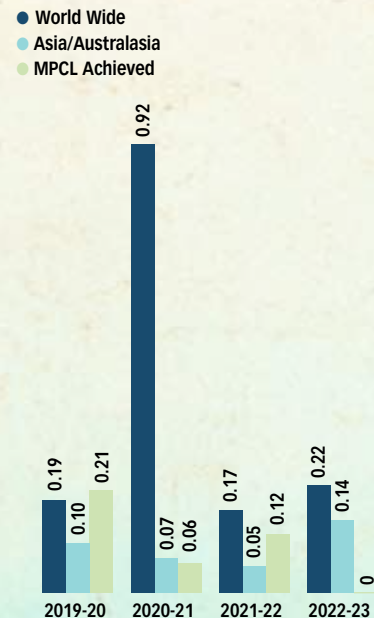
MPCL's HSE objective of "no harm to people, environment, asset and reputation" was achieved with continuous efforts by MPCL's permanent and contractual staff at all locations while working in extreme working conditions, especially the Production, Projects, Seismic & Drilling crew who are experiencing and managing severely harsh terrain coupled with continuous extreme environmental conditions. This is a remarkable achievement as in FY 2022-23; MPCL recorded combined (employees and contractual workforce) 0.06 Total Recordable Injury Rate (TRIR) against

set target 0.43, 0.00 Lost Time Injury Rate (LTIR) against set target 0.22, 0.19 Process Safety Event Rate (Tier I) against set target 0.12, 0.00 Process Safety Event Rate (Tier II) against set target 0.35 & 0.07 MVCR (Motor Vehicle Crash Rate) against set target 0.12.

HSE KPI's 2022-23



Lost Time Injury Rate



ESG Training Session, Head Office, Islamabad

Further, MPCL achieved LTI FREE year with 16.9 million man-hours (for FY 2022-23) and total safe man-hours of 17.7 million.

PROCESS SAFETY MANAGEMENT

In this Fiscal Year, enhanced focus was given to process safety management for strengthening Safe Operations strategy. This includes developing hazard mitigation plans to bring risk to ALARP levels. Other key activities included increased focus on Management of Change (MOC) process, Pre-Startup Safety Reviews (PSSR), Hazard Operability (HAZOP), Safety Critical System management and other process safety related studies at appropriate phases of the projects and operations.

The reporting culture of Process Safety Incidents also improved, with higher focus on leading indicators. The Incident Investigation approach is further enhanced by the employment of Tripod Beta methodology, ensuring that latent



HSE culture enrichment through collaboration

failures are identified and processes are improved as part of the management system. Process Safety Event Rates were calculated and accordingly risk mitigation measures were taken with high focus on system development for assuring asset integrity. In addition, high potential process events remained under high focus and accordingly

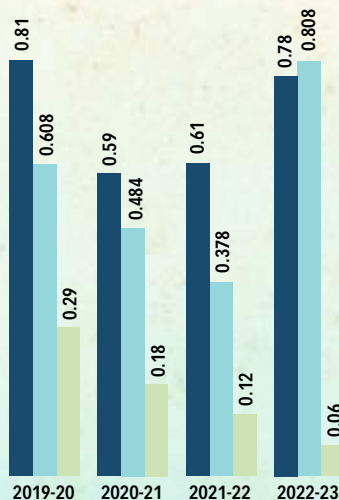
lessons learnt are shared to avoid repeatability of the undesired events.

Further, Process Safety Fundamentals, that includes 10 basic process safety management guides, were practiced religiously by all concerned operations, projects and drilling teams.

Ten Process Safety Fundamentals

Total Recordable Incident Rate

- World Wide
- Asia/Australasia
- MPCL Achieved



Health Safety and Environment



Workshop on HSE culture

CONTRACTOR HSE MANAGEMENT

MPCL believes in keeping Contractors and MPCL Safe-Partnering for win-win.

Being a responsible E&P business organization, MPCL is committed to creating a strategic contractor safety management program for all contractors and subcontractors working for MPCL. Contractor engagement and management are critical to achieving high technical, commercial, and safety performance. At MPCL, contractors make up to 75 to 80% of the workforce; some contractors are long-term, working alongside permanent staff, while others are short-term, brought in for a specific project for a few weeks or months.

To overcome the integration challenges of two organizations with different workplace cultures, mindset, work planning and methodology, differences in language, and managing competency, a comprehensive Contractor HSE Management Framework was followed. HSE contractor management is mastered through various dedicated and strategic programs. MPCL organized and conducted

multiple HSE Workshops, Seminars & Campaigns that included Life Saving Rules Campaigns, Project Kick-off Meetings, Pre-mobilization Workshops, Hazard Hunting Campaigns, Control of Work (COW) Workshops, Simultaneous Operations (SIMOPs) Workshops, Road Safety Workshops, Walk Around Audits, Reward and Recognition Programs and Service Quality Meetings.

On HSE front, we focus on capacity building of local contractors and subcontractors, while enhancing their working standards to international level, for achieving a mutual benefit for the contractors and MPCL.

CRISIS & EMERGENCY MANAGEMENT

Our structured crisis and emergency management plan includes a detailed and structured way to tackle unplanned events. The plan covers a detailed role based plan for Rapid Response Teams, Emergency Response Teams, Incident Management Teams, Emergency Management Teams and Crisis Management Team. The plan enables us to deploy a quick and effective response, preventing a crisis that could adversely affect the image and reputation of the Company. This plan caters to activities including Offices,

Field Operations, Drilling, Seismic and other Project activities. 701 Emergency drills were conducted for multiple scenarios that mainly covered fire, oil spill, gas release, natural disasters, earthquakes, civil unrest, medical emergency etc., at all MPCL locations for ensuring the preparedness level of our teams.

ENVIRONMENTAL MANAGEMENT & REGULATORY COMPLIANCE

MPCL is ISO 14001:2015 (Environmental Management System) certified and is an environment friendly Oil & Gas Company in Pakistan that complies with maximum environmental standards. Our IMS Audit against the EMS Standard resulted in zero non-compliance & observations. Emission control measures, preferably using environment-friendly equipment and solar powered systems, are the basic and important measures that have been practiced since long.

On the environmental front MPCL continued the emission monitoring project, which is paramount for the establishment of the baseline in gauging margins of improvement towards Sustainable environment through Carbon footprints reduction. For this calculation of Carbon and methane intensity of Green House Gases (GHG) emissions along with energy intensity were part of the EMP plan.

MPCL's operations comprise of production sites, rigs, seismic units and regional offices which are operating in all provinces of Pakistan. At all our locations, management has invested significant effort into enhancing environmental sustainability and addressing climate change. This includes initiatives such as tree plantation and minimizing vegetation loss during operational activities, aiming for the best possible outcomes.

Surveillance audits by Government bodies; that includes, CIM, provincial EPA's, Wild Life etc. on environmental front have shown good results with no major area of concern / improvement in this regard.

MPCL ensured compliance with waste and emissions reporting, meeting our regulatory requirements within the specified timelines. This commitment aligns with our HSE policy and goals.

NATURAL CAPITAL

The last few hundred years of human activity have stored up changes in climate that threaten human existence. MPCL strongly believes that climate change is not the only ecological threat. We agreed that damage to the natural environment and loss of biodiversity pose a comparable risk.

Natural resources are the single most important input to the national and global economy. Whether it is raw materials, water, flood protection, biodiversity or pollination, nature provides most of the capital businesses need for the production of goods and services.

We all have a role to play in protecting these resources so that we as a society can continue to benefit from them for generations to come. MPCL remains steadfast in its commitment to preserving our natural capital by effectively managing all contributing factors.

INTEGRATED MANAGEMENT SYSTEM (INTERNATIONAL STANDARDS)

To achieve excellence in HSEQ performance, in 2007, ISO certification of the HSEQ Management System was introduced as one of the core management systems of MPCL. Since then, MPCL has maintained its ISO



Fire Fighting Training-Head Office

standards implementation with ZERO significant Non-Compliance during the surveillance audits by the external body.

MPCL is maintaining the following ISO Standards after IMS certification:

- ISO 9001: 2015 (Quality Management System)
- ISO 14001: 2015 (Environmental Management System)
- ISO 45001: 2018 (Occupational Health & Safety Management System)
- ISO 27001: 2013 (Information Security Management System)

Further, external bodies reviewed HSEQ procedures to ensure World's best safety practices and accurate implementation at all certified MPCL sites.

OCCUPATIONAL HEALTH MANAGEMENT

For organizations that are serious about improving employee health and well being, reducing workplace occupational health hazards / risks, and creating better, healthier and safer working conditions; complying with safety standards is the only way forward.

MPCL is maintaining good Health for staff including the MPCL permanent and contractual staff. Pre-employment health checks, annual medical examinations, health monitoring are all part of the health surveillance programs well in place. MPCL operational health hazards were well managed with no occupational diseases / illnesses observed during the fiscal year. Snake bite management is one of the health management programs being effectively ensured at all sites.

HSE WORKSHOPS AND TRAININGS

MPCL believes in synergy among all staff / departments in order to bring all well aligned at same page and work more efficiently. Capacity building is one of the keys that MPCL continuously strives for HSE trainings imparted by the HSE department enabled employees at all locations to work safely.

We achieved the following objectives through continuous training and development:

- Understanding HSE requirements for the E&P life cycle.
- Understanding HSE roles & responsibilities.

Health Safety and Environment



LIFE SAVING RULES

S.A.F.E.R.M.P.C.L



**SAFE MECHANICAL
LIFTING**



**AUTHORIZATION FOR
BYPASSING SAFETY DEVICES**



FALL PROTECTION



ENERGY ISOLATION



**MANAGEMENT
OF CHANGE**



PERMIT TO WORK



**CONFINED
SPACE SAFETY**



LINE OF FIRE SAFETY



ROAD SAFETY

- Identification of Hazards and mitigating risks to ALARP levels.
- Enhanced performance for achieving high level of performance.
- Continuous improvement of our system with value addition.
- Clarity on Incident Reporting requirements.

Further, 99,760 Training man-hours (including emergency drills) were recorded for 3,080 HSEQ trainings, and 701 HSEQ Crisis & Emergency Drills were organized for employees at all locations in this fiscal year. HSEQ trainings mainly covered Hearts and Mind Tools, Life-Saving Rules, Permit to Work system, Fire Fighting, HSE Risk Identification, Assessment & Control, Incident Investigation & Reporting, Behavior-

Based Safety, Safe food handling, General HSE awareness, HSE Laws & Regulations, IEE / EIA awareness, Defensive driving, Stress Management, Chemical handling, ISO Standards, Job Safety Analysis, Waste Management, Crisis & Emergency Management, Pre-Startup Safety Reviews, Process Hazard Analysis & Process Safety Management.

HSE IMPROVEMENT ORIENTED PROGRAMS & INITIATIVES

Our Safety Performance with a TRIR of 0.06 is reflective of the following programs that were under taken during our operational activities:

- Upgrading HSE Management System.
- Life Saving Rules Implementation.

- HSE policy Implementation.
- Contractor Safety monitoring and improvement Programs.
- Air emissions & other Environmental Parameters Regulations Monitoring and control.
- Pre-employment and Annual Medical Check-ups of all Employees.
- Adopting a Risk-based approach.
- Fire & gas related risks and hazards Management.
- Conducting HAZOP and other Safe Operational Studies.
- Carrying out Health Risk Assessments.
- Performing HSEQ Audits & Inspections.
- Ensuring Incident Investigation & Reporting.
- Carrying out Noise & Ambient Air Monitoring.
- Carrying out Pandemic diseases, Malaria & dengue prevention. campaigns.
- Performing Project & Task Risk Assessments at desired phases.
- Road Safety Management.
- Pre-startup Safety Review Programs.
- HSE climate enhancement.
- Behaviour based safety leadership programs.
- Treatment of oil based mud (OBM) through bio-remediation.

ENHANCING HSE CULTURE

Leaders see organizational culture as a powerful ally for sustainable business growth, according to recent global surveys of more than 40 countries, strong cultures drive better business outcomes. In fact, the majority (69%) of senior leaders credit much of their success to a healthy culture. During recent years



Annual Medical Checkup - Head Office



Fire team readiness at operational site



HSE management walk around



Lock out and Tag out - safe work practices



World Day for Safety & Health at Workplace - Halini Field

that necessitated major changes for companies around the world, more than two-thirds of respondents believe that their culture helps change initiatives happen. More generally speaking, the majority (67%) of survey respondents said that safety culture is equally important to business strategy or operations. They also agreed that top cultural priorities should include health, safety & environment as integrated business part.

Healthy participation from MPCL employees and their constructive feedback, with high value adding comments towards healthy cultural establishment / improvement

was observed. The result clearly established that MPCL is in the phase of transformation from CALCULATIVE to PROACTIVE, which indicates that "Safety leadership and values are driving continual improvement.

MPCL continued its efforts in the improvement of 12 areas where significant improvement was witnessed during the year. Our ultimate aim is to transform from the PROACTIVE to GENERATIVE Culture.

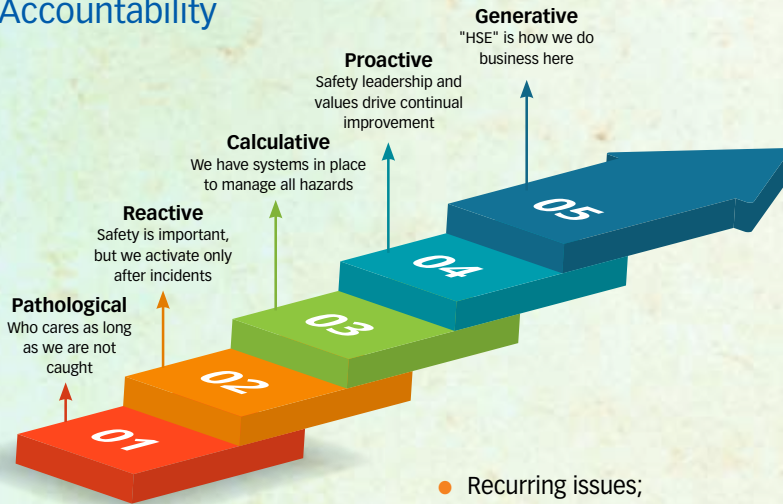
HSE COMMITTEE
At MPCL monthly HSE committee meeting; chaired by Managing

Director of the company with all departmental directors as members; gives us the opportunity to discuss with our employee representatives the general matters about which we must consult with our workforce. To ensure that we cover all relevant issues, the committee has an agreed standing items for the agenda and allow for other items to be added as necessary. Consider standing items such as:

- Statistics on accident records, ill health, sickness absence;
- Accident investigations and subsequent action;

Health Safety and Environment

Increasing Trust & Accountability



- Inspections of the workplace by enforcing authorities, management or employee health and safety representatives;
- Risk assessments;
- Health and safety training;
- Emergency procedures;
- Changes in the workplace affecting the health, safety and welfare of employees;

- Recurring issues;
- Recommended action items status.

The aim is to stop incidents and other non-compliances from happening again, without blaming any individual. In HSE Committee we look at the facts in an impartial way, consider what precautions might be taken, recommend appropriate actions and monitor progress with implementation of the health and safety interventions.

HSE MANAGEMENT SYSTEM

To realize MPCL goal of carrying all business activities with no harm to People, Environment, Asset and Reputation of the company, we developed Health, Safety and Environmental Management System (HSE-MS)

The aim of HSE-MS is to ensure consistently high operational integrity across all our controlled assets and to serve as a benchmark for all MPCL operational, projects, seismic and drilling activities. We strive to have best practices, incorporate them and improve continuously.



Emergency Evacuation Training at Head Office

HSE-MS implementation and fulfilment is all across our business processes, programs, procedures, resources and competencies in Operations and Projects including Mari Services Division.

This HSE-Management System outlines the 14 main HSE-MS elements with their paramount requirements. Each element includes specified goals outlining the overall objective behind each element, while these elements govern well-integrated Management System Procedures with detailed guidelines and criteria that outline the specific activities.

Against each element Management has set certain objectives that are met at MPCL. These objectives against each element are:



ELEMENT-1: Leadership, Commitment and Accountability

Leaders demonstrate integrity, communicate openly and act as role models to foster an environment where people openly provide feedback. Leaders support a strong HSE culture; establish HSE strategic objectives and provide clear direction to guide the organization in sustaining safe operating practices. All staff working on behalf of MPCL show dedication and ownership that provides sound basis of alignment with leadership commitment and accountability



ELEMENT-2: Personnel Competency, Training, Awareness and Motivation

All staff are well qualified, competent, have the requisite experience, good understanding, right skill and attitude with clear demonstrating ability to carry out the tasks and activities of the designated job roles at MPCL effectively and safely.



ELEMENT-3: Information, Documentation and Effective Communication

A centralized Quality management system's creation for repository and controlled documents available for information, retrieval and referral. Communication mode establishment to share the controlled information with concerned for updates. A regular update / review mechanism of documents and procedures formulation for revisions with archival of old documents.



ELEMENT-4: Control of Work and Safe Work Practices

Offering and maintaining a safe environment, where safe behaviors are both encouraged and reinforced. Comprehensive environment, health and safety programs with inherently safe systems for operational, maintenance and inspection work's establishment. Implementation focusing continuous improvement with consideration of Human Factors to ensure that all health, safety & environment related risks are adequately managed. Additionally, assets, facilities and equipment are operated within their defined design and operating limits at all times.



ELEMENT-5: Risk Management

Systems placement to identify, assess, safely manage, regularly review and document HSE related hazards and risks associated with

Health Safety and Environment

company activities to prevent or reduce the likelihood and/or consequences of incidents. Risk management plans and mitigation steps introduction are aimed at As Low As Reasonably Practicable (ALARP) level.



ELEMENT-6: Facility Integrity & Quality Assurance

Process equipment and operation integrity maintenance throughout the facility's life cycle with highest quality. Installations management to the best possible standards as a minimum on local governing laws and regulations. Design, construction, operations and maintenance extension to best international practices and standards while maximizing safety and reliability in hazardous operations.



ELEMENT-7: Management of Change and Pre-Startup Reviews

Identification, evaluation, documentation and management measures for Hazards and risks from proposed changes. Pre-startup

safety reviews (PSSR) for facility startup or after major changes. Peer reviews, HAZOPs and / or other technical safety studies as identified during assessment of risks and control measures.



ELEMENT-8: Incident Management

Systems placement to ensure all HSE incidents timely reporting, recording, investigation and analysis to prevent recurrence and improve performance. Corrective and preventive actions undertaken with its effectiveness evaluation and learning outcomes well communicated.



ELEMENT-9: Emergency Preparedness and Contingency Planning

All parts of the organization are fully prepared for any emergency with all necessary actions' effective planning and implementation to protect people, environment, assets and reputation.



ELEMENT-10: Contractor Safety Management

Contractors and Suppliers to work in a manner that is compatible and compliant with our policies and business performance expectations. Further, contract services and products purchased to comply with MPCL and national regulatory requirements.



ELEMENT-11: Regulatory Compliance and Audits

MPCL compliance with the applicable laws, regulations and corporate policies and works constructively to influence proposed laws and regulations that are essential to operational integrity.





ELEMENT-12: Environmental Stewardship

Ensure our operational performance in a responsible manner that minimizes its environmental effect in comply with our HSE Policy and relevant legislations. Addressing Environmental issues through controls, consistent with policy, regulatory requirements and business plans. Setting and Meeting performance goals through Environmental performance (including emissions, discharges and wastes) tracking and stewarding.



ELEMENT-13: Health Management

Company employees, contractors, subcontractors, visitors and all associated to MPCL company operations remain in good health assurance all the times. No impact or harm to People’s health due to our operations.

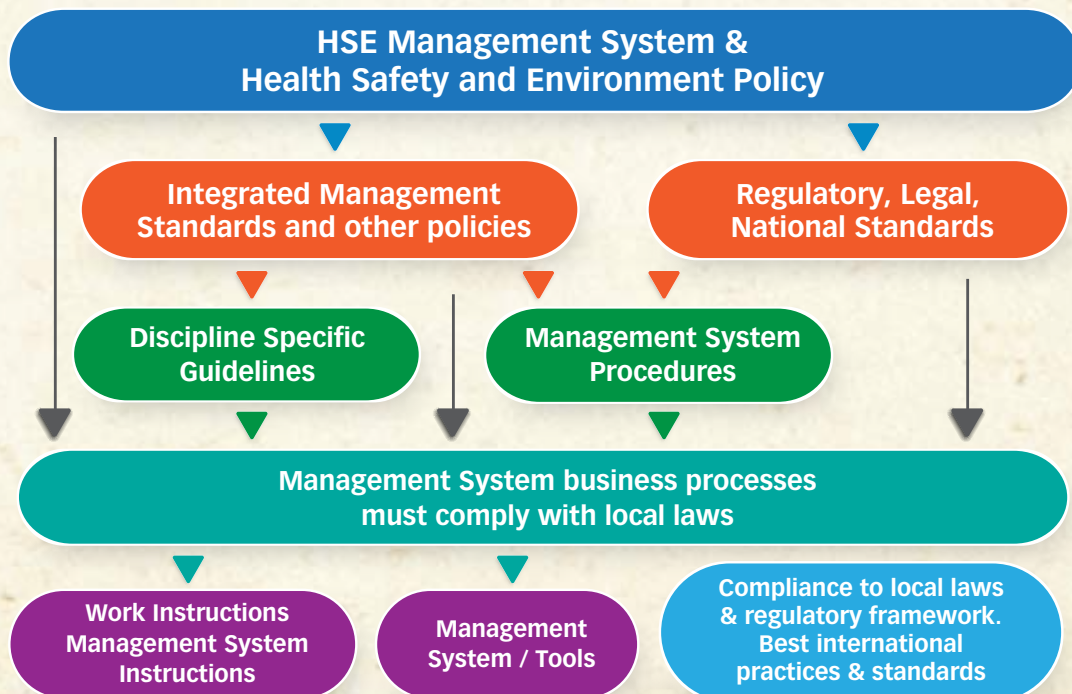


ELEMENT-14: Stakeholders and Community Relations

CSR (Corporate Social Responsibility) / Social Investments, Stakeholder Management and Community Relations are MPCL’s tools to achieve sustainability and to build company’s image. MPCL has set forth an objective which is enabling people by improving their socio-economic status to ensure inclusive and sustainable development while building community trust, mitigating business risks and assuring sustainable continuity of the operations benefitting all stakeholders.



HSE MS Framework



ESG POLICY



“ At MPCL, we are committed to deliver strong Environmental, Social & Governance (ESG) performance that fosters long-term shared value for all stakeholders by integrating ESG factors in the entire business value chain. We recognize that relevant material ESG issues can meaningfully affect investments and these factors are critical components to ensure business sustainability, lead integrated research analysis, effective decision-making, efficient stakeholder management and profound engagement with communities & employees to manage business excellence.

We also acknowledge that being the responsible business, our role extends beyond sustaining business operations to protect planet and develop people. Therefore, our ESG focus goes beyond applying mitigation measures, setting forth an ambitious mission in alignment with UN SDGs and seeking continuous improvement to contribute towards achieving Net Zero, Sustainable Development and an Inclusive Society. ”



ENVIRONMENTAL

Climate Change

We are committed to reduce emissions from our business activities, minimizing flaring, identifying & eliminating methane leaks.

Opportunities in Clean Technologies

We shall explore and implement environmental clean technologies such as renewable energy as a replacement to fuel where applicable to reduce GHG footprints. We strive for implementing green building practices and improving energy efficiency.

Pollution & Waste Management

Our focus is to implement a systematic, comprehensive, & ecologically safe waste management program that protects public health & environment, while fulfilling the regulatory requirements and adopting international best practices.

Natural Resource & Energy Management

We are committed for sustainable use of natural resources including conservation of water & other natural resources, promoting afforestation and practicing responsible land utilization.

Biodiversity

Our goal is to have a positive influence by restoring, maintaining, & enhancing biodiversity where we work.





SOCIAL

Health, Safety & Quality Management

We promote health and safety culture for entire work force engaged with our business to improve and sustain safety performance while maintaining our safety targets. To ensure consistent and safe work practices, we apply a corporate safety policy through a comprehensive management system.

Human Capital

Our integrated theme is linked with wellbeing of employees, culture, Diversity-Equity & Inclusion, employee experience and capability to ensure efficient business delivery. We focus on hiring top skill, competency development, reward & benefits that fosters long term value in terms of employees' engagement, generating productivity.

Community Engagement

We take community engagement as a strategic process with and through identified groups of people to create and maintain an enabling environment where business, nature and people can coexist in productive harmony to ensure long term business success.

Social Investments & CSR

We employ the concept of triple bottom line through our diversified CSR and Social Investment Programs to create an impact, to contribute towards sustainable development and to create shared value while addressing the most pressing social, economic and environmental issues by MPCL's inclusive business model.

Responsible Supply Chain

We adopt best practices in our Supply Chain domain, while focusing on transparency, agility and sustainability. We align our service providers and contractors to adopt best practices that comply with our business and HSE framework.



GOVERNANCE

Corporate Governance

Our strong focus is to conduct our business while complying with all applicable laws, regulations, policies and procedures. We have a strong Governance structure including a Board of Directors having diversified experience to provide strategic direction.

Ethics & Transparency

We conduct our business in an ethical and transparent manner while promoting accountability and responsible decision-making. We have Whistle Blowing Policy for ensuring highest ethical and moral standards.

Protection of Human Rights & Child Labor

We comply with all regulatory requirements for protection of human rights while ensuring compliance with labor laws and child labor.

Financial Performance & Reporting

We are adopting transparent accounting and taxation system by ensuring all applicable regulations are fulfilled. Our reporting is focused on the material issues that matter to our stakeholders.

Stakeholder Management

We pursue strong collaboration with employees, communities, shareholders, supply chain partners, and regulators, ensuring that practically every layer of society is involved.

Digitization, Data Privacy & Security

We ensure confidentiality and data security in the entire business operations with privacy of personal data.



MPCL EMBRACES THE ESG JOURNEY



Session on ESG - Head Office, Islamabad

MPCL has taken a significant step forward in embracing the global paradigm shift towards Environmental, Social, and Governance (ESG) considerations. This year we developed our ESG Policy after taking all stake holders on board.

MPCL is committed to adopting best practices in ESG to drive sustainability and foster a more responsible organization. We believe that by aligning ourselves

with ESG principles, we can generate harmonized benefits for our organization and stakeholders. Readiness to this journey is imperative to MPCL's long term business strategy. While exploring the current opportunities and future opportunities MPCL has started working in ESG area during strategic business decision. Our research development is also aimed to tap opportunities, which can create a balance in business while further enhancing the

confidence of our shareholders, regulators, employees, joint venture partners and investors.

So far MPCL has conducted multiple insightful and engaging workshop Sessions on ESG to take management team and working group on board with respect to MPCL's road map on this journey. These interactive sessions fuelled the enthusiasm of our ESG Focus Group, equipping them with the essential skills to support our transformative journey towards a sustainable future. We have strong emphasis on the need of ESG integration into business strategy and operations with references to international events that triggered the demand of ESG.

At MPCL, we firmly believe that organizations have a pivotal role to play in creating positive change for our planet and society. By embracing ESG principles, we are committing ourselves to a more sustainable and responsible path, where economic growth goes hand in hand with environmental stewardship and social well-being.



Medical Camp at Daharki (Mari Gas Field)

HUMAN RESOURCE Management & Development

OUR PEOPLE

In the dynamic oil and gas industry, we firmly acknowledge that our people are the cornerstone of our organization. Their unwavering dedication and expertise play a pivotal role in driving our success. Accordingly, we remain steadfast in our commitment to "Exploring and enhancing the potential of our human resource," a guiding principle that underscores our focus on fostering engaged individuals who believe their work as a meaningful contribution to the overall achievements of our Company.

To enable our people to thrive, we prioritize their success, recognizing that their accomplishments directly contribute to our strategic success. As such, we have adopted a strategic approach that places significant emphasis on continual up-skilling and re-skilling initiatives for our teams. This ongoing objective emphasizes our commitment to empowering our workforce, both as individuals and as a cohesive unit. By nurturing the development of our employees and



Session on "Organizational Leadership Stream", Head Office - Islamabad

equipping them with the necessary knowledge and competencies, we foster a culture of continuous growth, enabling our workforce to adapt, innovate, and drive our organization forward.

TALENT ACQUISITION

Attracting top talent remains a paramount objective for our organization. To achieve this, we have implemented focused recruitment

strategies aimed at identifying and hiring professionals who possess specialized expertise in crucial areas such as exploration, production, drilling, and other key facets of our operations.

In addition, we have developed comprehensive onboarding programs that ensure new employees receive the necessary training and support to swiftly integrate into



HR session on Embrace Agility, Islamabad

Human Resource - Management & Development



HR Session on "Time to Talk - Ladies only" - Head Office, Islamabad



their respective roles and make valuable contributions towards our organizational goals.

Recognizing the importance of nurturing internal talent, we have provided opportunities for career progression within our company. Our employees have been encouraged to explore various avenues for advancement, allowing them to broaden their horizons and contribute to different areas of our organization.

To provide exposure to aspiring graduates in the oil and gas industry, a summer Internship program is in place. This program enabled interns to gain firsthand experience by working across different departments within MPCL, fostering their understanding of our operations and nurturing their professional growth.

We take great pride in our management trainee program, known as SEED (*Skill Enhancement & Employee Development*). SEED serves as a platform for attracting and nurturing young talents who show potential to become future leaders within our organization. Last

year, we welcomed a new batch of trainees into the program, marking the beginning of their professional journey with us.

Through SEED, we provide our trainees with comprehensive training, mentoring, and exposure to various aspects of our business operations. The program is designed to develop their leadership abilities, enhance their functional expertise, and foster a deep understanding of our industry. As they progress, we continue to support their growth and development, ensuring that they acquire the necessary skills and experiences to thrive in their careers.

WORK FORCE

as on June 30, 2023

Management	730
Non-Management	772
Trainees	116
Total	1,618
Male Employees	1,545
Female Employees	73
Female Employees at C-1 Level	01
Differently abled employees	01
Average No. of Employees	1,597

COMPETENCY MANAGEMENT

We have implemented a robust competency management system by collaborating with international partner that identifies, assesses, and develops the essential skills and knowledge required for various roles within our organization.

By defining clear competency frameworks and conducting competency assessments, we ensure that employees have the requisite proficiencies to excel in their respective positions. This process not only allows us to identify competency gaps but also enables us to provide targeted training and development programs to bridge those gaps and enhance overall performance. Through effective competency management, we strive to foster a culture of continuous improvement and excellence in our operations.

LEARNING & DEVELOPMENT

The oil industry is widely recognized as a highly technical field that demands a workforce equipped with specialized skills



Personal Leadership Training Session

and knowledge. Consequently, prioritizing the continuous development and training of our employees stands as our foremost objective. We meticulously design and implement training programs tailored to equip our workforce with the essential competencies and knowledge required to perform their roles effectively.

Moreover, we offer abundant opportunities for career growth and advancement through on-the-job training initiatives and coaching programs. In order to ensure the success of our comprehensive training plan, we have aligned talent development interventions with the overall business strategy and objectives of each department.

The snapshot of the training conducted for our employees in year 2022-2023 is as follows;

Training Status 2022 – 23 (Technical and Non-Technical)			
S.No.	Training	Sessions	Participants
1	Technical	295	1,110
2	Non-Technical	56	1,165
3	HSE	171	2,479
Total		522	4,754

CULTURE & ENGAGEMENT

In our endeavor to instill a culture of ownership, teamwork, and harmony among our employees, we have made significant investments in fostering employee engagement to cultivate a positive work environment. We have adopted various approaches to address employee wellness and engagement, including in-person sessions, physical activities, and team-building expeditions. These initiatives aim to encourage employees to take collaborative initiatives and drive continuous improvement.

To provide a platform for encouraging employee participation and innovative

ideas, we launched MPCL Voice, an online suggestion mechanism. This platform enables employees to share their suggestions and contribute to the overall growth and development of our organization.

Additionally, we recognize the importance of employee wellness as a core focus. To support their emotional and psychological well-being, we have conducted various sessions focused on creating a safe and supportive work environment for our employees.

DIVERSITY AND INCLUSION

In order to maintain our competitiveness in the market, MPCL places great importance on recognizing the value of a diverse skill set among our employees, regardless of their gender, race, or ethnicity. We firmly believe that fostering an inclusive environment not only promotes innovation and collaboration but also enhances overall employee engagement.

To increase the representation of women in our workforce, we have implemented targeted hiring

Human Resource - Management & Development



HR Session on Gender Diversity at Workplace - Head Office

processes that aim to provide opportunities to qualified female candidates. We are committed to ensuring equal opportunities for individuals with disabilities, fostering an environment where they can grow and thrive within the company.

This year, we celebrated Women's Day with a specific theme centered on embracing equality and promoting inclusiveness. Our objective was to encourage the development of female employees to assume leadership roles across various departments and avenues within the organization starting from trainees to C-suite and board level roles.

MPCL LEADERSHIP FRAMEWORK

We have established a multi-faceted leadership framework for succession planning – consisting of three distinct streams within MPCL to cater to the specific objectives based on employees' profiles and career stages. The leadership streams are designed to address different aspects of

leadership development, ensuring a comprehensive approach to nurturing future leaders.

The first stream, the Personal Leadership Stream, focuses on developing essential leadership qualities and self-awareness. It aims to strengthen individual leadership capabilities, including communication, emotional intelligence, and personal effectiveness.

The second stream, the Organizational Leadership Stream, is tailored for individuals who demonstrate potential for leading teams and projects within the organization. It aims to enhance skills such as team management, collaboration, and change leadership, enabling participants to effectively drive performance and achieve organizational goals.

The third stream, the Executive Leadership Stream, is designed for senior-level executives and high-potential leaders who are ready to take on strategic leadership roles. This stream emphasizes advanced

leadership competencies, strategic thinking, and decision-making at the executive level. It equips participants with the skills required to navigate complex challenges, lead organizational transformation, and drive sustainable success.

These leadership development programs leverage a combination of learning methods, including classroom sessions, experiential learning opportunities, mentoring, and coaching, to provide a comprehensive and tailored approach to leadership development. By aligning the objectives of each stream with employees' profiles and career stages, we ensure that our leadership development initiatives effectively prepare future leaders for their respective roles.

PAY FOR PERFORMANCE CULTURE

In our ongoing efforts to enhance our performance management system, we have implemented streamlined processes to reduce transactional steps and make it more agile. Our performance management process emphasizes regular feedback and coaching sessions, enabling our employees to develop their skills and capabilities effectively.

Performance metrics plays a crucial role in succession planning, as they help us identify potential leaders within our organization and offer them relevant development opportunities. By aligning employee goals with our company's strategic objectives, we ensure that there is a clear connection between individual performance and organizational success. This approach fosters a culture of continuous improvement, where clear expectations and regular feedback are communicated to

drive individual and collective growth.

REWARDING EMPLOYEES

As part of our commitment to recognizing and rewarding employees, we have incorporated a comprehensive rewards system that aligns with international benchmarks. We understand the significance of acknowledging and valuing the contributions of our workforce, and thus we have implemented mechanisms to ensure our employees are appropriately recognized for their dedication and exceptional performance.

To ensure fairness and competitiveness, we have benchmarked our rewards system against international standards and best practices. This approach enables us to offer competitive compensation packages, performance-based incentives, and opportunities for professional growth and advancement. By benchmarking against global standards, we strive to attract, retain, and motivate top talent within the industry.

We firmly believe that a well-designed rewards system not only recognizes individual achievements but also reinforces a culture of excellence, innovation, and high performance. Our aim is to provide our employees with a rewarding work environment that not only values their contributions but also encourages their continued growth and success.

POLICIES & PROCEDURES

The company's policies and procedures form a vital part of its governance framework, offering clear direction and guidance to employees and stakeholders alike. We recognize that well-designed policies and procedures are instrumental in maintaining consistency, efficiency, and fairness throughout the organization. Moreover, they play a crucial role in minimizing the risk of disputes, litigation, and reputational harm.

To uphold their effectiveness, our policies and procedures are regularly reviewed and updated to reflect changes in the business landscape, laws, regulations, and industry standards. We emphasize



Psychological Safety Session

timely communication and training initiatives to ensure that employees have a comprehensive understanding of the policies and procedures and are adept at applying them in their day-to-day work.

By fostering a culture of compliance and adherence to these policies and procedures, we strive to create a transparent and accountable environment that promotes ethical behavior and upholds the company's values.



International Women's Day 2023 Celebration, Head Office - Islamabad

CORPORATE SOCIAL RESPONSIBILITY



International Day of Persons with Disabilities, Mari Gas Field, Daharki, Sindh

MD'S COMMITMENT TOWARDS SUSTAINABILITY

Embracing Sustainability as a core value to create a better future for all is much more than a statement, it entails making choices everyday by everyone involved in the business. By keeping the concept of triple bottom line "people, planet, profit" at the heart of our sustainability efforts, we continuously strive to create value not just for our shareholders and ourselves, but also for the communities we serve to and the environment we operate in. That is why our business practices are not only economically viable, but are also socially and environmentally responsible. We believe that investing in our planet, doing business in most ethical, socially responsible and sustainable manner is not only the right thing to do, but it is also a key driver of our long term business success. Therefore, sustainability is a critical aspect of MPCL's business strategy.

Our strategic vision encompasses a commitment towards sustainability in all aspects of our operations which means reducing our carbon footprint, conserving resources, promoting environmental

stewardship, improving lives of our communities and creating shared value for all stakeholders. Creating shared value act as a guiding principle for our organization in all decisions we make and all actions we take to ensure that we are impacting all the stakeholders in a most benefiting manner today and tomorrow.

Therefore, sustainability is not just a goal, but a journey for MPCL, fostering our commitment towards our people and planet to transform our society into an inclusive sustainable prosperous nation. We are steadfast to do so by creating an enabling culture where innovations are welcomed, synergies and collaborations are promoted to consistently improve our impact on world.

Objective: To create and maintain the conditions under which humans and nature can co-exist in productive harmony to support present and future generations.

Hence, we are creating an enabling environment for business assuring sustainable continuity of the operations by building community trust while striving for the inclusive and sustainable development for all, securing profits responsibly, mitigating all business risks and

negative environmental impacts through positive green initiatives and environmental protection strategies. Our three broadly defined goals of the policy are as follows;

MPCL's Corporate Social Responsibility (CSR) Programs

Are aimed at enabling communities by improving their socio-economic status to ensure inclusive and sustainable development and creating conducive environment for business assuring sustainable continuity of the operations benefitting all stakeholders.

Mandatory Social Welfare Obligations

In compliance to DGPC Guidelines and PCA, SWOs for CY 2023 have been deposited in the joint account maintained with respective DCs. As per applicable policies, USD 822k has been deposited in MPCL operated blocks/D&P Leases.

Voluntary CSR In addition to MPCL's contractual and statutory obligations and CSR Waziristan, the Company initiated multiple social investment programs for the communities living nearby the operational areas and spent Rs. 1.88 billion, including implementing a comprehensive Flood Relief & Rehabilitation Plan.

CSR AT WAZIRISTAN

The year 2022-23 has been marked as a year of success for MPCL in its journey towards Sustainability & Development. It all started with the discovery of Hydrocarbons in Waziristan which ushered an era of socio economic development of the area. The company developed a holistic CSR Strategy for the people of Waziristan after the need assessment of the area. While conducting need analysis, the available data and

preliminary district level assessment demonstrated lower human development indexation, indicating poor conditions of health, education, livelihood and other standards of living in North Waziristan. To bridge these gaps, multi-layered integrated interventions were needed in the Social, Economic and Environmental domains.

Hence, Sustainability envisioned by MPCL leadership could only be achieved by introducing inclusive business policies, community engagement strategies and social investment programs for the people of Waziristan. That is why MPCL's CSR strategy has been based on three CSR pillars i.e. Social, Economic and Environment. Under these pillars, multiple thematic areas have been identified with the potential to pave way towards sustainable development, aimed to build trust among the local communities, mitigate business risks and positively influencing the environment for present generations without compromising future of next generations of Waziristan.

The locations for these CSR programs in Waziristan and degree of engagement has been carefully aligned with the company's business interests. Multiple dialogue sessions, social mobilization drives and consultative meetings held to ensure the participatory bottom to top approach, to take buy in of all stakeholders and an all-inclusive CSR plan was formulated on the communities' feedback and as per their aspirations. This strategy was also aligned with the UN Sustainable Development Goals 2030 and best global practices and standards.

CSR programs in Waziristan were designed to create an enabling environment with a financial outlay of PKR 800 Million. MPCL in which

SNGPL and JV Partners have given their respective share and company implemented all 11 CSR programs in four tehsils namely Shewa, Spinwam, Mirali and Dossali. In FY 2022-23, Rs 800 million has been earmarked for CSR programs, out of which 80 % budget is allocated for the Waziristan Block and 20% budget for Wali West Block. These 11 programs comprised of 160 schemes have positively impacted over 50,000 individuals directly within the period of five months since February 2023.

The details of the programs are given below;

- 62 x Roshan Ahed (Clean Energy / Solarization)
- 64 x Infrastructure Projects
- 2 x Orphanage
- 240 x Scholarships / Sponsorships (for Boys Hostels)
- 110 x Students- Project – Pak Turk, APS and DPS Scholarships
- 4 x Mobile Health Units
- 2 x Rehabilitation and Adoption of Health Facilities (THQ Shewa, RHC Spinwam)
- 2 x School Meal Program – Providing 351 daily meals to girls attending schools to incentivize girls education also becoming source of decent earning for 65 widows with an amount of 25000/ monthly each woman
- 80 x Fruit Orchards @ 640 Kanals & 80x Vertical Farms development along with Trainings of 200 x farmers, exposure visits & provision of supplies of toolkits and plants
- 175 x Technical and Vocational Trainings (Male and Female)
- 8 x Schools Adoption Program
- In addition, MPCL distributed Eid Gifts and Ration Bags on joyful event of Eid ul Fitr and Eid al Adha to 5000 Households on both events and in addition to these, 1650 families were given ration

bags making the distribution of 11650 ration bags and gifts in past few months. Such ration drives give economic relief to people on such special occasions.

FLOOD RELIEF & REHABILITATION PLAN

Demonstrating solidarity during any national level crisis, MPCL always responded instantly to provide relief to the communities suffering in such catastrophic calamities, in its own area of responsibility and in the most befitting manner by providing all out support to the displaced populace.

MPCL devised a two-pronged strategy;

- a) Flood relief contribution in coordination with Army Relief Centers
- b) Direct engagement with local affectees by mobilizing MPCL field teams and resources.

In addition to extensive relief efforts, MPCL launched an impactful rehabilitation plan that focused on renovation/rehabilitation of schools, hospitals and community places. Multiple water filtration and supply schemes have also been executed in Balochistan. The most significant initiative is the launch of "MPCL Gharonda" project in Balochistan under which 45 damaged houses are being reconstructed for local community.



Noor-e-Sehar Special Education School, Daharki

Corporate Social Responsibility



Mari Dastarkhawan-Islamabad

MPCL Impact:**Clean Drinking Water Initiatives:**

The villages in Shewa and Spinwam in Waziristan and multiple villages in Tehsil Daharki depend greatly on contaminated water sources such as open wells and rivers, leading to health issues and waterborne diseases among the community members. Recognizing the severity of the situation, MPCL collaborated with local stakeholders, NGOs, and community leaders to devise a sustainable solution:

- Installation of Water Filtration Systems
- Construction of Water Storage Tanks
- Training and Capacity Building
- Regular Maintenance and Monitoring

Impact: The communities now have an access to clean drinking water, significantly reducing waterborne illnesses and improving their overall health. With the availability of clean water, children can attend school regularly, and adults can engage in productive activities without the burden of water-related health issues.

Total Beneficiaries: Estimated 400k (73 Projects - Daharki) & 20k (2 Projects – Waziristan)

Clean Energy Projects – Solarization:

After a thorough community needs assessment and dialogue sessions, it was observed that access to sustainable affordable

energy sources, let alone clean energy, is a major impediment in the socio-economic progress of this area. Based on this assessment, ROSHAN AHED Program was launched to provide clean energy to the underserved communities by Solarization of public places like schools, health facilities, mosques and madaris.

Impact: Access to reliable and affordable electricity to the communities' at large level. It resulted in following impacts:

- **Enhanced Socio-economic Development:** Schools can operate effectively, ensuring better educational opportunities for children. Healthcare facilities have access to electricity, enabling them to provide improved medical services. Additionally, local businesses have flourished because of reliable power supply, leading to increased productivity and economic growth.
- **Environmental Benefits:** The provision of clean energy resources also contributing to improve environment.
- **Job Creation and Economic Opportunities:** The installation of clean energy schemes have provided job opportunities to local people.
- **Community Empowerment:** MPCL's clean energy initiatives have empowered the local community in Waziristan by involving residents in the installation and maintenance processes, individuals have gained knowledge and skills related to solar energy. This not only boosts their self-confidence but also equips them with valuable expertise that can be utilized in other sustainable energy projects.

Total Beneficiaries: Estimated 4,950 (61 Projects - Waziristan) & 81,700 (Daharki)

Agri-Based Training Programs Fruit Orchards & Vertical Farming:

To promote green skills, creating sustainable livelihood opportunities while protecting environment and to improve existing agriculture practices, MPCL developed 80 Fruit orchards at 640 Kanals of land, 80 farms of vertical farming and olive drafting and handed over to 200 farmers along with provisions of necessary trainings toolkits, and plants etc. Local farmers were provided with green skills, support and were given exposure visits which resulted in enabling farmers to adopt vertical farming techniques to enhance vegetable production in the area, and planting orchards of olives, leeches, dates and grapes in the MPCL areas of operation.

Impact: Improved agricultural practices, increased food production, sustainable resource utilization, economic development and sustainable livelihood for farmers. Vertical farming enables the production of fresh produce within the community, reducing dependence on external sources and ensuring a local supply of nutritious food.

Total Beneficiaries: 200 Farmers

Miyawaki Forestation:

MPCL collaborated with CDA to develop the largest Miyawaki Forest in Islamabad in Sector H-12 on Srinagar Highway. Over 20,000 trees of indigenous species have been planted and survival rate is over 90%. Moreover, 25,000 fruit trees have also been planted in Sector G-12 on Srinagar Highway.

Impact: Climate change mitigation, enhanced biodiversity, soil conservation and water management, reduction in temperature and damping the impact of heatwaves, community engagement and awareness.

Health Programs:

This includes programs like provision of 4 Mobile Health Units in Waziristan, Rehabilitation and adoption of THQ Shewa and RHC Spinwam hospitals in Waziristan, Mother & Child Centre Daharki, TB/Asthma Clinic Daharki, Mobile Dispensaries Daharki and Free Medical Camps in Daharki, Sindh and Balochistan.

Impact: Total Beneficiaries: Estimated 2 Million (5 Projects- Daharki) & 14k (2 Projects – Waziristan)

Women Empowerment and School Meal Program:

The project aimed at retaining the existing girls' enrollment by distributing free lunch boxes daily in selected schools. The project enhanced the attendance of girls coming to schools and also provided economic relief to the parents and incentivize girls' education in the area which will help in increasing girl's enrollment in near future. In addition, the project has provided livelihood opportunity to local women by cooking lunches for these school children. The project also has the provision of sustainable livelihood opportunities for women living in the area by cooking meals for the girls.

Impact: Improve attendance, addressing food insecurity, health promotion & well-being, economic relief, teaching healthy eating habits, women empowerment and livelihood for widows and marginalized women while being at home. Every woman cooks 50 meals daily for 5 days per week/month and earns PKR 25,000. The project is providing livelihood opportunities for 65 widows and food to 305 girls on daily basis.

Total Beneficiaries: Estimated 360 Students and 60 Widows

Technical and Vocational Skills Training Programs:

Youth have meager opportunity for self-growth in the merged Districts. The project entails providing opportunity to selected youth for their skill enhancement and facilitate their integration in local markets. Such programs boost their confidence and also provide them with constructive economic opportunities.

Impact: The project supported youth and women with limited or no access to livelihoods and income generation opportunities. To enhance and sustain the livelihoods and well-being of poor and vulnerable communities in target areas through provision of assets, resources, support and marketable skills. Men trained in various trades and vocations and 100 women trained in tailoring.

Education and Scholarship Programs:

Multiple Scholarships programs have been initiated in various areas providing opportunities to more than 350 students in different school systems, supporting their free education, boarding and messing facilities.

Impact: Total Beneficiaries: Estimated 350 Students

MPCL'S AWARDS & ACHIEVEMENTS:

- MPCL - Signatory of UNGC in 2023
- Pakistan Centre for Philanthropy
 - Corporate Philanthropy Award - 2023
- NFEH 15th Annual CSR Awards 2023
 - Green On Wheels
 - Social Impact
 - Disaster Response
- 8th International Conference on Environment, Health and Safety 2022 organized by The Professionals Network

- Social Impact
- Best CSR Practices

ADOPTION & COMPLIANCE TO SOCIAL GUIDELINES

MPCL's CSR functions as per the existing guidelines issued by regulatory authority of Ministry of Petroleum and Natural Resources. However, our CSR initiatives go far beyond the obligations as our programs serve all segments of the society in every possible way, thus projecting the benevolence and philanthropy MPCL extends to the society it serves, whether it is its obligation or not.

a) Advanced Level in ISO 26000 (Social Responsibility Guidelines)

MPCL was placed at "Advanced" Level of performance against global guidelines of ISO 26000:2010 (Social Responsibility Guidelines). MPCL is the only Oil & Gas Company in Pakistan to be formally assessed for ISO 26000, and the only Company to have achieved the Advanced Level rating. The Company achieved the highest rating of "Role Model" in Accountability, Ethical Behavior, Respect for Stakeholders Interests, Respect for the Rule of Law, Respect for International Norms of Behavior and Respect for Human Rights.

b) Aligned with UN Sustainable Development Goals (SDGs)

United Nations 17 SDG's set the holistic approach to address world's most pressing social, economic and environmental challenges. At MPCL, all our activities, businesses and social investments are aligned with the ISO 26000 and thus with the UN SDGs 2030. To further consolidate and align our efforts, MPCL has recently become a signatory of UN Global Compact and will be sharing its 1st Communications on Progress (COP) report this year.

MPCL Impact

2
Orphanages
IMPACTING 120

123
Projects
Clean Drinking
Water
IMPACTING 578,000

163
Projects
Clean
Energy
Solarization
IMPACTING 500,000

- Solarization of Health & Education Facilities
- Installation of Solarized RO Plants
- Solar Lights in Public Parks and at Community Places
- Solarization of Religious Places
- Solarization of PRCS Islamabad

**Women
Empowerment**
School Meal Program
Promoting Girls Education in Waziristan and Sustainable Livelihood
IMPACTING 415

**Green
Investments**
TRAINING OF FARMERS 200

- 640 Kanals of Land /80 Fruit Orchards
- 17 Acres/20,000 Plants - Miyawaki Forest
- 18 Acres/25,000 Plants - Fruit Trees

**Technical &
Vocational Trainings**
Mobile & Motor Cycle Repair
E-Commerce/ Amazon Tailoring
IMPACTING 175

45
Houses
**Flood
Rehabilitation
Program**
MPCL GHARONDA BALOCHISTAN

**Education
Rehabilitation
LUMS & Scholarships**

- IBA Sukkhr
- NUST
- Pak Turk
- AliGarh Public School
- Divisional Public School
- Rehabilitation of 11 Schools

IMPACTING 3,250

Health Initiatives

- 4 Mobile Health Units
- Rehabilitation & Adoption of Hospitals in Shewa and Spinwam
- Mother & Child Centre
- TB/Asthma Clinic
- Mobile Dispensaries
- Free Medical Centers

IMPACTING 2,000,000

Value Added to the SHAREHOLDERS' NET WORTH



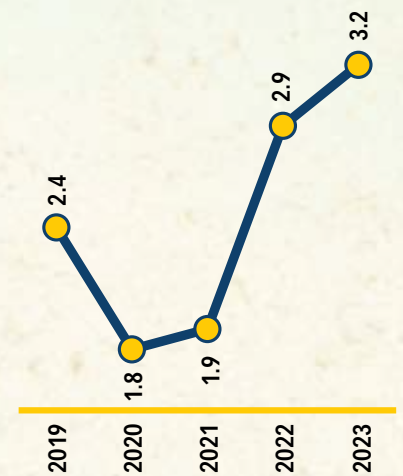
Chairman and MD MPCL with Shareholders

One of the Company's greatest achievement over the years has been to consistently create and deliver long term value to its shareholders. MPCL share price is the highest in listed oil & gas companies (all streams). Since removal of cap on dividend distribution in FY 2020-21, the Company has distributed a whopping Rs. 55* billion as dividend to the shareholders.

	Sponsor Shareholders	General Public
Total Holding (No. of Shares)	106.7 million	26.7 million
Current Worth of Holding (Rs) **	161.6 billion	40.4 billion
Total Value Addition		
Actual Investment (PKR)	367.5 million	
Current Worth (PKR)	202.1 billion	

* Including final dividend of Rs. 58/share, which will be distributed after the shareholders' approval in the upcoming AGM. Total dividend approved/recommended by the Board for the FY 2023 is Rs. 19.6 billion.

** Based on closing share price of Rs. 1,514.64 on June 30, 2023.



Foreign Exchange Saving through LNG Import Substitution (US\$ in billion)

Contribution to the National Economy

- Ensuring the Country's food security: More than 90% urea production based on MPCL supplied gas.
- Providing gas to power plants for electricity generation and to distribution companies for domestic/commercial consumers.
- One of the highest contributors to Government exchequer on account of various taxes and levies. Rs. 370 billion contributed during the last five years.
- MPCL produced oil & gas have helped save over US\$ 12 billion foreign exchange through LNG import substitution during the last five years.
- Undertaking infrastructure development, and providing employment and economic opportunities in areas of operations.

Sustainable Development Goals



SDG 5 (Gender Equality)

MPCL is an equal employment opportunity organization. Specific measures taken by the company to encourage gender diversity are listed below:

- HR policies are in place to promote diversity and inclusiveness and to enable women in STEM (Science, Technology, Engineering and Mathematics) roles. These policies include, extended maternity leave, paternity leave, work from home, and no late sittings for female employees.
- An Anti-Harassment Policy is in place, demonstrating zero tolerance for any type of harassment.
- Gender inclusive job advertisements are created to encourage women to apply. Selection, however, is purely based on Merit.
- Regulatory guidelines for gender diversity on the Board of Directors are implemented.
- Women's Day is celebrated every year to acknowledge the contributions of female workforce of MPCL.
- Women specific awareness sessions are arranged for female employees of the Company, throughout the year.
- Fully equipped day care center with trained staff is available for MPCL's working mothers.
- Gym facility with dedicated timings for female employees is available.
- 35% beneficiaries of MPCL Sarbuland microloan scheme in Mianwali District are women.



SDG 6 (Clean Water and Sanitation)

This goal underscores the critical importance of sustainable water management for the human well-being and the health of the planet. In our operational area, the villages in Shewa and Spinwam in Waziristan and multiple villages in Tehsil Daharki depend greatly on contaminated water sources such as open wells and rivers, leading to health issues and waterborne diseases. MPCL has collaborated with local stakeholders, NGOs, and community leaders and installed water filtration plants, constructed water storage tanks, conducted trainings, and undertook regular maintenance and monitoring of these facilities at multiple locations in Daharki and Waziristan. It is highlighted that all these facilities are solarized to ensure their sustainability.



SDG 7 (Affordable and Clean Energy)

Since inception, MPCL is playing a pivotal role in providing clean and affordable energy for domestic and industrial consumers. Some specific contributions are as under:

- MPCL has a pre-dominantly "gas weighted" production portfolio. Natural gas is a cleaner source of energy compared with other fossil fuels.
- Indigenous gas produced by MPCL is much cheaper than

the imported RLNG. The recent forex crisis and rising energy costs signify the importance of indigenous production.

- MPCL is contributing to meet affordable and clean energy requirements of the country by supplying gas to power plants for electricity generation and fuel gas to fertilizer sector.
- The Company monitors its GHG emissions for calculation of environmental impact of its operations and improvement in carbon footprint reduction.
- Going forward, the company aims to minimize its carbon footprint by investing in green hydrogen and renewables.
- The company's Vision-2030 is to become a national ESG leader by reducing its carbon footprint and monetizing remaining carbon emissions through carbon capture.
- MPCL has started Roshan Ahd Program to convert community places in under-privileged areas to solar power. Under Waziristan CSR Program, 62 community places in North Waziristan have been converted to solar power.
- Solarization of MPCL fields/sites is also being evaluated.



SDG 8 (Decent Work and Economic Growth)

MPCL champions a work environment that prioritizes dignity, self-respect, fair compensation, and sustainable career growth. Some salients of MPCL work environment are as under:

- The company's compensation packages are based on pay-

for-performance and align with industry standards, ensuring fairness across the organization and the oil & gas sector.

- All MPCL facilities, from offices to operational sites and accommodations, provide best amenities.
- Non-management and outsourced workers at most locations are provided free (or substantially discounted) food and lodging.
- Safety at work is given paramount importance. All employees are required to uphold safe working conditions and immediately report unsafe conditions/acts to HSE Department.
- MPCL management trainee and internship programs equip young graduates with essential skills for future roles with MPCL or in the industry.
- Recently, MPCL provided specialized training, encompassing data collection techniques and equipment operation, to the local workforce for conducting the Gravity and Magnetic survey in Wali West Block. The crew will remain engaged for other G&M surveys after completion of the Wali West project, and signifies sustained positive influence of MPCL approach.
- MPCL "Sarbuland" economic empowerment initiative is being successfully implemented by Akhuwat Islamic Microfinance since 2021. So far, microloans of Rs 50,000 each have been distributed to 140+ small business owners in Mianwali.



SDG 9 (Industry, Innovation and Infrastructure)

The Company employs state-of-the-art equipment, technology, and practices in its seismic, drilling and production operations to enhance efficiency and safety of operations and minimize their impact on ecosystem. These include: Performance Monitoring Dashboards, Cloud AI & ML Applications, Integrated Asset Performance Management System, Wireless EM Telemetry, RSS & LWD, DrillPlan, DrillOps and DrillOps Orchestrate, Petroleum Resource Management System, Portfolio Ranking and Capital Allocation, Dual Cellar Wellsite, Invizon RT Implementation, Wells Integrity Management System, and Horizontal drilling, and multiple advanced level non-intrusive inspection and monitoring techniques to ascertain condition of the assets.



SDG 12 (Responsible Consumption and Production)

By optimizing operational efficiency, reducing waste generation, and integrating eco-friendly and sustainable practices into every phase of the E&P life cycle, MPCL is playing its role in promoting responsible consumption and production.

- MPCL has completed and commissioned Sachal Gas Processing Complex to process

low BTU gas for supply to the National Grid. SGPC is the largest development project undertaken by the Company, and has been executed safely in-line with the best engineering and HSE practices.

- Throughout the year, our Asset Integrity & Maintenance Team remained focused on conducting proactive on-site health assessments of aging assets for optimize, safe, reliable and sustainable operations.
- MPCL has adopted an ESG Policy to demonstrate its responsible resource management, carbon footprint reduction, community engagement, and alignment of the company's operations with sustainable goals.



SDG 13 (Climate Action)

As a good corporate citizen, MPCL recognizes its responsibility in addressing climate change and undertakes deliberate steps to reduce its carbon footprint. This involves transitioning towards cleaner energy sources (exploring opportunities in green hydrogen and renewables), implementing energy-efficient technologies (Roshan Ahed Solarization Program), environmental stewardship (tree plantation drives, minimizing loss of vegetation during operations, carbon capture, usage and storage technology), and adopting sustainable practices across operations (recently adopted ESG Policy), are a few examples of MPCL's Climate Action.

INFORMATION TECHNOLOGY

Information Technology & Digital Transformation at MPCL

MPCL's commitment to leveraging latest technologies for improving transparency, reporting and governance

Mari Petroleum has been a leader in adopting technological innovations as a frontrunner in sustainability and operational excellence. The Company strongly believes in heightened collaboration between its technical and other functional areas which help steer the selection and implementation of its information systems. The latter provides greater integration amongst cross-functional teams to induce effective planning, coordination and decision making during various E&P related activities.

Our exploration and reservoir departments use industry leading G&G interpretation and reservoir modeling software suites developed by renowned companies like Schlumberger and Halliburton. Integrated workflows provide geophysicists and geologists with critical collaborative capabilities that yield better geological insights. These systems help improve discoveries' success rates thus making the Company well distinguished, in the E&P sector.

Mari Seismic Data Processing Center (MSPC) plays a vital role by providing high quality and state of the art 2D and 3D data processing facility, which helps the Company in making more cognizant decisions on the technical front. It's scalable infrastructure greatly helps in the application of latest geophysical technology across the full spectrum of seismic imaging and reservoir characterization. In view of growing expansion in MPCL's exploration

activities which demand a steady increase in MSPC's computation capabilities, the system has been upgraded from 96 cores to 1024 cores for time, depth and parallel processing simultaneously. Advanced processing modules coupled with increase in computational power will enable MSPC to provide depth and time processing services with improved quality and in reduced time, as well as acquire the capability of handling multiple 2D's and 3D's time and depth projects simultaneously.

The availability of accurate and good quality data is the life blood of Exploration and Production (E&P) companies. Effective E&P data management plays a crucial role in analysis of large volumes of data, correct selection of drilling targets and efficient management of oil and gas producing reservoirs. Implementation of state of the art integrated E&P data management system has led MPCL to the



introduction and adoption of industry's best practices regarding standardized data management related workflows.

To support high performance systems and fulfill infrastructure requirements of G&G software/applications, Virtual Desktop Infrastructure (VDI) System was indigenously designed and implemented by MPCL's in-house IT team. This not only helped in saving the potential capital investment required for acquisition of high end workstations hardware, but also enhanced MPCL's centralized processing capability for high performance demanding technical software applications, in addition to making MPCL a pioneer in implementation of VDI infrastructure within the local E&P Industry. During COVID-19 outbreak, the VDI System enabled the users to securely connect to MPCL's network and complete their tasks seamlessly, while working from home, thus helping them meet

deadlines without any productivity & efficiency loss.

In pursuance of gaining process efficiency & paperless office operations, digital transformation is part of Company's IT Strategy. In this regard, Plant Maintenance at Bolan Field, Fleet Management at Head Office and various workflow approval processes for Contracts, Release Orders, Purchase Requisition and Recap are being enhanced/implemented in SAP System. The Company transformed various paper based documents/approvals to electronic forms automation and online approval workflows. The Company has also initiated a project for Enterprise Data Management and Analytics for helping the management in making data driven decisions. In this regard, various business intelligence (BI) dashboards are developed for MPCL's senior management and operational staff, to facilitate insightful decision making.

Enterprise Resource Planning

Optimizing performance through centralized management

To streamline its core business processes and operations with a view to optimize performance and productivity, the Company has automated and brought together its key workflows using latest ERP solutions. A dedicated team has been assigned the mandate for maintaining and expanding the ERP deployments across the Company. Keeping in view the overarching nature of ERP solutions, MPCL places serious consideration in identification and management of risks associated with its ERP projects. To avoid innate risks of excessive customization, the Company tries to achieve balance between customization of its existing systems to facilitate seamless integration of the



Information Technology

ERP solution, thus leveraging the benefits of tried and tested business processes from the industry. Keeping in view the significance of senior management's support towards the success of an ERP project, MPCL follows a systematic approach towards building use cases and conducting feasibility analysis for incorporation of newer and better modules within its ERP toolkit. The adoption of latest ERP features and functionality is undertaken by the Company after thorough testing, skills development, user training and through a comprehensive change management process to mitigate the risks generally associated with ERP projects.

Policy for Safety of Records

Value creation through data governance

MPCL adopts industry leading software systems to ensure secure and fast transmission of financial data for recording and reporting of financial transactions. The Company has implemented Microsoft SharePoint System that extends technological edge for safe and fast data storage and retrieval.

The system is an effective business productivity platform equipped with well-integrated set of technologies to bring information management, access, collaboration, people driven processes and business critical document management to a single environment, while ensuring strict access control for its users on need-to-know basis.

The Company securely maintains soft copies of supporting financial documents and records in its SAP System, which is only accessible to authorized users. Regular backups of SAP System are also secured.

The Company has categorized its various information assets on basis of their significance and criticality towards achievement of Company's corporate objectives, and has subsequently devised security controls for ensuring confidentiality, integrity and availability of its assets in accordance with their respective criticality levels. Assignment of access privileges and segregation of information residing on these assets is based on identification of asset owners, risk owners, information custodians and users along with labeling the information with predefined sensitivity classification levels, thus ensuring the availability of Company's critical information only to authorized users.

Disaster Recovery Plan (DRP)

Resilience and contingency planning for information security incidents

MPCL's DRP provides a structured approach for responding to unexpected events which threaten Company's IT infrastructure encompassing hardware, software, networks, processes and people. Priorities and recovery time objectives for critical systems are developed in light of business impact analysis. DRP is periodically tested and improved to help enhance the efficacy of recovery procedures and processes to ensure Company's readiness in terms of infrastructure capabilities, in order to minimize system downtime during disaster situations. A state of the art remote Disaster Recovery site has been established at one of MPCL's field locations.

IT Governance & Information Security Strategy

Enforcement of policies, procedures, responsibilities and regulatory frameworks

MPCL's initiatives on IT Governance provide necessary guidelines to ensure effective input and decision-making, improve the overall management of IT and optimize value creation from Company's IT investments, through a specialized framework comprising of IT policies, standards, processes and procedures. The Company's IT related initiatives and functions are overseen by a Steering Committee headed by the Managing Director with all Heads of Departments as its members. The Committee meets on quarterly basis to evaluate and ensure that the IT Strategy is aligned with Company's business objectives, and effective controls are in place to safeguard its information assets. The Committee also ensures that the requirements of Information Security Management System (ISMS 27001:2013) are adequately met and identifies and oversees implementation of continual improvements in the ISMS systems. IT Governance, being an integral part of MPCL's corporate governance, helps the Company in creating value using IT systems and assets towards achievement of business strategies and goals, complying with legal, statutory and regulatory obligations, providing assurance to stakeholders and increasing returns on IT investments. Fully understanding the interdependent connection between IT Governance and cybersecurity, the Company keeps cybersecurity and various strategic elements including long term and short term organizational goals, IT vision and mission, assumptions, limitations, requirements, critical projects, and

timelines, fully aligned with each other. This commitment is put into effect through the amalgamation of processes, procedures, resources and technologies. MPCL's ISMS Policy, Vision and Mission, Core Values, Code of Conduct, Growth Strategy and Management System Procedures, along with cybersecurity hardware and software solutions, third party services, skilled human resources and industry collaborations, are the core pillars upholding MPCL's strategic pursuits vis-a-vis cybersecurity.

Risk Based Approach

Overseeing risks and IT governance for prompt resolution of security matters

Following a proactive risk based approach, MPCL identifies and records risks to its information assets, in departmental risk registers which are regularly updated and subjected to review and audit during internal management reviews as well as third party external audits.

Within the rapidly evolving cyber threats landscape, the Company's IT team regularly undertakes operational and technical measures like penetration testing, security hardening and capacity development to reduce technology related risks in a timely manner. The findings and results of management reviews and compliance audits, both internal as well as external, are presented to MPCL's Senior Management for timely rectification of cybersecurity risks and futuristic planning for preparedness and prompt incident response. As mandated by Company's internal audit charter, the results may also be presented

to the Board's Audit Committee during quarterly committee meetings and exclusive committee meetings, which helps the Company in swiftly addressing high priority risks and adopting better and innovative approaches to risk management.

In view of its fast growing operations, MPCL further extended the scope of its risk management activities through conducting the first in-house cybersecurity audit of its SCADA installation at MDCPF during FY 2020-21. Having identified the need and usefulness of cybersecurity audits of Company's operational assets like SCADA systems characterized by an immaculate configuration of IT and OT solutions, the Senior Management has issued the mandate of conducting in-house cybersecurity audits of such installations, at least once a year. During FY 2021-22, the in-house cybersecurity audit was conducted at the SCADA installation at Sujawal Field.

Security Assessment

Evaluating and securing technology, environment and infrastructure

MPCL has devised comprehensive management system procedures to incorporate provisions for third party independent security assessments of its technology environment. As part of MPCL's compliance management program, surveillance audits are conducted every year and recertification audits are conducted after every three years by the international assessment and certification company named SGS. The Company also regularly engages with leading cybersecurity companies

and third party solution providers for penetration testing, security assessment and hardening of its information systems, and plans to continue expanding its professional associations in future as well. Since FY 2020-21, the Company has adopted an ongoing methodology for regular penetration testing of its information assets by cyclically testing client and server computing machines and communication and storage devices using its in-house resources and globally renowned specialized vulnerability assessment and security testing tools which are widely adopted and endorsed by various Fortune 500 companies.

Cybersecurity Training and Education

Staying abreast with latest concepts and technologies

MPCL is fully cognizant of its responsibilities towards imparting knowledge about latest risks and cybersecurity trends to its employees, realizing the role of human beings in upholding the efficacy of a cybersecurity program. In-house awareness sessions covering various aspects of cybersecurity, are regularly conducted for all employees. Latest cybersecurity news and international developments are closely monitored for staying abreast with global trends. Employees are also exposed to test scenarios, without being aware of the activity, in order to assess their understanding and commitment to Company's cybersecurity related guidelines. The results of all activities pertinent to training and awareness, are regularly reviewed by the senior management.

MAJOR SOCIAL EVENTS

It is important for an organisation to provide employees with ample opportunities to build quality relationships with their co-workers. Although, such opportunities can be provided on-the-job and in more formal ways, however, arrangement of informal get-together away

from work undoubtedly are the most effective ways of bringing employees from various departments together to know one another in an informal environment, to interact and to have fun and entertainment. Relationships built in informal settings such as dinners, Light

and Sound show, Ramadan Get together, corporate retreats, Eid Milan etc. have more personal touch, are deeper, longer lasting and easily carried into work life. Living by the above philosophy, the Company arranged following major events during the year.

Inter Departmental
Futsal Tournament
Feb-2023



Mari Revitalization
Award Ceremony
Feb-2023



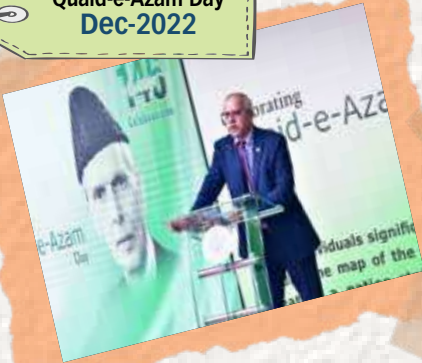
Men's Junior Asia
Cup Hockey Final
2023



Miyawaki Forest
Plantation Inauguration
Cermony Oct-2022



Quaid-e-Azam Day
Dec-2022



Rabi-ul-Awwal
Oct-2022



Women's Day
Mar-2023



Ramzan Get Together
Apr-2023



EMPLOYEE PERFORMANCE RECOGNITION CEREMONY



On July 14, 2023, the Company held a prestigious ceremony to recognize the outstanding performance of its employees. This event took place in Islamabad and was attended by management employees, their families, and the Managing Director of MPCL.

The ceremony commenced with the national anthem, recitation from the Holy Quran and Dua for *Shuhada*. During his speech, the Managing Director provided valuable insights into the Company's business strategy, operational and financial accomplishments, as well as future plans. He also commended MPCL's significant role in the national economy and applauded the management for consistently delivering exceptional results. Thereafter, he presented the Achievement and Excellence Awards for the years 2021 and 2022 to the selected employees who had demonstrated exceptional performance.

The awards distribution was followed by a delightful dinner. Later in the evening, Ms. Aima Baig and Mr. Shafqat Amanat Ali enthralled the audience with their musical performance.





OTHER MAJOR ACTIVITIES



*MPCL-OGDCL
Technical Workshop
for Managing Drilling
Challenges in North
of Pakistan*



*Signed an MoU with
Schlumberger on Sept
21st, 2022 for digital
transformation,
application of AI/ML
to improve Drilling
Performance*



*Assignment of
Working Interest
in Kalchas South
Block*



*Purchase of Plot
for future Head
Office in Blue Area -
Islamabad*

Completion of Sachal Gas Processing Complex, Mari Gas Field, Daharki



MD MPCL meeting with Mr. Shahid Khaqan Abbasi at ADIPEC 2022

MPCL participation in Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC)



Inauguration after Renovation of Mari Guest House, Khairagali, Murree

AWARDS AND RECOGNITIONS



February 21, 2023

MPCL won 15th NFEH's Corporate Social Responsibility Awards 2023 in three categories of Disaster Response – Flood relief & rehabilitation program, Green on wheels – Largest Miyawaki forestation in Islamabad and Social Impact – CSR Programs in Waziristan



March 29, 2023

MPCL won runner up trophy for All Pakistan's "1st Ustad Aslam Rodda Memorial Hockey Tournament 2023"

March 11, 2023
Golf Tournament 2023



March 10, 2023

MPCL won Corporate Philanthropy Award held by Pakistan Centre for Philanthropy (PCP)



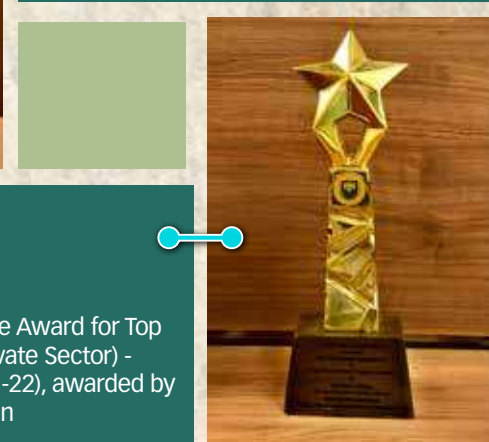
October 27, 2022
 “Employer of the Year Award” (Large National Category), and “CEO of the Year Award” at the 9th Employer of the Year Award 2021, arranged by the Employers Federation of Pakistan



September 27, 2022
 MPCL Annual Report 2021 won the Joint 1st Position in Fuel & Energy Category. The Award was conferred by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) at the Best Corporate and Sustainability Report Awards



October 03, 2022
 For the 6th consecutive year, MPCL won 1st Prize for the “Best Management Practices” in Oil & Gas Sector, at 37th Corporate Excellence Awards Ceremony arranged by the Management Association of Pakistan



July 17, 2022
 ICCI Business Excellence Award for Top Taxpayer Company (Private Sector) - Islamabad Region (2021-22), awarded by the President of Pakistan



September 12, 2022
 MPCL included in the Top 25 Companies on Pakistan Stock Exchange for the Year 2021



August 24, 2022
 MPCL won three awards in the categories of a. Social Impact, b. Best CSR Practices and c. Health, Safety and Environment at 8th International Conference on Environment, Health and Safety (24th August, 2022)

September 12, 2022
 MPCL included in the Top 25 Companies on Pakistan Stock Exchange for the Year 2021

August 24, 2022
 MPCL won three awards in the categories of a. Social Impact, b. Best CSR Practices and c. Health, Safety and Environment at 8th International Conference on Environment, Health and Safety (24th August, 2022)

CORPORATE GOVERNANCE



Directors on MPCL Board

ROLES OF THE CHAIRMAN AND THE MD/CEO

The Chairman of the Board and the Managing Director/CEO of the Company have well defined, separate but complimentary roles in line with the Companies Act 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

CHAIRMAN MPCL BOARD

The Chairman is responsible for providing effective leadership to the Board, particularly during the Board and the shareholders' meetings. He sets the agenda of the Board meetings and ensures that reasonable time is available for discussion on each agenda item.

He ensures a conducive environment for overall effectiveness of the Board, and facilitates and encourages the contribution of executive, non-executive, and independent directors in carrying out the Board's business in line with the applicable

laws, rules and regulations. At the start of the term of newly appointed directors, the Chairman informs them about their roles, responsibilities, duties and powers to help them effectively discharge their duties and responsibilities.

MANAGING DIRECTOR / CEO

The Managing Director is responsible for providing effective leadership to the management team and employees. He oversees the day-to-day operations and management of the Company's business and affairs by ensuring that the executive team implements the policies and strategies approved by the Board. He keeps the Board updated on significant and sensitive issues that might affect the Company's operations, reputation, or financial standing. He ensures that operational plans and control systems are in place, and regularly monitors actual performance against plans and takes remedial actions, where necessary.

OPERATIONS OF THE BOARD

The Board is responsible for setting strategic objectives, overseeing the effective management and control of the Company, and identifying significant business risks and ensuring that policies and mechanisms are in place to adequately manage those risks.

The Board has delegated certain responsibilities to its Committees for review of relevant matters and making recommendations to the Board. All Committees operate in accordance with their TORs approved by the Board. The permanent Committees of the Board are the Audit Committee, Human Resource & Remuneration Committee, Technical Committee, Investment Committee and ESG Committee.

Any agenda or matter that requires Board's approval is first presented to the relevant Committee which, after thorough deliberations, presents its recommendations to the Board for final decision.

The Board has delegated the day to day management of the affairs of the Company to the management through the MD/CEO, subject to the agreed authority limits as provided in the Articles of Association of the Company, the Managing Director's General Power of Attorney, and the Limits of Authority Manual, which is revised from time to time.

However, the following matters of strategic, sensitive or extraordinary nature are reserved for the Board to ensure the highest level of oversight and control in line with good governance practices or as required under the relevant corporate laws or where these exceed the thresholds set in the authority delegated to the management.

MATTERS RESERVED FOR THE BOARD

- a. All matters listed in Section 183 of the Companies Act 2017, Clause 10 of the Listed Companies (Code of Corporate Governance) 2019, and any other provisions of the applicable laws, rules and regulations.
- b. Appointment and removal of:
 - i. Members of the Board and its Committees including the Chairmen
 - ii. CFO, Head Internal Audit and Company Secretary
 - iii. Senior Management Staff reporting directly to the Managing Director
 - iv. Statutory Auditors*
- c. Directors' remuneration
- d. Annual review of the performance of the Board, Committees and individual Directors
- e. Approval of quarterly and annual financial statements, dividends* and bonus shares, and significant change in accounting policies or practices
- f. Strategy and direction, financial controls, legal and regulatory compliance, risk management, related party transactions, company's significant policies, changes to the company's capital structure, diversification projects, acquisition and relinquishment of working interests, major capital expenditures, annual performance incentives for the employees
- g. Major transactions which exceed MD's authority or which are outside the ordinary course of business
- h. Delegation of authority to the Management
[*final dividend and appointment of statutory auditors are subject to approval by the shareholders]

CHAIRMAN'S SIGNIFICANT COMMITMENTS

Mr. Waqar Ahmed Malik, Chairman MPCL Board of Directors is the Managing Director of Fauji Foundation. In addition, he is the Chairman of the Boards of all Fauji Foundation Associated and Subsidiary Companies. A list of these companies is included in the Chairman's Profile in this Annual Report as well as on MPCL Website.

Mr. Waqar Ahmed Malik was appointed as Chairman of the Board in April 2020 (re-appointed in July 2022) and since then there has been no change in his significant commitments.

ATTENDANCE AT BOARD MEETINGS

Nine Board meetings were held during the financial year 2022-23. The attendance of directors in the meetings was as under:

Sr#	Name	Meetings Attended
1	Mr. Waqar Ahmed Malik	07
2	Dr. Nadeem Inayat	08
3	Maj Gen Ahmed Mahmood Hayat (Retd)	09
4	Mr. Faheem Haider	09
5	Capt (Retd) Muhammad Mahmood	06 ¹
6	Mr. Abdul Rasheed Jokhio	09
7	Mr. Ali Raza Bhutta	03 ²
8	Mr. Ahmed Hayat Lak	09
9	Mr. Muhammad Aamir Salim	04 ³
10	Syed Khalid Siraj Subhani	05 ⁴
11	Mr. Adnan Afridi	09
12	Mr. Abid Niaz Hasan	08
13	Ms. Seema Adil	09

1. Joined the Board in October 2022 in place of Mr. Ali Raza Bhutta.
2. Tenure completed in October 2022.
3. Joined the Board in April 2023 in place of Syed Khalid Siraj Subhani.
4. Tenure completed in March 2023.

OTHER DIRECTORSHIPS OF THE EXECUTIVE DIRECTOR

MD MPCL is the only executive director on MPCL Board. He is a non-executive director on the boards of Pakistan International Oil Limited and Fauji Akbar Portia Marine Terminal Limited. He is also the Chairman of PPEPCA and SPE – Pakistan Section.

Corporate Governance



MPCL team with the Managing Director

EXTERNAL SEARCH CONSULTANCY AND ITS CONNECTION WITH THE COMPANY

The services of M/s Ward Howell were used by the Fauji Foundation for head hunting for the position of MD/CEO MPCL back in 2020. M/s Ward Howell has no connection with MPCL. No external search consultancy was used for the selection and appointment of the Chairman or any of the Non-Executive Directors on MPCL Board.

JUSTIFICATION FOR INDEPENDENCE

MPCL has three independent directors on its Board. These directors meet the criteria of independence as prescribed in Section 166(2) of the Companies Act, 2017, and have been selected from the data bank of independent directors maintained by PICG.

POLICY FOR RETENTION OF FEE BY AN EXECUTIVE DIRECTOR

As per the Directors' Remuneration Policy of the Company, the executive director is not entitled to any fee for attending the board, committee or general meetings of the Company. However, he can retain the fee received from any other company where he serves as non-executive director.

BOARD'S POLICY ON DIVERSITY

MPCL has a diverse and balanced Board that provides a mix of professional expertise in leadership, finance, economics, engineering, legal, corporate law, oil & gas exploration and production disciplines. The collective experience of the Board members adequately covers all aspects of MPCL's business undertakings.

The Board follows the diversity parameters set in the Listed

Companies (Code of Corporate Governance) Regulations, 2019.

Currently the Board comprises of one executive and ten non-executive directors, including three independent directors who represent the shareholding interest of minority shareholders.

In compliance with the regulatory requirements, a female director was elected on the Board in the elections held on June 22, 2022.

DIRECTORS' ORIENTATION AND TRAININGS

As on June 30, 2023, nine (09) directors on MPCL Board were certified under SECP approved Directors' Training Program (DTP). Two (02) DTPs were arranged during the year in collaboration with the Pakistan Institute of Corporate Governance, which were attended by one (01) director, three (03) HODs

and one (01) female executive. The certification trainings for the newly joined uncertified directors will be arranged in due course.

In addition to the trainings within the Country, the Directors are also sent on trainings at reputable institutions abroad to acquaint them with the latest developments and trends in the areas of governance, management and leadership.

From time to time, orientation sessions are carried out to apprise the Board Members about the latest changes in corporate regulatory and governance regime in the Country.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

MPCL has never had a foreign director on its Board. In case a foreign director is elected on MPCL Board in future, security clearance will be obtained from the Ministry of Interior through the SECP.

A detailed SOP is in place for security clearance and provision of security to the foreigners coming into Pakistan to work with the Company. Security Section of MPCL's Administration Department undertakes coordination with Ministry of Interior for all security related matters. Supporting documentation is provided by the Corporate Affairs Department.

MD/CEO PERFORMANCE REVIEW

A Performance Scorecard is in place to objectively measure the performance of the Managing Director and top tiers of the Management on key operational and strategic parameters, and their variable pay is linked with the score achieved on the Scorecard. For the FY 2022-23, actual performance as per the Scorecard was presented to the Board on a quarterly basis, while performance for the whole year was presented to the Board through the

HR&R Committee in the Board meeting held on August 08, 2023.

In addition, MD/CEO's report on the Company's operations, major achievements, and the progress on outstanding issues is presented to the Board of Directors as a regular agenda item in each meeting for review, discussion and decisions, all of which are duly recorded in the minutes.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company oversees the operations and affairs of the Company in an efficient and effective manner. For the sake of smooth functioning, the Board has constituted five committees. These committees are entrusted with the task of ensuring speedy management decisions relating to their respective domains.

Audit Committee:

Role

The primary role of the Audit Committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls, compliance with applicable laws, rules and regulations, and enterprise risk management of the Company.

Composition

The Committee shall comprise of five members. All members of the Committee shall be non-executive directors, at least one of whom shall be an independent director. The Chairman of the Committee shall be an independent director.

Terms of Reference:

- a. Determination of appropriate measures to safeguard the company's assets;
- b. Review of annual and interim financial statements of the

Company, prior to their approval by the Board of Directors, focusing on:

- major judgmental areas;
 - significant adjustments resulting from the audit;
 - going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with corporate governance regulations and other statutory and regulatory requirements
 - all related party transactions
 - material off-balance sheet items
- c. Review of Company's annual budget, forecasts and any budget re-appropriations.
 - d. Review of preliminary announcements of results prior to external communication and publication;
 - e. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
 - f. Review of management letter issued by external auditors and management's response thereto;
 - g. Ensuring coordination between the internal and external auditors of the Company;
 - h. Review of the scope and extent of internal audit, audit plan, reporting framework, audit reports significant findings, and procedures and ensuring

Corporate Governance



Joint Session of Audit and HR&R Committees

that the internal audit function has adequate resources and is appropriately placed within the Company;

- i. Review training and development needs and succession planning of the internal audit function;
- j. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- k. Ascertaining that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;
- l. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- m. Review significant legal, regulatory and tax matters having a material impact on the Company;

- n. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
- o. Determination of compliance with relevant statutory requirements;
- p. Monitoring compliance with the Corporate Governance Regulations promulgated by SECP and identification of significant violations thereof;
- q. Recommending the hiring or removal of the Chief Internal Auditor and his performance appraisal on annual basis;
- r. Review whistleblowing policy and mechanism for staff and management and other stakeholders to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures; Monitor the Company's placement of funds and related policy matters on quarterly basis;

s. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;

- t. Consideration of any other issue or matter of significant importance or matters as maybe assigned by the Board of Directors;
- u. Approval of resolutions for transfer of shares and issuance of duplicate share certificates of the Company, as per provisions of the Companies Act, 2017 (resolutions to be signed by any two members);
- v. The responsibilities of the Committee with regard to Enterprise Risk Management, inter alia, include the following:
 - I. Ensure that the Company implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of risks.
 - II. Delineate Company's overall risk appetite and tolerance level in relation to risks.
 - III. Ensure that Company's overall risk exposure is maintained at prudent levels and consistent with the Company's strategy.
 - IV. Evaluate annually the adequacy of the risk management function, including the background and experience of key senior risk

officers, staffing adequacy, and the independence and authority of the risk management function.

- V. Review periodic reports related to management’s assessment of the Company’s risk management performance, and any other tools or reports used by management to assess and discuss the categories of risk faced by the Company, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures, and management’s views on the acceptable and appropriate levels of those risk exposures.
- VI. Review the Company’s ERM Strategy and ERM Policy to ensure their suitability, including adherence to relevant legislation and regulations.
- VII. Ensure that the risk management function has adequate resources and has a well-defined Annual Risk Management Plan.
- VIII. Review key projects of strategic nature from risk perspective.
- IX. Review Audit or other findings

relating to management of the Company’s risks and that follow-up actions are undertaken by the Management.

- X. Evaluate special cases where a risk (or risks) falls outside published guidelines and thresholds and make recommendations on appropriate action to the Board.

Directors. The Chairman of the Board shall not be a member of the Committee. The Chairman of the Committee shall be an independent director.

Terms of Reference

Terms of reference of the HR&R Committee are as follows:

- a. Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the Chief Executive Officer level;
- b. Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors’ report disclosing name, qualifications and major terms of appointment;
- c. Recommending the human resource management policies to the board;
- d. Recommending to the Board of Directors the employment, evaluation, compensation (including retirement benefits), and succession planning of the CEO.

Attendance in the Audit Committee Meetings

Eight meetings of the Audit Committee were held during the financial year 2022-23. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Mr. Abid Niaz Hasan ^{a, b}	08
Dr. Nadeem Inayat	05
Captain (Retd) Muhammad Mahmood	06 ¹
Mr. Ali Raza Bhutta	01
Mr. Ahmed Hayat Lak	08
Mr. Adnan Afridi	08

- 1. *Joined the Board in October 2022 in place of Mr. Ali Raza Bhutta.*
- a. *Mr. Abid Niaz Hasan is an independent, non-executive director.*
- b. *Mr. Abid Niaz Hasan qualifies as financially literate.*

HR and Remuneration Committee:

Role

The major role of the Committee is to review HR related matters of the Company and present its recommendation to the Board for consideration and approval.

Composition

The Committee shall comprise of five members. All members of the Committee shall be non-executive

- e. Recommending to the Board of Directors the employment, evaluation, development, compensation (including retirement benefits) of the Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;



Corporate Governance



Technical Committee Meeting being held in MPCL Head Office, Islamabad

- f. Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO;
- g. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company;
- h. Review managements proposals for the promotion of employees as direct reports to the MD/CEO and make recommendations for consideration of the Board of Directors;
- i. Review management's proposals for changes in the compensation policy and salary structure of employees and make recommendations for consideration of the Board.
- j. Review management's proposals for strategic changes in the Company's organogram and make recommendation for consideration of the Board.
- k. Evaluate the candidates and make recommendations for the appointment of senior management employees reporting directly to MD/CEO and their succession planning. For this particular function, the Managing Director will be co-opted member of the Committee. The Committee may also co-opt any other director for this purpose; and
- l. Take up any matter assigned by the Board and make its recommendations to the Board thereon.

Attendance in the HR&R Committee Meetings

Six meetings of the HR&R Committee were held during the financial year 2022-23. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Mr. Adnan Afridi	06
Maj Gen Ahmad Mahmood Hayat (Retd)	05
Mr. Abdul Rasheed Jokhio	06
Mr. Ahmed Hayat Lak	06
Mr. Abid Niaz Hasan	06

Technical Committee:

Role

The Technical Committee shall be responsible to evaluate technical aspects of all projects/matters

pertaining to the Company's core business i.e. Exploration & Production and allied services and make their recommendations for consideration of the Board.

Composition

The committee shall comprise of five members. All members of the Committee shall be non-executive directors.

Terms of Reference

- Annual Exploration, Appraisal and Development work program, its budget and any re-appropriations in the approved budget.
- Farm-in and Farm-out opportunities including acquisition of working interest in a new block, acquisition of additional working interest in an existing block, partial or complete divestment of working interest in an existing block.
- Relinquishment/surrender of the Company's working interest in an existing block.
- Acquisition or disposal of plant, machinery and equipment pertaining to the Company's core operations and allied services, which exceed MD's authorized limit.
- Capital expenditures pertaining to the Company's core operations



and allied services, not provided for in the approved annual budget and where these exceed MD’s authorized limit.

- f. Technical aspects of the Company’s diversification projects.
- g. Any other matter that may be referred by the Board to the Committee.

Attendance in the Technical Committee Meetings

Six meetings of the Technical Committee were held during the financial year 2022-23. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Maj Gen Ahmad Mahmood Hayat (Retd)	06
Mr. Abdul Rasheed Jokhio	06
Mr. Muhammad Aamir Salim	02 ¹
Syed Khalid Siraj Subhani	04
Mr. Adnan Afridi	06
Ms. Seema Adil	06

1. *Joined the Board in April 2023 in place of Syed Khalid Siraj Subhani.*

Investment Committee:

Role

The major role of the Investment Committee is to evaluate and discuss the feasibilities of new projects to ensure growth and diversification of the Company’s business.

Composition

The Committee shall comprise of five members. All members of the Committee shall be non-executive Directors. The Chairman of the Board shall not be a member of the Committee.

Terms of Reference

- a. The Committee will review and recommend investment strategy relating to local and international growth in core business and/or diversification projects. The Committee shall ensure that such investments are made in accordance with the Company’s approved capital allocation framework and in line with Board’s approved Strategies and policies in force from time to time.
- b. Review external growth opportunities, potential diversification projects, acquisitions, or divestment of existing projects/ventures, as proposed by the Management.
- c. Review Management’s proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company.
- d. Any other matter that may be referred by the Board to the committee.

Attendance in the Investment Committee Meetings

One meeting of the Investment Committee was held during the financial year 2022-23. The attendance of the directors in the meeting was as under:

Director	Meetings Attended
Dr. Nadeem Inayat	00
Maj Gen Ahmad Mahmood Hayat (Retd)	01
Mr. Muhammad Aamir Salim	00 ¹
Syed Khalid Siraj Subhani	01
Mr. Adnan Afridi	01
Ms. Seema Adil	01

1. *Joined the Board in April 2023 in place of Syed Khalid Siraj Subhani.*

ESG Committee*

Director	Meetings Attended
Mr. Abid Niaz Hasan	Chairman
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Captain (Retd) Muhammad Mahmood	Member
Mr. Muhammad Aamir Salim	Member
Ms. Seema Adil	Member

* *The Board constituted ESG Committee in its meeting held on August 08, 2023, TORs of the Committee are under development.*

REPORTS OF THE AUDIT COMMITTEE

In accordance with its TORs, the Audit Committee reviewed the Company’s Annual and Interim Financial Statements, including the non-financial information, prior to their publication. The Audit Committee also periodically reviewed the adequacy and appropriateness of the internal controls, the matters relating to the accounting policies, the financial risks and the compliance with the applicable accounting and reporting standards, and statutory, legal and regulatory requirements. The Audit Committee also discussed with statutory auditors the issues arising from the interim and the annual audits along with the Management Letter issued by them and the management responses thereof.

Important findings, risks identified and follow-up actions were examined thoroughly in order to allow appropriate measures to be taken.

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The Audit Committee reports were presented in the Board meetings on a quarterly basis.

Audit Committee Views on Financial Statements

The financial statements of the Company for FY 2022-23 were presented to the Audit Committee in its meeting held on July 25, 2023. The Audit Committee reported to the Board that the statements were fair, balanced and understandable. The statements provided the shareholders and other readers with detailed qualitative and quantitative information which they can use to assess the Company's performance, business model, strategies, current financial position and the Company's future prospects.

External Auditors

The statutory Auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, will retire on the conclusion of the upcoming AGM of the Company.

A. F. Ferguson & Co., Chartered Accountants also provide taxation services to the Company. The firm has no financial or other relationship of any kind with the Company except that of External Auditor and Taxation Consultant.

Being eligible, A. F. Ferguson & Co., Chartered Accountants have offered themselves to be reappointed as auditors for the FY 2023-24. The Audit Committee in its meeting held on July 25, 2023, considered the appointment of the auditors and recommended M/s A.F. Ferguson & Co., Chartered Accountants as statutory auditors of the Company for FY 2023-24. The recommendation of the Audit Committee was endorsed by the Board of Directors in its meeting held on August 08, 2023, and the matter will now be tabled at the upcoming AGM for approval of the shareholders.

Presence of the Chairman Audit Committee in AGM

The Chairman Audit Committee is present in each AGM to answer the questions pertaining to the Committee's activities during the year and other important matters which fall within the scope of the Committee's mandate.

Audit Committee Evaluation

Every year, Audit Committee evaluation is conducted by an independent evaluator (i.e. PICG) as part of the annual evaluation of the Board, Committees and Directors.

Internal Control Framework and Role of Internal Audit

In Compliance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has set up an Internal Audit function, which is headed by the Chief Internal Auditor, who directly reports to the Audit Committee of the Board.

The Internal Audit function is an independent assurance and consulting activity and is designed to add value and improve MPCL's operations. It helps the Company accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The main objectives of MPCL's Internal Control Framework include:

- a. Effectiveness and efficiency of the Company's operations;
- b. Reliability of the internal and external reporting;
- c. Compliance with the applicable laws, rules, regulations, policies and procedures; and
- d. Safeguarding of the Company's assets.

To achieve Internal Control Framework objectives, following Internal Control components are assessed and evaluated by the Company's Internal Audit Department:

- a. **Control Environment:** The control environment sets the tone and influences the control consciousness of the personnel. It is the foundation of all other components of the internal control, providing discipline and structure.
- b. **Risk Assessment:** The Management of the Company is responsible for ensuring adequate risk identification and analysis of the relevant risks to achieve Internal Control Framework objectives.
- c. **Control Activities:** These are the policies and procedures that help ensure that the Management directives are carried out effectively.
- d. **Information and Communication:** Pertinent information must be identified, captured and communicated in a structured form and time-frame that enables people to carry out their assigned responsibilities.
- e. **Monitoring:** Internal Control Systems need to be monitored by Internal Audit Department. This process assesses the quality of Internal Control Framework in place.

In addition, Internal Audit also undertakes special tasks as and when directed by the Audit Committee of the Board. Internal Audit plays a central role in highlighting weaknesses in the existing system and processes and identifying required controls needed to strengthen the overall control system.

Access of Head of Internal Audit to Audit Committee

Head of the Internal Audit has direct and unrestricted access to the Chairman and other Members of the Audit Committee to discuss any matter related to the internal audit function. The Audit Committee met the Chief Internal Auditor and the supervision staff of the Internal Audit Department in its exclusive meeting for internal audit matters held on May 26, 2023.

Concerns about Actual or Potential Improprieties

The management and staff can report their concerns about actual or potential improprieties in financial and other matters to the Audit Committee in confidence through the Whistleblowing mechanism of the company.

Transformation of Internal Audit Department:

During the FY 2022-23 internal audit department (IAD) initiated a transformation journey to align its internal processes with the guidelines and internal auditing standards issued by IIA. To achieve this objective, an independent 3rd Party external assessment was conducted by a leading consultant to identify existing gaps and propose corrective actions.

The results of the external assessment report were shared with senior management & audit committee of the BOD which passed on instructions and directions for compliance in line with the recommendations of the consultant. The gaps and recommended action plans were undertaken in management corrective action plan with specific timelines.

To enhance objectivity and to prepare a risk based annual audit plan the existing annual risk assessment process has been revamped in compliance with recommendations of the external assessor where auditable entities are now being assessed based

on residual risk after taking into account internal control systems in place.

Quality Assurance & Improvement Program (QAIP)

Internal Audit Department shall implement Quality Assurance & Improvement Program (QAIP) from FY 2023-24 that demonstrates its commitment to add value to Company's operations through impactful audits. This program comprises ongoing and periodic assessments that involve rigorous and comprehensive processes, continuous supervision and testing of internal audit work to maintain consistency, reliability and compliance with the Definition of Internal Auditing, the Code of Ethics, and the Institute of Internal Auditors (IIA) Standards.

Engagement with Key Stakeholders' to understand their Needs, Interests and Trends

Major stakeholders of the Company include Shareholders (Institutional and Minority), Customers, Suppliers, Joint Venture Partners, Regulators, Banks and other Lenders, Media, Employees, Social Sector Organizations, and Communities in MPCL Concession areas.

Relationships with different stakeholders are extremely important for the Company as these relationships can impact MPCL's operations, revenues and corporate image. MPCL maintains cordial relationships with all of its stakeholders.

Engagement with Shareholders

- Relationships with the shareholders are managed in line with the provisions of the Participation and Shareholders Agreement, applicable corporate laws, rules, regulations, and notifications, notably the Companies Act 2017, the Listed

Companies (Code of Corporate Governance) Regulations 2019, the PSX Rulebook, and the Memorandum and Articles of Association of the Company.

- Annual and Quarterly Accounts of the Company are placed on the Company's Website while Annual Audited Accounts are also circulated to the Shareholders as per regulatory requirements.
- Besides their right to appoint directors to oversee affairs of the Company, the Shareholders are invited to all the shareholders meetings (AGMs, EOGMs) and are encouraged to present their viewpoint on important matters.
- There is an Investor Relations Section on the Company's website which contains important investor specific information as well as an Online Complaint Form for investors.
- The Board has approved an Investor Relations & Grievance Policy which contains the mechanism for handling shareholders' complaints and queries.
- Minority investors can also lodge their complaints and submit their queries directly to the Shares Department using the conventional mail, fax, email or phone.
- Material Information pertaining to the Company's operations is circulated to the Shareholders through the PSX, as and when need arises.

Engagement with other Stakeholders

Customers: MPCL customers are mostly corporate entities in dedicated sectors of fertilizer, power and gas distribution with long term allocations. MPCL interactions with

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these customers are B2B in nature. The Company maintains constant contact with all of its customers through periodic meetings, official correspondences, and personal visits.

Suppliers/Vendors/Service Providers:

MPCL segments its suppliers, and employs an appropriate interaction model for each segment to maintain a collaborative working relationship with them. The Company treats its suppliers as strategic business partners for sustainable (reliable, ethical, cost effective) sourcing.

Media: A dedicated team of professionals maintains liaison with print and electronic media for sustained positive coverage of the Company's activities and achievements through new items, interviews, articles in special supplements, and advertisements.

Banks: The Company maintains consistent engagement with banks to secure competitive rates, facilitate financing and make deposits and investments. Furthermore, banks are regularly consulted for matters concerning letters of credit, supplier payments, and operational disbursements, further demonstrating our collaborative and comprehensive approach to financial management.

Engagement with Regulators

- Relationship with the SECP and the PSX are managed as per the applicable corporate laws, rules, regulations, and notifications, notably the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations 2019, the PSX Rulebook, and the Memorandum and Articles of Association of the Company.
- Annual and Quarterly Accounts of the Company are filed with the Registrar of the Companies and the SECP and are also circulated to the PSX.
- Material Information pertaining to the Company's operations is circulated to the PSX and the SECP as and when need arises.
- The Company also participates in the trainings and awareness sessions arranged by the regulatory bodies, from time to time.

Corporate Briefing Session

The Company carries out periodic briefings for the existing and potential investors and stock market participants to apprise them about the Company's operational and financial performance and the Company's future plans.

During FY 2022-23, two (2) Corporate Briefing Sessions were arranged at the MPCL Head Office on October 14, 2022, and May 24, 2023. The sessions were attended by a large number of market analysts, members of the brokerage houses, shareholders, and employees in person as well as virtually on MS Teams.

Summary of Analyst briefings

The briefings mainly covered the history of the company, overview

of its operations, financial and operational performance including major achievements during the period, significant on-going projects, and future plans of the company. First briefing covered FY 2021-22, while second briefing covered 9M of FY 2022-23.

Briefing to the Shareholders

Apart from the corporate briefing sessions, the Managing Director makes a detailed presentation during the Annual General Meeting every year to brief the Shareholders on the Company's performance and its future plans. The presentation is followed by Q&A session wherein the views of the minority shareholders are solicited, their concerns are addressed and suggestions are noted for suitable action. The briefing and Q&A session are duly minuted.

Reaching out to Shareholders for Delivery of Unclaimed Dividends/ Shares

Pursuant to Section 244 of Companies Act 2017, the Company vigorously tries to reach out to its shareholders to deliver unclaimed shares and dividends that have been lying with the Company since inception. In addition to the attempts to contact concerned shareholders in person, written reminders have been dispatched since 2016. As a result, the Company has delivered about 57,997 unclaimed shares, and dividends amounting Rs. 42.6 million after promulgation of the Act.

Understanding of Major Shareholders' Views

Major shareholders of the Company are Fauji Foundation, OGDCL and the Government of Pakistan who collectively hold 80% shares in the Company. Out of 11 directors on MPCL Board, 8 directors are nominees of/ elected by the major shareholders. Hence, these non-executive directors are well aware of the views of the

major shareholders about the Company and adequately share those views with other directors and management of the Company during the Board meetings.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

MPCL conducts its business in a socially responsible and ethical manner and in compliance with the applicable laws. The Company has prepared a Code of Conduct which, inter alia, covers the matters such as conflict of interest, business integrity, gifts, entertainment and bribery, insider trading and accountability etc. Members of the Board and employees, while joining and during their association with the Company, are required to read, acknowledge, and abide by the Code.

The Board has approved a Whistleblower Policy to encourage employees, who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express such concerns without fear of punishment or unfair treatment.

All complaints against the employees are thoroughly investigated to determine the veracity of such complaints. Inquiry reports are shared with the concerned quarters and where an employee is found guilty, strict disciplinary action is taken, including termination from the Company service.

An independent Internal Audit Department periodically reviews the conduct of the business of each department and points out the areas for improvement, if any.

Conflict Of Interest

The matter of Conflict of Interest relating to Board members is dealt with in accordance with the

provisions of the Companies Act, 2017 and the Articles of Association of the Company. Any person intending to become a Director of the Company has to submit a declaration that he/she is aware of the powers and duties of a Director as envisaged in the Companies Act, 2017 and has read the Articles of Association of the Company.

Further, MPCL has a Code of Conduct which covers this area. It is overriding intention of the Company that all business transactions conducted by it are on an arm's length basis. Adequate internal controls have been implemented to ensure that transactions with related parties are appropriately identified in the information system and disclosed in the financial statements.

Transactions and balances with the related parties are reviewed and approved by the Board on the recommendations of the Audit Committee.

Interested directors and executives are required to disclose their interest and withdraw themselves from the discussion or decision on any transaction in which they are interested.

Similarly, MPCL directors and executives are required to disclose buying and selling of the Company shares, within the prescribed time-frame.

Share Price Sensitivity Analysis

E&P industry is inherently risky due to various uncertainties and risks that impact its operations and share price. Being an E&P Company, MPCL's operational and financial performance and consequently its share price can be impacted by several exogenous factors. Some potential factors influencing the share price are as follows:



HR Session on "Embrace Agility" at Islamabad Marriott Hotel

Sale Price: The price of gas, condensate and crude oil produced by MPCL is linked with international crude oil prices. Hence, the company's financial results and share price are impacted by changes in the international crude oil price. Higher prices have a positive impact on sales revenue and profitability leading to increase in the share price, whereas lower crude prices have a contrary impact. Due to prevailing pricing mechanism, impact of crude oil price is reflected in company's sale price in the following six months. Further, if production from HRL or Goru-B Reservoirs exceeds a certain minimum level, then all production over the benchmark becomes eligible for incentive price, which plays a major role in achieving a sales revenue and profitability.

Exchange Rate: Since international crude oil prices are denominated in US dollar, therefore, the company's financial results and share price are impacted by changes in PKR-USD exchange rate. A higher exchange rate has a positive impact on sales revenue and profitability leading to increase in the share price, whereas lower exchange rate has a contrary impact.

Cost of Raw Materials: A significant portion of MPCL's annual procurement spend comprises of foreign-sourced materials and

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services, primarily denominated in USD. Hence, a higher exchange rate increases the cost of material, equipment and services acquired by the company, negatively impacting the bottom-line. Further, key local suppliers, who rely on imported raw materials, are also impacted by the currency fluctuations and increase their prices as the exchange rate deteriorates. If higher cost of material and services is not mitigated by higher sale price, then these can negatively impact the profitability and resultantly the share price.

Interest Rate: Pakistan is currently going through a period of high inflation and high interest rates. Higher interest rates can increase borrowing costs, potentially hampering investment and growth plans, which could negatively impact the financial performance and share price. However, MPCL is shielded from the high interest rate as it is almost entirely financed through equity with negligible debt financing. A positive impact of higher interest rate is that the company's finance income has jumped considerably, making positive contribution to the overall bottom-line.

Taxation Policies: Changes in corporate tax rates directly affect a company's after-tax profit. If corporate taxes are increased, net profits decline, leading to a reduction in share prices as investors anticipate lower dividends. For instance, in FY 2022-23, MPCL net profit would have been Rs. 64.7 billion, but the company ended up with Rs. 56.1 billion in net profit due to 10% super tax.

Operational Achievements: Share price responds positively to MPCL's operational achievements such as oil and gas discoveries (e.g. Ghazij-1), completion of development projects (e.g. SGPC), expansion of exploration acreage, optimization of production,

and reserves addition. These successes strengthen the company's long term prospects and viability, positively impacting the investors' perception.

Macroeconomic, Political Environment: Country's political situation, and changes in macroeconomic factors such as inflation, interest rates, circular debt, and balance of trade/payments etc. all impact the investors' perception and stock market performance. If things are moving in positive direction, investor' perception and stock market performance improves, which can positively influence the share price, and vice versa. Despite the on-going political uncertainty and macroeconomic challenges, MPCL share price has outperformed its listed peers and the stock market.

Last Annual General Meeting (AGM)

The 38th AGM of the Company was held on September 28, 2022, at 10:00 a.m., at the Registered Office of the Company situated at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad.

Agenda, Decisions and Implementation

Agenda Item-1: To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2022 together with the Directors' and Auditors' reports thereon.

Decision and Implementation: A detailed presentation on the Company's operations during the FY 2021-22 and the future plans was made by the Managing Director. After Q&A session, the audited accounts, the directors' and the auditors' reports were duly approved and adopted by the members.

Thereafter, the audited accounts, the directors' and the auditors'

reports were filed with the Registrar of Companies and circulated to the SECP and the PSX.

Agenda Item-2: To approve, as recommended by the Board of Directors, the payment of final dividend @ Rs. 62/- per share (620%) for the financial year ended June 30, 2022. This was in addition to the interim dividends @ Rs. 62/- per share (620%) already paid.

Decision and Implementation: The payment of the final dividend as recommended by the Board was approved by the shareholders. It was also approved that the dividend on the 5% bonus shares that were sub judice before the Sindh High Court be withheld by the Company till the final decision of the Court in the matter.

Accordingly, dividend was electronically transferred in the designated bank accounts of the eligible shareholders on September 29, 2022. Tax was deducted at the applicable rates and deposited in the Government Treasury.

Agenda Item-3: To appoint auditors for the year 2022-23 and fix their remuneration.

Decision and Implementation: M/s A.F. Ferguson & Co., Chartered Accountants, were appointed as auditors to hold office until the conclusion of the next Annual General Meeting of the Company for the year ending June 30, 2023, at the fee and other terms and conditions agreed by the Board of Directors.

Facilitation to Minority Shareholders to Attend AGMs

Both the companies and the shareholders have to play a role to make AGMs effective and meaningful. MPCL follows the legal requirements in letter and spirit to encourage participation of the minority shareholders in the AGMs.

Going beyond the legal requirements, the Company even delivers Annual Reports through the Company's dispatch riders at the shareholders request. Personal phone calls are also made to some of the shareholders to inform them about the AGM and invite them to attend in person or through proxy. Dedicated parking and security arrangements are made for the shareholders on the day of the AGM.

Compliance with the Best Practices of Code of Corporate Governance

The Company ensures full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. Every year, the Statement of Compliance prepared by the Board of Directors is reviewed and verified by the statutory auditors of the Company.

The Statement for the year 2022-23 (included in the Annual Report) details the manner in which the Company has applied the requirements of the Regulations. The Statement also confirms that all material principles enshrined in the Regulations were complied with.

Good Governance Practice beyond the Requirements of the Regulations

Going beyond the requirements of the Regulations, the Company has adopted/ implemented following good governance practices in the Company:

- Although not mandatory under the Regulations, the Board has constituted an Investment Committee, which evaluates the feasibilities of the new projects to ensure growth and diversification of the Company's business.
- Going beyond the regulatory requirements, the Board has constituted an ESG Committee to

oversee and guide the company's ESG related initiatives.

- Apart from the statutory positions, employment of all executives reporting directly to the Managing Director is approved by the Board on recommendations of the HR&R Committee. This practice ensures transparency in hiring, promotion and separation of senior management.

Awareness Session on Insider Trading

Insider trading is a serious offence under the Securities Act 2015 and carries hefty financial penalties and jail time. The Company arranges in-house sessions to create awareness about insider trading and related matters. Management employees from all tiers participate in the sessions wherein they are apprised about the main concepts pertaining to insider trading, laws governing insider trading, responsibilities of the Company with regard to handling material insider information and maintenance of inside information register, penalties for non-compliance, real life case studies, and the contents of the inside information register of MPCL. Emails pertaining to the prohibition of the insider trading are also circulated from time to time to reinforce compliance.

Whistle Blowing Policy

The Board has approved a Whistleblower Policy to encourage employees, who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express such concerns without fear of punishment or unfair treatment. The Policy applies to all regular/contractual Management and Non-Management employees of the Company, vendors, contractors, customers and consultants etc. The

Policy also includes other personnel associated in any other manner with the Company. Salients of the policy are as under:

- Audit Committee of the Board shall be responsible for implementation of the Whistle Blowing Policy.
- Chairman of the Audit committee shall directly receive, review and decide whether a detailed investigation is needed on all whistles/complaints. The whistles/complaints may be launched through dedicated email address (whistle@mpcl.com.pk) or through other forms like post, courier etc. directly to the Chairman Audit Committee. The aforementioned email shall only be accessible to the Chairman.
- On the recommendation of the Audit Committee, a whistleblower may be suitably awarded according to the significance of the information he/she had provided and impact of losses averted as a result. The award may include cash prizes and/or increase in salary and/or promotion (in case of employees).
- The Policy allows anonymous whistles/complaints.

During the year, no complaint was lodged under the Whistleblowing Policy.

Investors' Grievances Policy

The Board has approved an Investor Relations & Grievance Policy which contains the mechanism for handling shareholders complaints and queries. As envisaged in the Policy, the Company has a designated email ID as well as an online Complaint Form at its website for the Shareholders to lodge a complaint or query with the Management. Shareholders can also lodge a complaint or query using

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telephone, fax or conventional mail. The Policy ensures that grievances notified by the shareholders are handled and resolved efficiently at appropriate level within shortest possible time span (within 5 working days). The Company maintains record of all such grievances along with actions taken for resolution and prepares summary of unresolved/unsettled issues on monthly basis.

Annual Evaluation of the Performance of the Board, Board's Committees and Individual Directors Along With Description of Criteria Used/ Board's Performance Evaluation by External Consultant

In line with good governance practices, MPCL has hired the services of the Pakistan Institute of Corporate Governance (PICG) to independently conduct the performance assessment of the Board, its Committees, and Individual Directors for FY 2022-23. The deliverables of the assessment exercise are:

- a. Assessment Report of the Board and Board Committees
- b. Evaluation Reports of the Individual Board Members
- c. Analysis of the Results
- d. Interpretation of the Results

The evaluation is divided into two phases:

- Phase-I (Evaluation of the Board and Board Committees)
- Phase-II (Evaluation of the Individual Directors)

The evaluation is aimed at independent assessment of the strengths and capabilities of MPCL Board, its Committees and Individual Directors. It will identify the areas that may not be functioning as well

as they should be, thus causing barriers to effectiveness, and recommend ways of addressing them in accordance with the best practices. PICG has developed a specialized mechanism for conducting the aforementioned evaluation. The evaluation of the Board and Board Committees will cover 10 specific areas including: board composition, strategic planning, Chairman, board procedures, CEO, board committees, control environment, board and CEO compensation, risk oversight and independent directors.

The evaluation was in progress at the time of the printing of this report, after which the complete report, analysis and interpretation of the results will be presented by PICG to the HR&R Committee of the Board.

Related Party Transactions

It is the policy of the company that all transactions with related parties arising in the normal course of business shall be carried out on an unbiased, arm's length basis at normal commercial terms and conditions. Any related party transaction where majority of the directors are interested, shall be referred to the shareholders in a general meeting for ratification/approval. If a related party transaction takes place other than on an "arm's length" basis, such transaction shall be approved by the Board on the recommendation of the Audit Committee only if there is a sound justification for such transaction and the reasons shall be properly recorded in the minutes.

Directors' and Officers' conflict of interest is managed in line with the provisions of Section 205 to 209 of the Companies Act, 2017.

Pursuant to the requirements of the

Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the complete details of the transactions and balances with the related parties were placed before the Audit Committee for review at the end of each quarter. After review by the Committee, the transactions were considered and approved by the Board keeping in view the recommendations made by the Committee. In compliance with the requirements contained in the Fourth Schedule of the Companies Act, 2017, detailed disclosure regarding related party transactions has been presented in Note 39 of the Financial Statements.

Transactions with related parties arising in the ordinary course of business are carried out on an arm's length basis at normal commercial terms and conditions.

Investors' Relations Section and Complete Accessibility of Annual Report on MPCL Website

In order to promote investor relations and facilitate access to the Company for grievance/other query registration, an Investors' Relations section (<https://mpcl.com.pk/investor-relations/>) is maintained on MPCL website. Further, annual report is also completely accessible on the website (<https://mpcl.com.pk/financial-reports/>)

Managing Director's/ CEO Interview

CEO's presentation regarding MPCL's performance, business overview, strategy and outlook is placed at the following link: <https://mpcl.com.pk/mds-video-interview/>

Board Meetings held outside Pakistan

No Board meeting was held outside Pakistan during the year.

Date of Authorization of Financial Statements

In order to timely communicate financial results to the stakeholders, Annual Financial Statements of the Company for FY 2022-23 were approved by the Board in its 209th meeting held on August 08, 2023. Necessary disclosures to the PSX and the SECP were made the next day, as the meeting was still in progress at the time of closure of PSX on August 08, 2023.

Reports of the Sharia Advisory Board

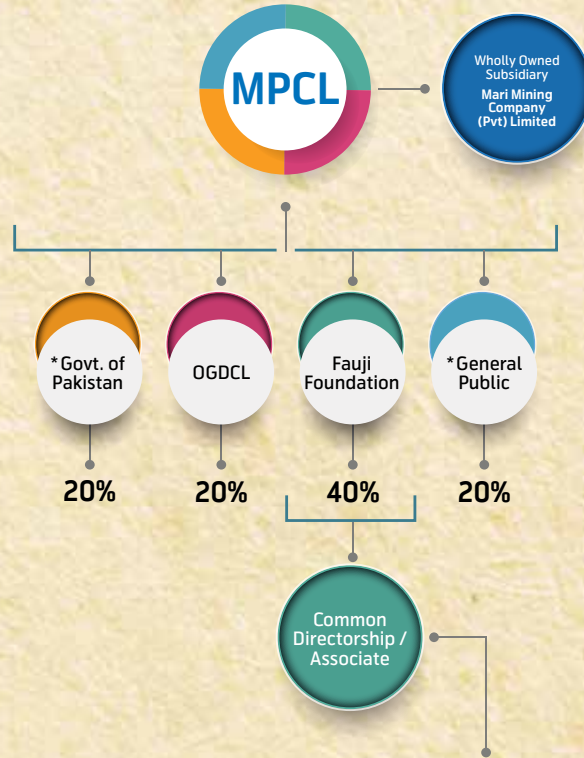
The Company is not required to have a Sharia Advisory Board. However, the Company is included in PSX KMI All Share Index and KMI 30 Index which track the performance of sharia compliant companies listed on the PSX.

Redressal Mechanism for Investor's Complaints

A dedicated "Investor Contact and Complaints" page is being maintained on MPCL website under the Investor Relations Section. Executives of Corporate Affairs Department are available from 8 am to 4 pm during the working days to facilitate the shareholders and address their queries, complaints and issues. Queries, requests and complaints can also be sent in hard copies to the Corporate Affairs Department. Whatever is the nature of the issue faced by a shareholder, it is promptly addressed directly by the Company or necessary instructions are issued to the Share Registrar to resolve and respond. Normally any issue is resolved within 2-3 working days.

During FY-2022-23, four (04) complaints were received from various shareholders. All complaints were timely settled by the Shares Section of the Company.

Company's Ownership Structure and Relationship with Associated Companies



*As per Section 2 (4) (ii) (iii) and (iv) of the Companies Act 2017 Directors nominated by Federal Government and Provincial Government, Shares Owned by National Investment Trust and a person Appointed as an Independent Director shall not be taken into account for determining the status of a company, undertaking or person as an associated company, associated undertaking or associated person.

1. Askari Bank Limited
2. Askari Cement Company
3. Fauji Cement Company Limited
4. Fauji Fertilizer Bin Qasim Limited
5. Fauji Fertilizer Company Limited
6. Fauji Foods Limited
7. Fauji Fresh & Freeze Limited
8. Fauji Infraavest Foods Limited
9. Fauji Kabinwala Power Company
10. Fauji Meat Limited
11. Fauji Oil Terminal & Distribution
12. Fauji Trans Terminal Limited
13. FFBL Power Company Limited
14. FFC Energy Limited
15. Foundation Wind Energy I & II
16. Pakistan Maroc Phosphore, S.A
17. Dharki Power holding Limited
18. Noon Pakistan Limited
19. Pakistan Oxygen Limited
20. HUB Power Company Limited
21. Pakistan Mobile Communications Limited
22. Fauji Akbar Portia Marine Terminal Limited
23. Foundation Power Company Daharki Limited
24. Foundation Solar Energy (Pvt) Limited
25. Foundation Securuites
26. Foundation Gas
27. Fauji Cereals
28. Oversea Employment Services
29. Foundation University Islamabad
30. PPEPCA
31. Pakistan International Oil Limited

PERFORMANCE INDICATORS

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
PROFITABILITY RATIOS							
Net profit to net sales	%	38.51	34.75	43.06	42.09	40.92	37.75
EBITDA margin to net sales	%	59.85	56.34	67.76	63.87	64.83	60.03
Operating leverage	Times	1.16	0.58	7.81	0.50	1.46	1.63
Return on equity / shareholders' funds	%	37.51	26.84	30.14	38.68	46.87	46.78
Return on capital employed	%	37.33	26.76	30.14	38.68	46.87	44.06
Equity / Shareholders' funds	Rs in billion	168.43	130.86	115.53	93.15	63.61	40.19
LIQUIDITY RATIOS							
Current ratio	Times	1.98	2.26	3.61	3.71	2.98	2.77
Quick / acid test ratio	Times	1.77	2.13	3.36	3.15	2.60	2.56
Cash to current liabilities	Times	0.65	1.09	2.05	2.22	1.45	1.51
Cash flow from operations to net sales	Times	0.39	0.52	0.41	0.44	0.34	0.49
Cash flow from operations to capital expenditures	Times	1.33	1.25	1.14	2.50	2.05	3.21
Cash flow coverage ratio	Times	70.83	68.22	-	-	-	-
ACTIVITY / TURNOVER RATIOS							
Debtor turnover	Times	3.47	3.61	3.22	3.65	4.37	5.44
No. of days in receivables	Days	105	101	113	100	83	67
Total assets turnover	Times	0.66	0.57	0.53	0.66	0.79	0.77
Fixed assets turnover	Times	1.35	1.24	1.44	1.91	1.88	1.51
INVESTMENT / MARKET RATIOS							
Earnings per share (EPS) - basic and diluted	Rupees	420.75	247.84	235.71	227.23	182.36	115.25
Price earnings	Times	3.60	7.02	6.47	5.44	5.53	13.07
Price to book ratio	Times	1.20	1.77	1.76	1.77	1.92	4.13
Dividend yield	%	9.71*	7.13	9.25	0.49	0.59	0.40
Dividend payout	%	34.94*	50.03	59.82	2.68	3.29	5.21
Dividend cover	Times	2.86*	2.00	1.67	37.25	30.39	19.21
Dividend per share	Rupees	147.00*	124.00	141.00	6.10	6.00	6.00
Stock dividend per share	%	-	-	-	10	10	-
Total shareholders' return	%	(4.49)	23.11	28.77	23.13	(32.56)	(4.05)
Market value per share							
Year end	Rupees	1,514.64	1,739.74	1,524.39	1,236.65	1,009.33	1,506.18
highest during the year	Rupees	1,770.29	1,800.13	1,692.16	1,454.50	1,589.95	1,809.41
lowest during the year	Rupees	1,389.70	1,480.55	1,222.65	829.95	936.70	1,398.38
Breakup value per share / Net assets per share	Rupees	1,262.54	980.93	866.05	698.26	524.48	364.55
Market capitalization - year end price	Rupees in billion	202.06	232.09	203.36	164.97	122.41	166.06
CAPITAL STRUCTURE RATIOS							
Debt to equity (as per book value)	%	0.40 : 99.60	0.55 : 99.45	00:100	00:100	00:100	00:100
Debt to equity (as per market value)	%	0.39 : 99.61	0.31 : 99.69	00:100	00:100	00:100	00:100
Financial leverage	%	0.47	0.57	-	-	-	-
Interest cover	Times	1,248.61	1,193.96	-	-	-	764.79
Weighted average cost of debt	%	2.75	2.75	-	-	-	6.09
EMPLOYEE PRODUCTIVITY AND OTHER RATIOS							
Production per employee	MBOE	22.76	26.10	28.25	27.39	27.75	29.59
Net sales per employee	Rs in million	91.28	67.28	57.49	59.04	49.06	35.41
Employee turnover ratio	%	7.76	6.01	7.95	5.66	5.94	6.61
Maintenance & repairs expense as							
%age of operating & administrative expenses	%	7.05	7.00	7.16	5.58	5.35	7.73
Stores and spares as %age of fixed assets	%	5.70	3.69	4.67	7.52	6.62	2.41

Note: Breakup value with revaluation reserves does not apply as MPCL has no revaluation reserves. Furthermore, carrying value of investment in related party - associate approximate its fair value.

Customer satisfaction index is not applicable as oil and gas industry in Pakistan is highly regulated and customers are nominated by the Government. Due to the nature of operations of the Company, percentage of plant availability for the products of the Company is not relevant.

Previous years figures have been restated, wherever necessary for the purpose of comparison.

* This includes final dividend of Rs. 58 per share for the year ended June 30, 2023 proposed by the Board of Directors for approval of members in the Annual General Meeting.

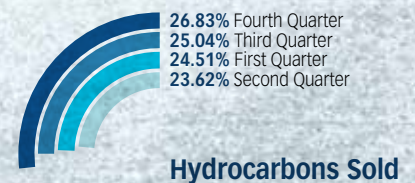
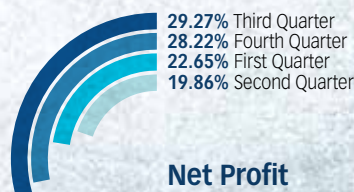
QUARTERLY ANALYSIS

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	Total for the year ended June 30, 2023
Net Sales (Rupees in million)	31,825.15	29,176.70	37,838.03	46,930.03	145,769.91
Net Profit (Rupees in million)	12,714.81	11,147.15	16,429.52	15,837.23	56,128.71
Earnings Per Share (Rupees)	95.31	83.56	123.16	118.72	420.75
Hydrocarbons Sold (MMBOE)	8.91	8.59	9.10	9.75	36.35
Gas Sold (MMSCF)	68,351	66,684	66,994	73,185	275,214
Liquid Sold (Barrels)	69,239	92,227	111,250	114,740	387,456

Analysis:

Net sales and production grew in each successive quarter except for decline in sales and production in the second quarter, which is not due to any limitation on part of the Company, but mainly a result of the exogenous factors like emergency shutdowns and turnarounds of fertilizer plants. Furthermore, second-half profits rose primarily due to increased incremental revenue gained through gas supply from Sachal Gas Processing Complex (SGPC) and favorable oil and gas prices during the latter part of the year. Q4 profit would have been higher if there was no imposition of additional 6% super tax, that was enacted towards the end of the year.

Q4
Highest ever quarterly net sales and Production

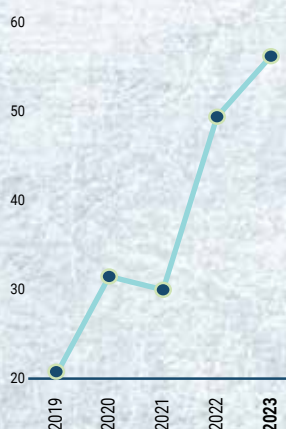


SUMMARY OF CASH FLOWS



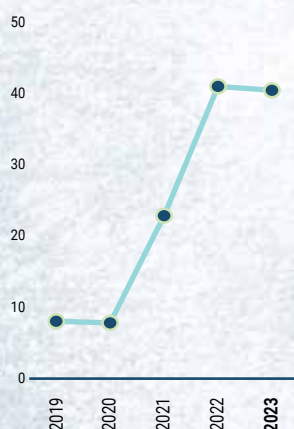
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
(Rupees in million)						
Cash inflows from operating activities	56,195.34	49,400.04	29,973.02	31,465.74	20,226.68	20,105.93
Cash outflows from investing activities	(40,457.87)	(41,012.15)	(22,864.80)	(7,818.32)	(8,051.54)	(5,543.56)
Cash outflows from financing activities	(20,039.44)	(17,145.99)	(9,001.47)	(796.14)	(754.96)	(5,903.21)
(Decrease)/Increase in cash and cash equivalents	(4,301.97)	(8,758.10)	(1,893.25)	22,851.28	11,420.18	8,659.16
Cash and cash equivalents at beginning of year	41,491.13	48,605.38	50,334.40	27,335.82	15,706.26	6,927.79
Effect of exchange rate changes	3,711.53	1,643.84	164.23	147.31	209.37	119.31
Cash and cash equivalents at end of year	40,900.69	41,491.13	48,605.38	50,334.40	27,335.82	15,706.26

Cash Inflows from Operating Activities
(Rupees in billion)



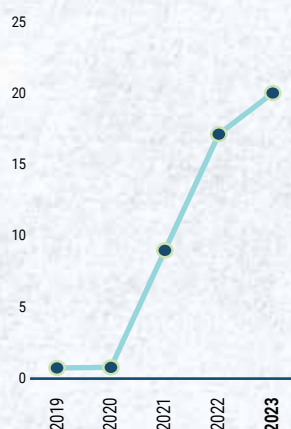
Net cash inflows from operating activities represents cash received from customers netted off with payments to suppliers, employees and Government for levies and taxes. The increase over the years is in line with the activities of the Company.

Cash Outflows from Investing Activities
(Rupees in billion)



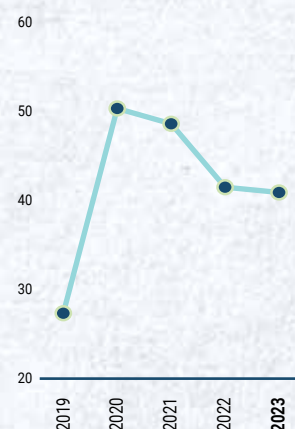
Investing activities mainly comprise of exploration and development activities, capital expenditures and investments. Cash outflows have increased over the years due to accelerated exploration and development activities of the Company.

Cash Outflows from Financing Activities
(Rupees in billion)



Cash outflows from financing activities increased in recent years mainly due to higher dividend payout.

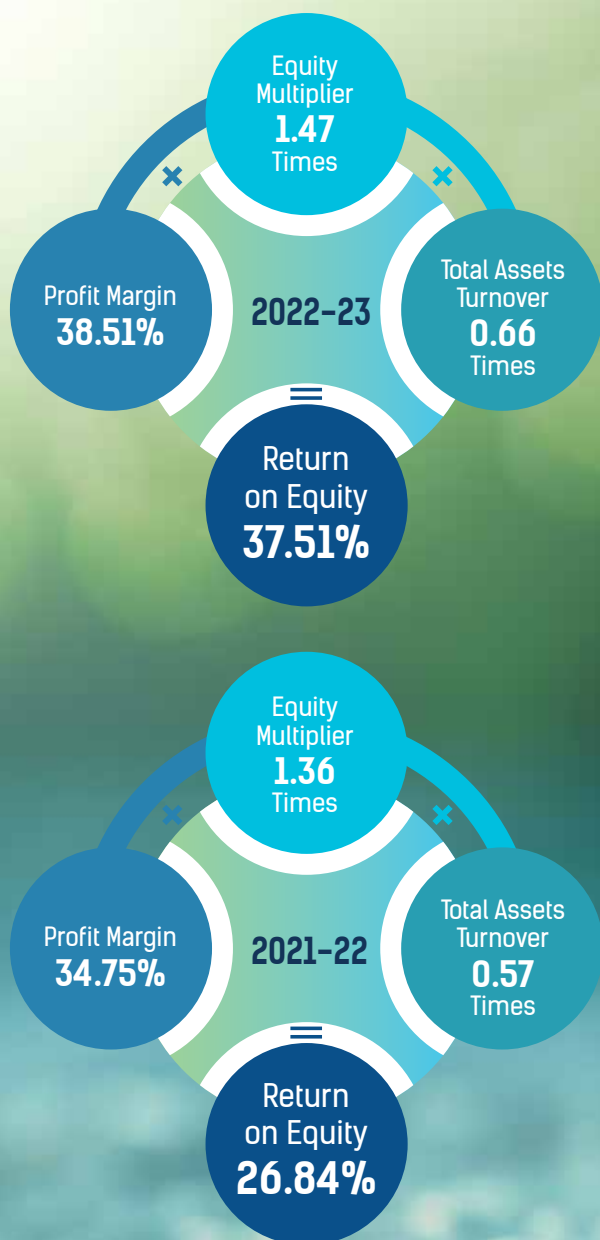
Cash and Cash Equivalents
(Rupees in billion)



Cash and cash equivalents increased by 2.6 times from Rs 15.71 billion in 2017-18 to Rs 40.90 billion in 2022-23.

Return on Equity

DUPONT ANALYSIS



Analysis

Major reason for increase in return on equity from 26.84% to 37.51% is increased asset turnover coupled with rise in profit margin primarily due to increase in profit on account of enhanced net sales.

Horizontal Analysis

STATEMENT OF FINANCIAL POSITION

	2023	23 vs 22 %age	2022	22 vs 21 %age
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	1,334,025	-	1,334,025	-
Undistributed percentage return reserve	-	-	-	-
Other reserves	17,222,067	9.61	15,711,988	3.44
Unappropriated profit	149,870,248	31.68	113,812,754	14.95
Total equity	168,426,340	28.71	130,858,767	13.26
Non current liabilities				
Long term financing	672,381	(7.15)	724,126	100.00
Deferred liabilities	22,862,894	47.08	15,544,293	39.14
	23,535,275	44.67	16,268,419	45.62
Current liabilities				
Trade and other payables	33,506,735	43.81	23,299,450	35.02
Unclaimed dividend	417,235	56.86	265,992	123.76
Unpaid dividend	-	-	-	-
Current maturity of long term financing	121,007	332.46	27,981	100.00
Interest accrued on long term financing	-	-	-	-
Provision for income tax	28,590,205	98.28	14,419,416	128.69
	62,635,182	64.77	38,012,839	60.52
Total liabilities	86,170,457	58.75	54,281,258	55.75
Total equity and liabilities	254,596,797	37.52	185,140,025	23.11
ASSETS				
Non current assets				
Property, plant and equipment	81,736,169	35.23	60,441,427	60.44
Development and production assets	24,992,278	40.93	17,733,482	8.94
Exploration and evaluation assets	15,958,410	9.76	14,538,766	96.84
Long term investments	5,724,782	79.73	3,185,145	174.34
Long term loans and advances	49,080	11.62	43,969	29.12
Long term deposits and prepayments	99,003	(20.64)	124,756	(31.56)
Deferred income tax asset	2,241,814	(26.68)	3,057,644	38.40
	130,801,536	31.96	99,125,189	52.68
Current assets				
Stores and spares	6,989,735	104.13	3,424,159	19.44
Trade debts	61,676,104	90.60	32,359,298	15.38
Short term loans and advances	9,879,116	26.78	7,792,601	42.44
Short term prepayments	235,905	73.88	135,672	(6.38)
Other receivables	2,649,332	291.76	676,270	261.04
Current portion of long term investments	1,041,068	2,435.00	41,068	3.00
Short term investments	9,197,048	84.12	4,995,065	(87.75)
Interest accrued	423,315	1,318.00	29,853	(70.34)
Income tax paid in advance	-	-	-	-
Cash and bank balances	31,703,638	(13.13)	36,496,060	366.52
	123,795,261	44.03	85,950,046	0.57
Assets classified as held for sale	-	(100.00)	64,790	100.00
Total assets	254,596,797	37.52	185,140,025	23.11

(Rupees in thousand)

2021	21 vs 20 %age	2020	20 vs 19 %age	2019	19 vs 18 %age	2018	18 vs 17 %age
1,334,025	-	1,334,025	10.00	1,212,750	10.00	1,102,500	-
-	(100.00)	477,899	(20.67)	602,415	(1.74)	613,109	23.50
15,190,001	7.05	14,190,001	7.58	13,190,001	8.20	12,190,001	8.94
99,009,539	28.34	77,147,181	58.73	48,601,563	84.89	26,286,128	106.19
115,533,565	24.03	93,149,106	46.45	63,606,729	58.26	40,191,738	57.38
-	-	-	-	-	-	-	-
11,171,723	8.02	10,342,139	2.83	10,057,962	26.48	7,952,336	6.26
11,171,723	8.02	10,342,139	2.83	10,057,962	26.48	7,952,336	(31.78)
17,256,803	21.43	14,211,612	10.95	12,809,483	54.86	8,271,834	(1.52)
118,875	170.01	44,026	35.20	32,563	68.10	19,371	12.14
-	-	-	(100.00)	7,544	(34.48)	11,514	31.84
-	-	-	-	-	-	-	(100.00)
-	-	-	-	-	-	-	(100.00)
6,305,167	(24.92)	8,397,850	40.31	5,985,202	186.72	2,087,503	100.00
23,680,845	4.54	22,653,488	20.27	18,834,792	81.27	10,390,222	7.84
34,852,568	5.63	32,995,627	14.20	28,892,754	57.52	18,342,558	(13.85)
150,386,133	19.22	126,144,733	36.37	92,499,483	58.03	58,534,296	24.99
37,672,536	69.64	22,207,552	37.29	16,176,231	21.93	13,266,282	4.55
16,278,235	38.35	11,766,348	(7.76)	12,755,574	7.31	11,886,872	60.42
7,386,197	24.86	5,915,531	(9.74)	6,553,548	143.67	2,689,549	(54.96)
1,161,018	100.00	-	-	-	-	-	-
34,053	2.68	33,165	(16.58)	39,755	12.27	35,411	9.86
182,274	(48.51)	353,999	53.25	230,999	267.31	62,890	141.87
2,209,320	16.98	1,888,594	190.04	651,147	(64.21)	1,819,166	(15.87)
64,923,633	53.97	42,165,189	15.82	36,407,254	22.34	29,760,170	5.19
2,866,855	(4.44)	2,999,993	27.69	2,349,391	250.11	671,051	(33.89)
28,046,706	20.02	23,369,070	9.32	21,377,155	121.21	9,663,590	26.15
5,470,861	(22.46)	7,055,770	48.47	4,752,460	87.67	2,532,344	54.41
144,920	7.42	134,910	45.19	92,919	39.28	66,714	1.55
187,311	282.83	48,928	(37.86)	78,739	154.14	30,982	(22.11)
39,831	100.00	-	-	-	-	-	-
40,782,256	21.25	33,634,126	62.48	20,700,000	145.34	8,437,354	134.07
100,635	175.95	36,469	(65.51)	105,747	2.48	103,183	119.39
-	-	-	-	-	-	-	(100.00)
7,823,125	(53.16)	16,700,278	151.67	6,635,818	(8.71)	7,268,908	118.73
85,462,500	1.77	83,979,544	49.72	56,092,229	94.94	28,774,126	55.21
-	-	-	-	-	-	-	-
150,386,133	19.22	126,144,733	36.37	92,499,483	58.03	58,534,296	24.99

Horizontal Analysis

STATEMENT OF PROFIT OR LOSS

	2023	23 vs 22 %age	2022	22 vs 21 %age
Net sales	145,769,907	53.23	95,134,477	30.29
Royalty	(17,548,455)	46.24	(11,999,913)	28.82
Operating and administrative expenses	(27,111,724)	55.79	(17,402,533)	15.71
Exploration and prospecting expenditure	(16,016,913)	46.52	(10,931,573)	140.59
Finance cost	(1,774,826)	81.14	(979,809)	(25.23)
Other charges	(5,793,579)	59.93	(3,622,588)	17.52
	(68,245,497)	51.87	(44,936,416)	34.98
	77,524,410	54.44	50,198,061	26.36
Other income / (expenses)	(362,655)	(851.85)	48,235	(84.54)
Finance income	9,075,445	102.44	4,483,085	13.77
Share of loss in associate	(390,022)	(85.07)	(2,613,070)	5,346.00
Profit before taxation	85,847,178	64.72	52,116,311	18.63
Provision for income tax	(29,718,467)	55.98	(19,053,300)	52.59
Profit for the year	56,128,711	69.76	33,063,011	5.15



(Rupees in thousand)

2021	21 vs 20 %age	2020	20 vs 19 %age	2019	19 vs 18 %age	2018	18 vs 17 %age
73,018,271	1.38	72,026,368	21.14	59,457,121	46.00	40,722,698	44.19
(9,315,126)	5.79	(8,805,560)	16.25	(7,574,515)	46.20	(5,180,869)	44.57
(15,039,680)	12.96	(13,313,631)	13.58	(11,722,088)	16.85	(10,031,741)	33.45
(4,543,689)	(55.70)	(10,257,639)	138.11	(4,308,006)	29.96	(3,314,839)	(14.58)
(1,310,476)	130.74	(567,952)	(26.02)	(767,752)	20.01	(639,728)	(19.84)
(3,082,462)	14.24	(2,698,227)	10.77	(2,435,811)	68.25	(1,447,747)	99.33
(33,291,433)	(6.60)	(35,643,009)	32.96	(26,808,172)	30.04	(20,614,924)	24.89
39,726,838	9.19	36,383,359	11.44	32,648,949	62.37	20,107,774	71.32
311,971	(8.24)	340,001	4.27	326,087	(156.04)	(581,846)	(29.07)
3,940,536	(13.51)	4,556,085	162.86	1,733,298	126.39	765,616	228.58
(47,982)	100.00	-	-	-	-	-	-
43,931,363	6.42	41,279,445	18.93	34,708,334	71.05	20,291,544	82.00
(12,486,454)	13.86	(10,966,572)	5.64	(10,381,246)	111.12	(4,917,204)	144.24
31,444,909	3.73	30,312,873	24.61	24,327,088	58.23	15,374,340	68.28



Vertical Analysis

STATEMENT OF FINANCIAL POSITION

	2023	% age	2022	% age
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	1,334,025	0.52	1,334,025	0.72
Undistributed percentage return reserve	-	-	-	-
Other reserves	17,222,067	6.76	15,711,988	8.49
Unappropriated profit	149,870,248	58.87	113,812,754	61.47
Total equity	168,426,340	66.15	130,858,767	70.68
Non Current Liabilities				
Long term financing	672,381	0.26	724,126	0.39
Deferred liabilities	22,862,894	8.98	15,544,293	8.40
	23,535,275	9.24	16,268,419	8.79
Current Liabilities				
Trade and other payables	33,506,735	13.16	23,299,450	12.58
Unclaimed dividend	417,235	0.16	265,992	0.14
Unpaid dividend	-	-	-	-
Current maturity of long term financing	121,007	0.05	27,981	0.02
Provision for income tax	28,590,205	11.23	14,419,416	7.79
	62,635,182	24.60	38,012,839	20.53
Total liabilities	86,170,457	33.85	54,281,258	29.32
Total equity and liabilities	254,596,797	100.00	185,140,025	100.00
ASSETS				
Non current assets				
Property, plant and equipment	81,736,169	32.10	60,441,427	32.65
Development and production assets	24,992,278	9.82	17,733,482	9.58
Exploration and evaluation assets	15,958,410	6.27	14,538,766	7.85
Long term investments	5,724,782	2.25	3,185,145	1.72
Long term loans and advances	49,080	0.02	43,969	0.02
Long term deposits and prepayments	99,003	0.04	124,756	0.07
Deferred income tax asset	2,241,814	0.88	3,057,644	1.65
	130,801,536	51.38	99,125,189	53.54
Current assets				
Stores and spares	6,989,735	2.75	3,424,159	1.85
Trade debts	61,676,104	24.23	32,359,298	17.48
Short term loans and advances	9,879,116	3.88	7,792,601	4.21
Short term prepayments	235,905	0.09	135,672	0.07
Other receivables	2,649,332	1.04	676,270	0.37
Current portion of long term investments	1,041,068	0.00	41,068	0.02
Short term investments	9,197,048	3.61	4,995,065	2.70
Interest accrued	423,315	0.17	29,853	0.02
Cash and bank balances	31,703,638	12.45	36,496,060	19.71
	123,795,261	48.62	85,950,046	46.43
Assets classified as held for sale	-	-	64,790	0.03
Total assets	254,596,797	100.00	185,140,025	100.00

(Rupees in thousand)

2021	% age	2020	% age	2019	% age	2018	% age
1,334,025	0.89	1,334,025	1.06	1,212,750	1.31	1,102,500	1.88
-	-	477,899	0.38	602,415	0.65	613,109	1.05
15,190,001	10.10	14,190,001	11.25	13,190,001	14.26	12,190,001	20.83
99,009,539	65.84	77,147,181	61.16	48,601,563	52.54	26,286,128	44.91
115,533,565	76.82	93,149,106	73.84	63,606,729	68.76	40,191,738	68.66
-	-	-	-	-	-	-	-
11,171,723	7.43	10,342,139	8.20	10,057,962	10.87	7,952,336	13.59
11,171,723	7.43	10,342,139	8.20	10,057,962	10.87	7,952,336	13.59
17,256,803	11.47	14,211,612	11.27	12,809,483	13.85	8,271,834	14.13
118,875	0.08	44,026	0.03	32,563	0.04	19,371	0.03
-	-	-	-	7,544	0.02	11,514	0.02
-	-	-	-	-	-	-	-
6,305,167	4.19	8,397,850	6.66	5,985,202	6.46	2,087,503	3.57
23,680,845	15.75	22,653,488	17.96	18,834,792	20.36	10,390,222	17.75
34,852,568	23.18	32,995,627	26.16	28,892,754	31.24	18,342,558	31.34
150,386,133	100.00	126,144,733	100.00	92,499,483	100.00	58,534,296	100.00
37,672,536	25.05	22,207,552	17.60	16,176,231	17.49	13,266,282	22.66
16,278,235	10.82	11,766,348	9.33	12,755,574	13.79	11,886,872	20.31
7,386,197	4.91	5,915,531	4.69	6,553,548	7.08	2,689,549	4.59
1,161,018	0.77	-	-	-	-	-	-
34,053	0.02	33,165	0.03	39,755	0.04	35,411	0.06
182,274	0.12	353,999	0.28	230,999	0.25	62,890	0.11
2,209,320	1.47	1,888,594	1.50	651,147	0.70	1,819,166	3.11
64,923,633	43.17	42,165,189	33.43	36,407,254	39.36	29,760,170	50.84
2,866,855	1.91	2,999,993	2.38	2,349,391	2.54	671,051	1.15
28,046,706	18.65	23,369,070	18.53	21,377,155	23.11	9,663,590	16.51
5,470,861	3.64	7,055,770	5.59	4,752,460	5.14	2,532,344	4.33
144,920	0.10	134,910	0.11	92,919	0.10	66,714	0.11
187,311	0.12	48,928	0.04	78,739	0.09	30,982	0.05
39,831	0.02	-	-	-	-	-	-
40,782,256	27.12	33,634,126	26.66	20,700,000	22.38	8,437,354	14.41
100,635	0.07	36,469	0.03	105,747	0.11	103,183	0.18
7,823,125	5.20	16,700,278	13.24	6,635,818	7.17	7,268,908	12.42
85,462,500	56.83	83,979,544	66.57	56,092,229	60.64	28,774,126	49.16
-	-	-	-	-	-	-	-
150,386,133	100.00	126,144,733	100.00	92,499,483	100.00	58,534,296	100.00

Vertical Analysis

STATEMENT OF PROFIT OR LOSS

	2023	% age	2022	% age
Net sales	145,769,907	100.00	95,134,477	100.00
Royalty	(17,548,455)	(12.04)	(11,999,913)	(12.61)
Operating and administrative expenses	(27,111,724)	(18.60)	(17,402,533)	(18.29)
Exploration and prospecting expenditure	(16,016,913)	(10.99)	(10,931,573)	(11.49)
Finance cost	(1,774,826)	(1.22)	(979,809)	(1.03)
Other charges	(5,793,579)	(3.97)	(3,622,588)	(3.81)
	(68,245,497)	(46.82)	(44,936,416)	(47.23)
	77,524,410	53.18	50,198,061	52.77
Other income / (expenses)	(362,655)	(0.25)	48,235	0.05
Finance income	9,075,445	6.23	4,483,085	4.71
Share of loss in associate	(390,022)	(0.27)	(2,613,070)	(2.75)
Profit before taxation	85,847,178	58.89	52,116,311	54.78
Provision for income tax	(29,718,467)	(20.39)	(19,053,300)	(20.03)
Profit for the year	56,128,711	38.51	33,063,011	34.75



(Rupees in thousand)

2021	% age	2020	% age	2019	% age	2018	%
73,018,271	100.00	72,026,368	100.00	59,457,121	100.00	40,722,698	100.00
(9,315,126)	(12.76)	(8,805,560)	(12.23)	(7,574,515)	(12.74)	(5,180,869)	(12.72)
(15,039,680)	(20.60)	(13,313,631)	(18.48)	(11,722,088)	(19.72)	(10,031,741)	(24.63)
(4,543,689)	(6.22)	(10,257,639)	(14.24)	(4,308,006)	(7.25)	(3,314,839)	(8.14)
(1,310,476)	(1.79)	(567,952)	(0.79)	(767,752)	(1.29)	(639,728)	(1.57)
(3,082,462)	(4.22)	(2,698,227)	(3.75)	(2,435,811)	(4.10)	(1,447,747)	(3.56)
(33,291,433)	(45.59)	(35,643,009)	(49.49)	(26,808,172)	(45.09)	(20,614,924)	(50.62)
39,726,838	54.41	36,383,359	50.15	32,648,949	54.91	20,107,774	49.38
311,971	0.43	340,001	0.47	326,087	0.55	(581,846)	(1.43)
3,940,536	5.40	4,556,085	6.33	1,733,298	2.92	765,616	1.88
(47,982)	(0.07)	-	-	-	-	-	-
43,931,363	60.16	41,279,445	57.31	34,708,334	58.38	20,291,544	49.83
(12,486,454)	(17.10)	(10,966,572)	(15.23)	(10,381,246)	(17.46)	(4,917,204)	(12.07)
31,444,909	43.06	30,312,873	42.09	24,327,088	40.92	15,374,340	37.75



FINANCIAL CAPITAL



Financing Arrangements

The reliance on external financing is secondary to the Company's principal source of finance, which is internally generated cash. Given the company's excellent balance sheet and operational cash flows, management believes it will have no trouble obtaining debt financing in the future, if necessary.

Repayment of Debts and Recovery of Losses

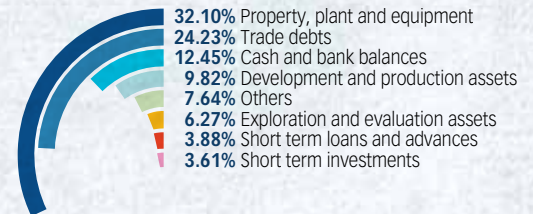
The Company has a strong debt-raising and repayment capability. Further, strong cash position provides leverage to adequately manage loss recovery, if any.

There have been no defaults in repayment of any debt during the year.

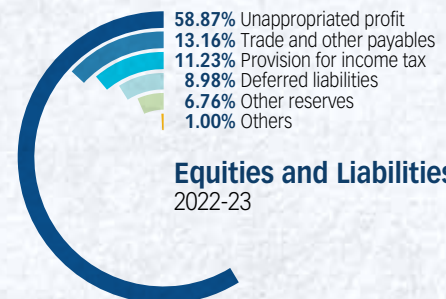
Liquidity and Cash Flow Management Strategy

Analysis of Liquidity and Cash Flows

Owing to strong financial health of the Company, the Company does not have or forecast any liquidity issues. Internal cash generation, principally from hydrocarbon sales and income from deposits adequately meets the liquidity requirements of the Company. Minimum reliance is placed on external sources thus ensuring lower borrowing cost. During the year, an amount of Rs 56,195 million was generated from operating activities of the Company which was primarily used to undertake exploration and development activities, capital expenditures and dividend payments.



Assets
2022-23



Equities and Liabilities
2022-23

Strategy to Overcome Liquidity Problems

To manage liquidity, the Company constantly examines its cash inflows and outflows along with future cash projections before making any decisions. This approach of regular monitoring allows the Company to get visibility into future liquidity requirements and, if necessary, bridge the gaps by taking strategic and operational decision and arranging financing facilities.

Management's Responsibility towards the Financial Statements

It is the management's responsibility to adopt sound accounting policies, establish and maintain a system of internal controls and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Act, 2017.



**Statement of Unreserved
Compliance of IFRS issued by
IASB as applicable in Pakistan**

Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.



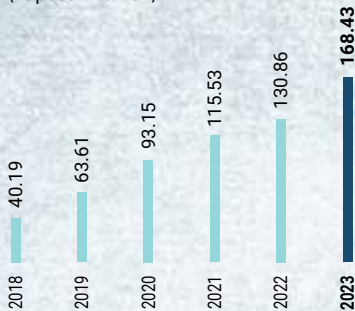
SIX YEARS' ANALYSIS

Horizontal Analysis, Vertical Analysis and Performance Indicators

Horizontal Analysis

Statement of Financial Position

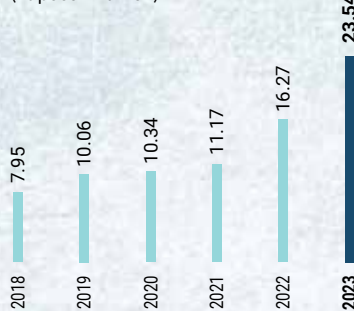
Share Capital and Reserves (Rupees in billion)



Share Capital and Reserves

Unappropriated profit increased in 2022-23 by 32% vis-à-vis 2021-22, primarily on account of profit retention. Resultantly, shareholders' equity rose to Rs 168.43 billion at the close of 2022-23 registering an increase of 29% in comparison to 2021-22.

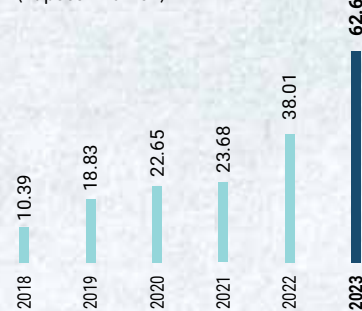
Non Current Liabilities (Rupees in billion)



Non Current Liabilities

Deferred liabilities registered an annual average increase of 25% since 2017-18 predominantly due to increase in provision for decommissioning cost over the years.

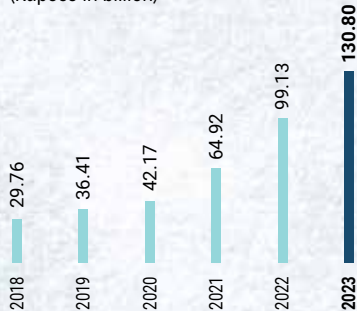
Current Liabilities (Rupees in billion)



Current Liabilities

Current liabilities increased by 65% in 2022-23 in comparison to 2021-22, principally due to increase in provision of income tax and trade and other payables.

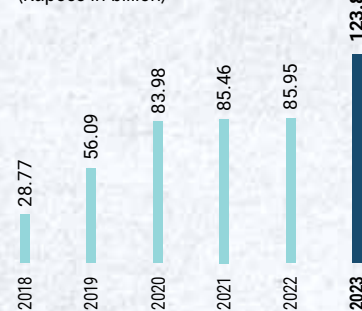
Non Current Assets (Rupees in billion)



Non Current Assets

Non-current assets of the Company primarily include 'property, plant & equipment', 'development and production assets' and 'exploration and evaluation assets', and have increased from Rs 29.76 billion in 2017-18 to Rs 130.80 billion at the close of 2022-23 primarily reflecting the enhancement of asset base of the Company.

Current Assets (Rupees in billion)



Current Assets

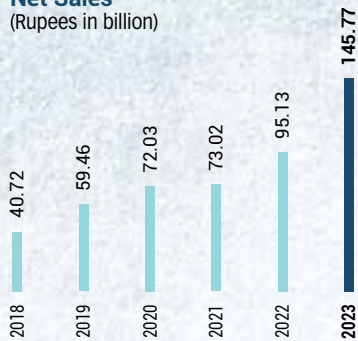
Current assets mainly comprise of 'trade debts', 'short term investments' and 'cash & bank balances'. Trade debts increased from Rs 9.66 billion in 2017-18 to Rs 61.68 billion at the close of 2022-23 mainly on account of circular debt issue.

In 2022-23, the Company's 'short term investments' and 'cash and bank balances' have accumulated to Rs 40.90 billion registering an increase of 3 times compared to 2017-18, due to retention of cash in business.



Statement of Profit or Loss

Net Sales
(Rupees in billion)



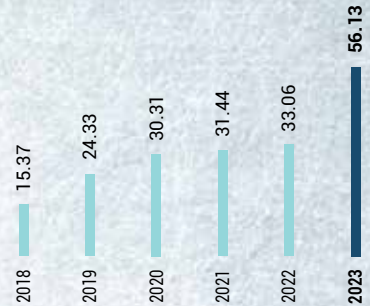
Net sales increased by more than 3.5 times from Rs 40.72 billion in 2017-18 to Rs 145.77 billion in 2022-23 primarily due to enhancement of production and better selling prices prevailed over the years. Further, finance income has increased by around 12 times in comparison to 2017-18 due to higher average bank/

Exploration & Prospecting Expenditure
(Rupees in billion)



investment balances and exchange gain on account of rupee devaluation. Exploration and prospecting expenses have increased significantly in the recent years reflecting Company's aggressive exploration efforts in terms of seismic acquisition and drilling of exploratory wells.

Net Profit
(Rupees in billion)



The Company achieved highest ever net sales of Rs 145.77 billion, which is 53% higher than that of last year due to higher applicable oil and gas prices. The Company has also reported highest ever net profit despite the adverse change in the fiscal regime (additional 6% super tax) that was enacted towards the end of the year.



SIX YEARS' ANALYSIS

Horizontal Analysis, Vertical Analysis and Performance Indicators

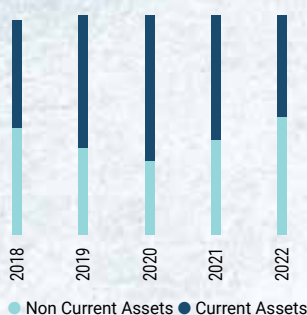
Vertical Analysis

Statement of Financial Position

Composition of Equity & Liabilities (Percentage)

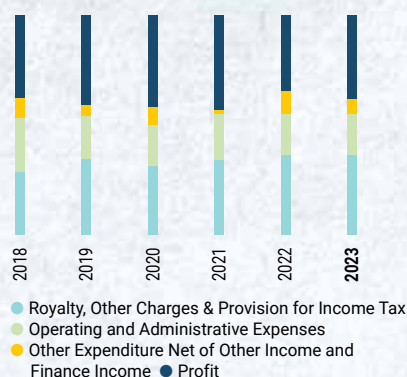


Composition of Assets (Percentage)



Statement of Profit or Loss

Composition of Profit or Loss (Percentage)



Share Capital and Reserves

Unappropriated profit as a percentage of equity has increased from six years' average of 81% to 89% at the close of 2022-23 owing to profit retention in the business.

Non Current Liabilities

Non current liabilities as a percentage of total liabilities decreased from 43% in 2017-18 to 27% in 2022-23 primarily on account of increase in trade and other payables and provision for income tax.

Current Liabilities

'Provision for income tax' as a percentage of current liabilities has increased from six years average of 33% to 46% at the close of 2022-23 on account of increase in profitability of the Company.

Non Current Assets

'Property, plant and equipment', 'development and production assets' and 'exploration and evaluation assets' cumulatively are 94% as a percentage of non-current assets and remained in line with the six years' average of 95% as the Company continued to invest in oil and gas assets.

Current Assets

Trade debts as a percentage of current assets increased in 2022-23 vis-à-vis 2021-22 due to circular debt issue. 'Short term investments' and 'cash and bank balances' cumulatively constitute 33% of current assets at the close of 2022-23 which is lower than six years' average of 50% on account of rising trade debts.

Net profit as a percentage of net sales is 39% in 2022-23, which is almost in line with six years' average of 40%.



Performance Indicators

Methods and Assumptions Used in Compiling the Indicators

A performance indicator is a measurable value that shows how a company is performing in terms of profitability, operational efficiency, liquidity and solvency. It is a tool for management and other stakeholders to review the Company's performance over time, as well as to compare its performance indicators with peers in order to take decisions.

Because these indicators are based on historical data, trend analysis

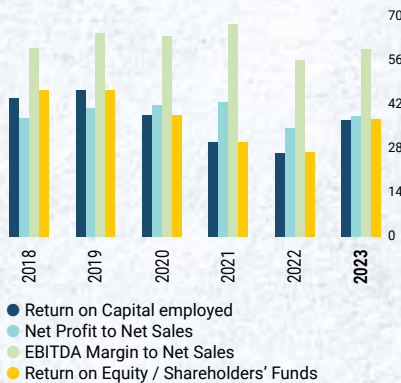
should be used in conjunction with other information rather than as a sole tool in making future strategic decisions.

The performance indicators presented by the Company are chosen with consideration for the Company's dynamics, operations and financial structure, among other things.

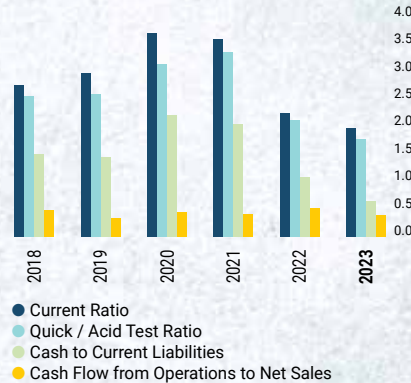


Analysis of Performance Indicators

Profitability Ratios (Percentage)



Liquidity Ratios (Times)



Profitability Ratios

Profitability ratios are improved from last year primarily due to increase in profit on account of enhanced net sales.

Liquidity Ratios

Increase in current liabilities on account of increased trade and other payables and higher provision for income tax, resulted in a drop in current ratio, quick ratio and ratio of cash to current liabilities. Cash flow from operations to net sales is lower than last year due to circular debt issue.

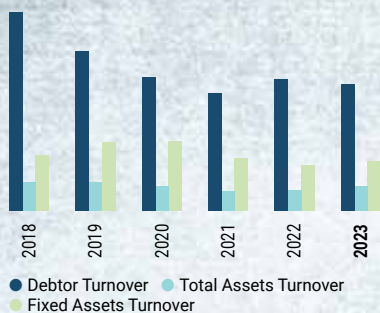


SIX YEARS' ANALYSIS

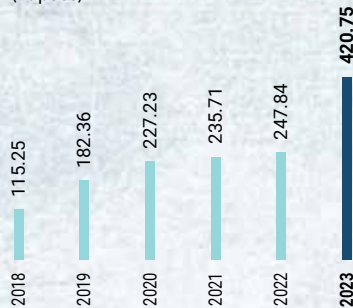
Horizontal Analysis, Vertical Analysis and Performance Indicators

Performance Indicators

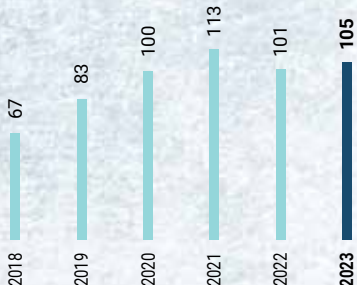
Debtor, Total Assets and Fixed Assets Turnover (Times)



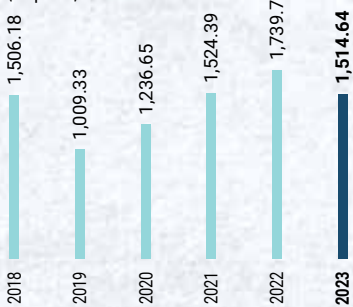
Earnings Per Share (Rupees)



Number of Days in Receivables (Days)



Market Value per Share at Year End (Rupees)



Activity / Turnover Ratios

Debtor turnover and days in receivables experienced deterioration from 2021-22 primarily due to the circular debt issue. The management remains in continuous communication with relevant consumers and government authorities to expedite the resolution of the circular debt matter. Additionally, the rise in fixed assets turnover and total assets turnover can be attributed to increased net sales.

Investment / Market Ratios

Earnings per share stood at Rs 420.75 for 2022-23 registering an increase of 70% compared to last year on account of higher profitability. Due to decrease in the market price of the Company's shares at the end of the year, market ratios are reflecting negative trend. The breakup value per share of the Company was recorded at Rs 1262.54 for 2022-23 and is higher than the six years' historic average of Rs 782.80.

Capital Structure Ratios

Last six years' average of equity in overall capital structure is almost 100%, which depicts that Company is not reliant on external financing.



Explanation of Negative Changes in Performance over the Period

All negative changes in performance over the past six years; including the horizontal and vertical analysis of the statement of financial position, statement of profit or loss, statement of cash flows and ratios have been explained in this section.

STATEMENT OF VALUE ADDED

	Year 2022-23		Year 2021-22	
	(Rs. in million)	% age	(Rs. in million)	% age
Revenues including Government levies and taxes	167,161.07	116.20	137,223.91	110.95
Less: Expenses netted off with other and finance income	(23,270.92)	(16.20)	(13,539.04)	(10.95)
Total value added	143,890.14	100.00	123,684.88	100.00
DISTRIBUTED AS FOLLOWS:				
Employees as remuneration and benefits	10,068.86	7.00	8,270.10	6.69
Government as levies				
Direct	30,275.96	21.04	20,777.55	16.80
Indirect	43,478.42	30.22	56,843.42	55.91
	73,754.38	51.26	77,620.98	62.76
Shareholder as dividends	19,610.17 *	13.63	16,541.91	13.37
Social welfare and community development	2,286.78	1.59	4,148.80	3.35
Providers of long term finance as financial charges	68.78	0.05	43.65	0.04
Retained within the business	38,101.18	26.47	17,059.44	13.79
	143,890.14	100.00	123,684.88	100.00

* This includes final dividend of Rs 58 per share for the year ended June 30, 2023 proposed by the Board of Directors for approval of members in the Annual General Meeting.



Free Cash Flows

Rs 19,449

million

(2022: Rs 10,032 million)



Economic Value Added

Rs 36,584

million

(2022: Rs 12,664 million)

TEN YEARS AT A GLANCE

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
FINANCIAL										
Net sales (Rs in million)	145,769.91	95,134.48	73,018.27	72,026.37	59,457.12	40,722.70	28,242.92	21,761.18	19,351.97	14,894.23
Profit before taxation (Rs in million)	85,847.18	52,116.31	43,931.36	41,279.45	34,708.33	20,291.54	11,149.46	6,561.45	6,551.87	4,377.64
Profit for the year (Rs in million)	56,128.71	33,063.01	31,444.91	30,312.87	24,327.09	15,374.34	9,136.19	6,051.46	5,650.31	3,943.30
Earnings per share (Rs)	420.75	247.84	235.71	227.23	182.36	115.25	68.49	45.36	42.36	29.56
Dividend per share (Rs)	147.00 *	124.00	141.00	6.10	6.00	6.00	5.20	5.10	5.22	3.78
Share price - at year end (Rs)	1,514.64	1,739.74	1,524.39	1,236.65	1,009.33	1,506.18	1,575.64	908.22	468.60	373.43
Contribution to national exchequer (Rs in million)	73,754.38	77,620.98	63,067.73	78,287.21	77,045.51	70,409.10	74,298.34	77,328.34	73,242.31	58,599.39
OPERATIONAL										
Balance Reserves and Resources (MMBOE)	682	642	612	568	573	601	612	363	388	415
Hydrocarbons sold (MMBOE)	36.35	36.91	35.87	33.41	33.64	34.02	32.32	30.48	29.21	27.88
Hydrocarbons sold (BOE per day)	99,600	101,109	98,281	91,283	92,159	93,216	88,537	83,279	80,014	76,384
Gas sold (BSCF)	275.21	280.4	269.3	249.6	257.1	257.2	243.8	232.0	224.7	217.3
Liquid sold (Barrels)	387,456	457,101	457,205	383,548	405,055	543,820	554,081	472,413	414,433	175,312
LPG sold (Metric ton)	18	32	54	22	20	-	20	25	362	263

* This includes final dividend of Rs 58 per share for the year ended June 30, 2023 proposed by the Board of Directors for approval of members in the Annual General Meeting.



PATTERN OF SHAREHOLDING

as at June 30, 2023

No. of Shareholders	Shareholding		Total shares held	
1,788	1	to	100	57,952
783	101	to	500	208,105
372	501	to	1,000	280,688
696	1,001	to	5,000	1,495,970
113	5,001	to	10,000	805,550
71	10,001	to	15,000	861,370
34	15,001	to	20,000	589,188
20	20,001	to	25,000	450,541
12	25,001	to	30,000	331,836
12	30,001	to	35,000	382,940
13	35,001	to	40,000	489,597
7	40,001	to	45,000	298,738
13	45,001	to	50,000	623,023
8	50,001	to	55,000	425,407
3	55,001	to	60,000	171,273
4	60,001	to	65,000	247,507
5	65,001	to	70,000	336,850
4	70,001	to	75,000	290,441
2	75,001	to	80,000	155,893
5	80,001	to	85,000	418,318
1	90,001	to	95,000	90,392
2	95,001	to	100,000	195,838
1	100,001	to	105,000	100,583
1	115,001	to	120,000	116,262
2	120,001	to	125,000	245,682
2	125,001	to	130,000	253,530
1	130,001	to	135,000	135,000
1	135,001	to	140,000	137,200
3	140,001	to	145,000	427,064
2	145,001	to	150,000	291,865
1	150,001	to	155,000	154,886
1	155,001	to	160,000	156,053
1	170,001	to	175,000	174,119
1	185,001	to	190,000	187,660
1	195,001	to	200,000	196,488
1	205,001	to	210,000	209,791
2	210,001	to	215,000	423,023
2	225,001	to	230,000	453,081
1	290,001	to	295,000	292,432
2	295,001	to	300,000	592,169
1	315,001	to	320,000	315,196
1	325,001	to	330,000	329,547
2	365,001	to	370,000	737,854
1	410,001	to	415,000	413,782
1	415,001	to	420,000	417,834
1	460,001	to	465,000	463,766
1	520,001	to	525,000	522,256
1	525,001	to	530,000	528,611
1	735,001	to	740,000	736,120
1	770,001	to	775,000	771,000
1	820,001	to	825,000	823,893
2	900,001	to	905,000	904,793
1	1,280,001	to	1,285,000	1,281,818
1	1,360,001	to	1,365,000	1,362,122
1	1,605,001	to	1,610,000	1,609,971
1	2,390,001	to	2,395,000	2,392,609
1	26,455,001	to	26,460,000	26,458,162
1	26,660,001	to	26,665,000	26,662,548
2	52,915,001	to	52,920,000	52,916,313
4,016				133,402,500

Pattern of Shareholding as at June 30, 2023

Categories of Shareholders

Categories of Shareholders	Numbers	Shares Held	Pending Shares *	Total Shares	%Age
Associated Companies, Undertakings and Related Parties					
Oil & Gas Development Company Limited	1	26,458,162	222,338	26,680,500	20.00
Fauji Foundation	1	52,916,325	444,675	53,361,000	40.00
Mutual Funds					
Trustee HBL Energy Fund	1	24,271	-	24,271	0.02
Trustee ABL Stock Fund	1	128,133	-	128,133	0.10
Trustee AKD Index Tracker Fund	1	7,578	52	7,630	0.01
Trustee Al Ameen Islamic Dedicated Equity Fund	1	2,400	-	2,400	0.00
Trustee Al Habib Islamic Stock Fund	1	7,600	-	7,600	0.01
Trustee Al Habib Stock Fund	1	2,900	-	2,900	0.00
Trustee Al Meezan Mutual Fund	1	295,041	1,694	296,735	0.22
Trustee Al Ameen Islamic Asset Allocation Fund	1	24,272	-	24,272	0.02
Trustee Al Ameen Islamic Energy Fund	1	69,694	-	69,694	0.05
Trustee Al Ameen Shariah Stock Fund	1	413,782	-	413,782	0.31
Trustee Alfalah GHP Alpha Fund	1	23,099	-	23,099	0.02
Trustee Alfalah GHP Dedicated Equity Fund	1	1,843	-	1,843	0.00
Trustee Alfalah GHP Islamic Dedicated Equity Fund	1	3,114	-	3,114	0.00
Trustee Alfalah GHP Islamic Stock Fund	1	65,853	-	65,853	0.05
Trustee Alfalah GHP Stock Fund	1	51,468	-	51,468	0.04
Trustee Alfalah GHP Value Fund	1	6,845	65	6,910	0.01
Trustee Alhamra Islamic Stock Fund	1	97,500	-	97,500	0.07
Trustee Allied Finergy Fund	1	14,419	-	14,419	0.01
Trustee APF-Equity Sub Fund	1	20,007	-	20,007	0.01
Trustee APIF - Equity Sub Fund	1	31,535	-	31,535	0.02
Trustee Atlas Islamic Dedicated Stock Fund	1	28,108	-	28,108	0.02
Trustee Atlas Islamic Stock Fund	1	187,660	121	187,781	0.14
Trustee Atlas Stock Market Fund	1	329,547	182	329,729	0.25
Trustee AWT Islamic Stock Fund	1	3,312	-	3,312	0.00
Trustee AWT Stock Fund	1	3,610	-	3,610	0.00
Trustee Faysal Asset Allocation Fund	1	2,785	-	2,785	0.00
Trustee Faysal Islamic Dedicated Equity Fund	1	90,392	-	90,392	0.07
Trustee Faysal Islamic Stock Fund	1	23,349	-	23,349	0.02
Trustee First Capital Mutual Fund	1	12	93	105	0.00
Trustee HBL Stock Fund	1	6,109	-	6,109	0.00
Trustee HBL Investment Fund	1	14,286	-	14,286	0.01
Trustee HBL IPF Equity Sub Fund	1	3,180	169	3,349	0.00
Trustee HBL Islamic Asset Allocation Fund	1	3,349	-	3,349	0.00
Trustee JS Islamic Fund	1	10,958	-	10,958	0.01
Trustee JS Islamic Pension Savings Fund-Equity Account	1	5,625	-	5,625	0.00
Trustee JS Large Cap. Fund	1	11,860	-	11,860	0.01
Trustee JS Pension Savings Fund - Equity Account	1	5,139	-	5,139	0.00
Trustee KSE Meezan Index Fund	1	98,338	398	98,736	0.07
Trustee Lakson Equity Fund	1	84,620	1,222	85,842	0.06
Trustee Lakson Islamic Tactical Fund	1	7,516	-	7,516	0.01
Trustee Lakson Tactical Fund	1	5,968	-	5,968	0.00
Trustee MCB Pakistan Asset Allocation Fund	1	20,000	-	20,000	0.01
Trustee MCB Pakistan Dividend Yield Plan	1	10,800	-	10,800	0.01
Trustee MCB Pakistan Stock Market Fund	1	145,684	-	145,684	0.11
Trustee Meezan Asset Allocation Fund	1	28,329	-	28,329	0.02
Trustee Meezan Balanced Fund	1	66,628	363	66,991	0.05

Categories of Shareholders	Numbers	Shares Held	Pending Shares *	Total Shares	%Age
Trustee Meezan Energy Fund	1	58,448	-	58,448	0.04
Trustee Meezan Islamic Fund	1	1,362,122	10,889	1,373,011	1.03
Trustee NBP Balanced Fund	1	15,404	-	15,404	0.01
Trustee NBP Islamic Energy Fund	1	79,821	-	79,821	0.06
Trustee NBP Islamic Sarmaya Izafa Fund	1	73,249	-	73,249	0.05
Trustee NBP Islamic Stock Fund	1	141,049	-	141,049	0.11
Trustee NBP Sarmaya Izafa Fund	1	21,449	-	21,449	0.02
Trustee NBP Stock Fund	1	417,834	-	417,834	0.31
Trustee Pakistan Capital Market Fund	1	11,000	-	11,000	0.01
Trustee Pak-Qatar Islamic Stock Fund	1	19,403	-	19,403	0.01
Trustee UBL Asset Allocation Fund	1	9,911	-	9,911	0.01
Trustee UBL Dedicated Equity Fund	1	3,795	-	3,795	0.00
Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	24,453	-	24,453	0.02
Trustee UBL Stock Advantage Fund	1	209,791	-	209,791	0.16
Trustee Unit Trust of Pakistan	1	25,260	-	25,260	0.02
Trustee Meezan Dedicated Equity Fund	1	30,171	-	30,171	0.02
Trustee Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund	1	49,821	-	49,821	0.04
Trustee Alhamra Islamic Asset Allocation Fund	1	46,000	-	46,000	0.03
Trustee HBL Islamic Stock Fund	1	6,169	-	6,169	0.00
MC FSL - Trustee JS Growth Fund	1	60,052	-	60,052	0.05
MCBFSL - Trustee ABL Islamic Stock Fund	1	73,060	-	73,060	0.05
MCBFSL Trustee ABL Islamic Dedicated Stock Fund	1	5,516	-	5,516	0.00
Trustee PIML Islamic Equity Fund	1	-	42	42	0.00
Trustee PIML Strategic Multi Asset Fund	1	-	30	30	0.00
Trustee First Crosby Dragon Fund	1	-	24	24	0.00
Trustee JS KSE-30 Index Fund	1	-	9	9	0.00
NIT & ICP					
Investment Corporation of Pakistan	1	4,031	-	4,031	0.00
IDBL (ICP Unit)	1	964	-	964	0.00
Trustee National Investment (Unit) Trust	1	2,392,609	46,268	2,438,877	1.83
Trustee NIT Asset Allocation Fund	1	8,860	-	8,860	0.01
Trustee NIT Islamic Equity Fund	1	123,492	-	123,492	0.09
Trustee NIT-Equity Market Opportunity Fund	1	369,155	5,913	375,068	0.28
Trustee NITIPF Equity Sub - Fund	1	5,488	-	5,488	0.00
Trustee NITPF Equity Sub - Fund	1	1,826	-	1,826	0.00
Banks, Development Financial Institutions and Non-Banking Financial Institutions					
National Development Finance Corp.	1	5,398	-	5,398	0.00
Bank Alfalah Limited	1	368,699	-	368,699	0.28
Habib Bank Limited	1	154,886	-	154,886	0.12
Habib Metropolitan Bank Limited	1	135,000	-	135,000	0.10
MCB Bank Limited	1	146,181	-	146,181	0.11
Meezan Bank Limited	1	212,130	-	212,130	0.16
National Bank of Pakistan	1	904,793	-	904,793	0.68
Samba Bank Limited	1	7,861	-	7,861	0.01
The Bank of Punjab	1	226,984	-	226,984	0.17
Insurance & Takaful Companies					
Adamjee Life Assurance Company Limited	1	51,466	-	51,466	0.04
Adamjee Life Assurance Company Ltd - Amaanat Fund	1	3,700	-	3,700	0.00

Pattern of Shareholding as at June 30, 2023

Categories of Shareholders

Categories of Shareholders	Numbers	Shares Held	Pending Shares*	Total Shares	%Age
Adamjee Life Assurance Company Ltd - IMF	1	226,097	-	226,097	0.17
Alfalah Insurance Company Limited	1	24,798	-	24,798	0.02
Allianz EFU Health Insurance Limited	1	1,290	-	1,290	0.00
Atlas Insurance Limited	1	45,362	-	45,362	0.03
Century Insurance Company Ltd.	1	6,086	-	6,086	0.00
Dawood Family Takaful Limited	1	10,129	-	10,129	0.01
EFU Life Assurance Limited	1	522,256	-	522,256	0.39
GHAf Limited	1	2,000	-	2,000	0.00
IGI General Insurance Limited	1	2,575	-	2,575	0.00
Jubilee General Insurance Company Limited	1	45,000	-	45,000	0.03
Jubilee General Window Takaful Fund-PTF	1	2,000	-	2,000	0.00
Jubilee General Window Takaful Operations	1	1,500	-	1,500	0.00
Jubilee Life Insurance Company Limited	1	1,281,818	-	1,281,818	0.96
State Life Insurance Corp. of Pakistan	1	1,609,971	-	1,609,971	1.21
Dawood Family Takaful Limited	1	5,771	-	5,771	0.00
Modarabas					
B.R.R. Guardian Modaraba	1	16,131	-	16,131	0.01
Pension Funds					
Trustees-ICI Pakistan Mngt Staff Pen.F	1	10,938	-	10,938	0.01
Trustee National Bank of Pakistan Employes Penion Fund	1	463,766	-	463,766	0.35
Pfizer Pakistan DC Pension Fund	1	3,626	-	3,626	0.00
Unilever Pakistan DC Pension Fund (Sub Fund A)	1	8,089	-	8,089	0.01
Unilever Pakistan DC Pension Fund (Sub Fund B)	1	4,843	-	4,843	0.00
Unilever Pension Plan	1	553	-	553	0.00
Wyeth Pakistan DC Pension Fund	1	364	-	364	0.00
Trustee ABL Islamic Pension Fund - Equity Sub Fund	1	4,406	-	4,406	0.00
Trustee ABL Pension Fund - Equity Sub Fund	1	3,897	-	3,897	0.00
Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	297,128	1,573	298,701	0.22
Trustee Al-Habib Islamic Pension Fund- Equity Sub Fund	1	850	-	850	0.00
Trustee Al-Habib Pension Fund-Equity Sub Fund	1	1,100	-	1,100	0.00
Trustee NAFA Islamic Pension Fund Equity Account	1	49,256	-	49,256	0.04
Trustee NAFA Pension Fund Equity Sub- Fund Account	1	19,874	-	19,874	0.01
Engro Corp Ltd Mpt Employees Def Contr Pension Fund	1	1,673	-	1,673	0.00
HPSL Pension Fund	1	2,650	-	2,650	0.00
Indus Motor Company Limited Employees Pension Fund	1	5,100	-	5,100	0.00
Pakistan Refinery Limited Workmen Pension Fund	1	1,250	-	1,250	0.00
Pakistan Refinery Ltd Management Staff Pension Fund	1	11,560	-	11,560	0.01
Roche Pakistan Limited Management Staff Pension Fund	1	2,824	-	2,824	0.00
Trustee Pak Tobacco Co Ltd Staff Def Contri Pen Fd	1	6,872	-	6,872	0.01
Trustee Pak Tobacco Co Ltd Staff Pension Fund	1	47,354	-	47,354	0.04
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	25,415	-	25,415	0.02
Trustee Pakistan Petroleum Non Executive Staff Pension Fund	1	12,000	-	12,000	0.01
Trustee-ANPL Management Staff Pension Fund	1	1,533	-	1,533	0.00
Trustee of Crescent Steel & Allied Products Ltd-Pension Fund	1	724	-	724	0.00
Trustee-Shell Pakistan DC Pension Fund	1	10,597	-	10,597	0.01
Trustee-Shell Pakistan Management Staff Pension Fund	1	9,463	-	9,463	0.01
Trustee-Shell Pakistan Staff Pension Fund	1	263	-	263	0.00
Trustee-The Kot Addu Power Co. Ltd. Employees Pension Fund	1	3,420	-	3,420	0.00
Pakistan Petroleum Executive Staff Pension Fund (DC Shariah)	1	13,640	-	13,640	0.01

Categories of Shareholders	Numbers	Shares Held	Pending Shares *	Total Shares	%Age
Trustee Pak. Petroleum Exec. Staff Pen. Fund DC Conventional	1	2,800	-	2,800	0.00
Pakistan Petroleum Executive Staff Pension Fund-DC Shariah	1	8,655	-	8,655	0.01
Trustee Pak. Petroleum Exec. Staff Pen. Fund DC Conventional	1	3,353	-	3,353	0.00
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	39,104	-	39,104	0.03
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	15,340	-	15,340	0.01
Trustees Nestle Pakistan Limited Employees Pension Fund	1	17,697	-	17,697	0.01
Trustee AGIPF Equity Sub-Fund	1	2,849	-	2,849	0.00
Trustee AGPF Equity Sub-Fund	1	1,421	-	1,421	0.00
Trustee Pakistan Pension Fund - Equity Sub Fund	1	35,700	-	35,700	0.03
Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	1	17,000	-	17,000	0.01
Trustee Faysal Islamic Pension Fund - Equity Sub Fund	1	800	-	800	0.00
Trustee Faysal Pension Fund-Equity Sub Fund	1	1,210	-	1,210	0.00
Local Individuals	3,638	8,644,464	-	8,644,464	6.48
Foreign Individuals	5	20,526	-	20,526	0.02
Others					
- Government of Pakistan	1	26,662,548		26,662,548	19.99
- Federal Board of Revenue	1	54,797		54,797	0.04
- Joint Stock Companies	85	1,334,555		1,334,555	1.00
- Executives	3	3,011		3,011	0.00
- Foreign Companies	16	701,607		701,607	0.53
- Others	115	540,825		540,825	0.41
	4,016	132,666,380	736,120	133,402,500	100
* Public Sector Companies and Corporations					
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Shareholders holdings 5% or more voting interest					
Fauji Foundation		52,916,325	444,675	53,361,000	40.00
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Government of Pakistan		26,662,548	-	26,662,548	19.99
Shares held by Sponsor Shareholders					
Fauji Foundation		52,916,325	444,675	53,361,000	40.00
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Government of Pakistan		26,662,548	-	26,662,548	19.99
Shares held by Directors and Executives					
Directors		1,008	-	1,008	0.00
Executives		3,011	-	3,011	0.00

During the financial year, the trading in shares of the company by the Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children, is as follows;

Name	Dates	Purchase	Sale	"Rate Rs. Per Share**
Mr. Abid Hasan	August 19, 2022	490	-	1,699.05

* Pending shares represent bonus shares withheld by the Company and have not been issued due to pending resolution of issue relating to deduction of withholding income tax on the issuance of bonus shares.

** Average rates

DIRECTORS' REPORT



MPCL Board of Directors

The Directors of Mari Petroleum Company Limited (MPCL) are pleased to submit their Report along with Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Auditors' Report thereon.

EXECUTIVE SUMMARY

Pakistan is facing multitude of serious economic, financial, political and security challenges. During the FY 2022-23, the occurrence of severe and unprecedented flooding exacerbated the situation to a great extent. While the nation has encountered these challenges before, it is probably the first instance where they have all converged at the same time.

However, against all odds, MPCL has showcased its ability through agile decision making and rapid adaptability, resulting in creation of

significant value for its shareholders despite the challenges faced. The FY 2022-23 serve as a remarkable demonstration of Company's strength and resilience, reflected by its unprecedented successes in all areas of its operations.

The Company's transformation program which started in mid-2020, re-focusing on core business, disciplined capital allocation, operational excellence, use of new technologies and major investments in exploration and development projects has paid off and has started to create value for all stakeholders. By the Grace of Allah SWT, the Company has enhanced its production capacity, maintained low operating cost and has been able to grow its resource base and portfolio.

The company has closed the FY 2022-23 with the best ever financial results in its entire

history. The net sales were PKR 145.8 billion. The resulting PAT stood at PKR 56.1 billion (64.7 billion without the super tax @ 10%), translating into an EPS of PKR 420.75 per share.

Key Achievements;

- Robust HSE performance and start of journey towards implementation of ESG framework.
- Enhanced production capacity (highest ever sales of 117k boepd achieved in April 2023).
- Net sales of 36.4 MBOE, despite erratic customers offtake, with SGPC and Swing Volume projects replacing almost all the shortfall.
- Maintaining low operating cost of around 2 US\$/BOE.
- Play opening discovery of Ghazij-1 in the Mari field.

- Achieving a Reserves Replacement Ratio (RRR) of 114% (2P) and increase in the contingent resources of 48% (2C)
- Project sanction for Early Production Facility (EPF) for Shewa-1 discovery in NWD which is under execution with overall progress of over 40%
- Drilling of **Shewa-2 appraisal well** is underway and in case of success it will be connected to the Shewa-1 EPF facilities.
- Drilling of 2nd horizontal well in the Mari field HRL reservoir tested @ 20 MMSCFD.
- Drilling of exploratory well **Maiwand X-1 in Block-28** is also progressing. This is a high profile well and in case of success it could open doors for further exploration opportunities in the block.
- Addition of 5 new blocks in the portfolio for long-term organic growth.
- PKR 73.75 billion contribution to the government exchequer and over USD 3.2 billion foreign exchange savings through LNG import substitution.



Environmental Social and Governance Session - Head Office, Islamabad

- Significant contribution towards communities we operate via our robust and targeted CSR initiatives.

Key Challenges:

Apart from tackling country-specific challenges affecting the overall economy, we have taken proactive measures to address the security challenges in the areas our Company operates extensively. In safeguarding the continuity of our operations in the best interest of the nation, we have witnessed a surge in the costs associated with ensuring security and stability. We are taking certain measures to optimize the cost while ensuring no compromise on security of our staff.

On-balance sheet receivables as at

June 2023, from customers relating to circular debt has crossed PKR 50 billion and could have an impact on our exploration and production activities.

The Company is constantly engaged with the relevant stakeholders to mitigate its exposure towards these challenges enabling it to adjust its plans accordingly.

Future Outlook:

The Company maintains a steadfast commitment to prioritize the growth of its core business, implement a comprehensive ESG framework and pursue diversification opportunities. Through these efforts, the Company plans to actively embrace its role in energy transition journey fostering a long-term and sustainable growth.



SGPC Mari Gas Field, Daharki - Sindh

Directors' Report

The board has approved the Company's Vision 2030 and growth strategy, which has 3 key pillars:

- Strengthen the core business
- Diversifying beyond core areas into mining and clean energy (H2)
- Becoming a national ESG leader

Tribute to Law Enforcement Agencies:

We are immensely grateful for the unwavering dedication and exceptional professionalism displayed by the LEAs in safeguarding our infrastructure, personnel, and operations. Our valiant guardians' commitment to ensuring our security is truly commendable. Their vigilance and preparedness plays a pivotal role in overall stability of the energy sector and the growth of the national economy.

DETAILED REPORT

Health, Safety and Environmental Performance

MPCL accomplished a remarkable milestone of **ZERO Lost Time Injury (LTI)** with exposure of around 17 million man-hours is reflective of our commitment towards HSE. Targets achieved against the set thresholds are tabulated below:

Criteria	Target	Achieved
Fatal Accident Rate (FAR)	0.00	0.00
Lost Time Injury Rate (LTIR)	0.22	0.00
Total Recordable Injury Rate (TRIR)	0.43	0.06
Process Safety Event Rate (PSER) – Tier I	0.12	0.19
Process Safety Event Rate (PSER) – Tier II	0.35	0.00
Motor Vehicle Crash Rate (MVCR)	0.12	0.07

Multiple initiatives were taken to foster a positive HSE culture across the organization. HSE Management System was revamped having 14 key elements. High focus was given on HSE capacity building and skill enhancement of staff. In this respect, **3,080 HSEQ trainings** were imparted with **81,850 Training man-hours**. Emergency and Crisis management was given highest priority, while around **700 HSEQ Crisis & Emergency Drills** were organized for at various Company operated locations during the year.

During the reporting year, ISO surveillance audit was also carried out, accordingly relevant ISO certifications are successfully retained till June 2025.

HYDROCARBON SALES

The hydrocarbon sales for the year are summarized below:

	Year ended June 30				Increase / (decrease) Cumulative
	2023		2022		
	Cumulative	Per day	Cumulative	Per day	
Gas (MMSCF)					
Mari Field	268,117	735	270,452	741	(1%)
Other Fields	7,097	19	9,913	27	(28%)
	275,214	754	280,365	768	(2%)
Crude oil (barrels)					
Mari Field	40,871	112	23,217	64	76%
Other Fields	346,585	950	433,884	1,189	(20%)
	387,456	1,062	457,101	1,252	(15%)
Total Net Sales in BOEs	36.4 million	99,600	36.9 million	101,109	(1%)

The Company has achieved considerable success in increasing its production capacity over the recent past through Sachal Gas Processing Complex (SGPC) and Swing Volume Project. The mostly unchanged sales volume during FY 2022-23 as compared to the last year is not due to any limitation on part of the Company, but mainly a result of the exogenous factors like unusually high

number of unplanned turnarounds and large number of emergency shutdowns, suspension of gas supply to Central Power Generation Company Limited, lower demand by SNGPL, temporary closure of Bolan and Zarghun Fields due to flooding and multiple short-duration production disruptions at Bolan East due to security constraints. All these factors impacted overall hydrocarbon sales volumes negatively, which was largely compensated by enhanced production from SGPC and Swing Volume project. In case SGPC was not online and capability of Swing Volume was not built, the decline in sales volume would have been even larger.

Operations at Mari Field

The Company, even though faced with the challenges as explained above related to customers, successfully managed to maintain sales from the HRL reservoir above the incentive threshold of 577.5 MMSCFD for the greater part of the year, through better production planning and proactive coordination with the customers and by diverting undrawn volumes amongst the customers depending on their individual requirements. The Swing Gas Compressors installed at Central Manifold also aided in this by allowing diversion of undrawn HRL gas volumes to SNGPL. During the year, two additional compressors were installed that enhanced the swing gas capacity to 68 MMSCFD.

With SGPC online, the Company is now also eligible for incentive price for production from Goru B reservoir to the extent of Incremental Volumes over the Benchmark Volumes, while ensuring supply of pipeline quality specification gas to the national grid.

Operations at Other Fields

The Company continued its efforts to sustain optimum production from remotely located smaller fields by implementing efficient production strategies and ensuring effective production management. Production operations at flood stricken Bolan and Zarghun fields were sustained at optimum levels after resumption of production from both fields post-rehabilitation work during the third quarter of the financial year. Despite the complexities posed by the security situation surrounding the Bolan field, which intermittently impacted production operations and necessitated multiple shut-ins for security reasons, the Company's adept planning and unwavering commitment enabled it to maintain production for the maximum period during of the year.

FINANCIAL PERFORMANCE

Description	Year ended June 30		Increase
	2023	2022	
	(Rs. in million)		
Net sales	145,770	95,134	53%
Profit before tax	85,847	52,116	65%
Income tax – excluding super tax	(21,134)	(13,845)	53%
Profit after tax (excluding super tax)	64,713	38,271	70%
Super tax	(8,584)	(5,208)	65%
Net Profit for the Year	56,129	33,063	70%
EPS (Rs. Per Share)	420.75	247.84	70%



Directors' Report

Net sales revenue increased due to higher applicable oil and gas prices and exchange rates. In addition, the sales volumes of SGPC and swing volume played a pivotal role in the revenues generation and resultant bottom line, a portion of which is attributable to the attraction of incentive pricing on the Incremental Volumes over and above the Benchmark Volumes supplied through SGPC.

Profit Appropriation (Year ended June 30, 2023)	(Rs. in Million)
Unappropriated profit brought forward	113,813
Total comprehensive income for the year	56,201
	170,014
Distribution to shareholders:	
Final cash dividend for the year ended June 30, 2022 @ Rs 62.00 per share	(8,271)
Interim cash dividend for the year ended June 30, 2023 @ Rs 89.00 per share	(11,873)
Unappropriated profit carried forward	149,870

EXPLORATION, DEVELOPMENT AND OPERATIONAL ACTIVITIES

Discoveries during the year

In January 2023, MPCL made a landmark gas discovery at Mari Ghazij-1 exploration well drilled in the Mari Field. The well was spud-in on November 24, 2022 and successfully drilled down to the depth of 1,015 meters and the target depth was achieved on December 6, 2022.

The well was tested at 128/64 inch choke size to establish its production potential and it flowed 9.6 MMSCFD of gas with a WHFP of 292 Psi.

This is the first discovery in the Mari Field since 2005 and the first discovery of its kind, targeting limestone units of Ghazij shale formation in Pakistan. Prior to this discovery, Ghazij formation was only considered as a seal rock for major Eocene oil and gas reservoirs in the basin. The idea to test Ghazij formation emerged during the testing of Iqbal-1 well in Mari Field wherein a thin limestone unit in Ghazij formation was perforated and it made minor contribution to the flow rate. Based on those results, limestone units within Ghazij formation were thoroughly studied to ascertain their reservoir potential and deliverability, which were successfully proven through Mari Ghazij-1 discovery.

This discovery is a remarkable success for the Company and demonstrates its relentless efforts towards infrastructure lead exploration. The discovery has also opened-up a new play concept for other E&P Companies undertaking exploration activities in the basin.

Mari Ghazij-1 is currently on Extended Well Testing (EWT). MPCL is appraising the



Zarghun South Gas Field, Balochistan

discovery to prove its extent and in parallel evaluating all possible options for its development.

Drilling Activities during the Year:

Exploratory Wells

In total, 6 exploratory wells were drilled/spudded in both operated and non-operated blocks during FY 2022-23, while 1 exploratory well spudded during June 2021 was concluded in November 2022. Drilling at Maiwand-X-1 (Block-28) and Shewa-2 (Waziristan Block) is in progress and completion of both the wells is expected during the FY 2023-24. Another well Speen-1 (Hanna Block) has been temporarily suspended due to monsoon season and the Company intends to re-enter the well post rainy season subject to availability in the rig schedule.

Further, exploratory wells namely Sundha Thal-1 (Kalchas Block), Shahpurabad-1 (Kohat Block), Tarnol-1 (Margala Block) were drilled and declared dry or non-commercial.

Reserves Replacement and Resources Addition

Considering Reserves replacement and Resource addition as the most important indicator for any E&P Company, all our efforts are directed towards resource addition and reserves replacement while enhancing the current production.

During the year, the proved and probable reserves increased by 42 MMBOE from various fields, which translates into Reserve Replacement Ratio (RRR) of 114%. This increase in reserves primarily includes reserves addition for HRL reservoir owing to surface facilities debottlenecking, horizontal well drilling and sanction of Pressure Enhancement Facilities project and other revisions.

In addition, the Company's net contingent resources also increased by 34 MMBOE during the year which mainly relate to Ghazij Discovery. Overall, these additions resulted in around 48% addition to the contingent resources.

Total reserves and resources as at 30 June 2023 stand at 682 MMBOE.

During the year MPCL also engaged services of external certified Reserves and Resources estimator for independent 3rd party evaluation

of MPCL Operated fields Reserves and Resources. The study concluded that the MPCL total Reserves and Resources are within marginal variance of 2% compared to the 3rd party evaluation.

Geological and Geophysical (G&G) Activities

During the year, MPCL acquired 40 sq. km 3D and 266 Line km 2D seismic data along with 3,275 points of Gravity & Magnetic data. The Company built the capability of G&M surveys by purchasing state of the art Magnetometers and Gravity meters from Scintrex Canada. Seismic operations were well coordinated and managed with Law Enforcement Agencies due to their location in high security sensitive areas of KPK and Balochistan. Moreover, the Company with its in-house capability and third party contractors processed/reprocessed 768 sq. km of 3D and about 960 Line km of 2D seismic data to firm up leads into drillable prospects. Furthermore, different geological & geophysical studies continued to evaluate petroleum system and hydrocarbon prospectivity in various blocks. Seismic acquisition is ongoing in Nareli and Wali West Blocks.

Seismic Data Acquisition - Musakhel Block (PPL Operated) 3rd party business

MPCL's Seismic Crew is conducting third party 2D seismic data acquisition project of Musakhel Block operated by Pakistan Petroleum Limited. So far, 395 line-km out of total volume of 605 line km have been acquired.

Significant Development Projects:

Besides its exploratory efforts and focus on early monetization of new discoveries, MPCL is committed to maximizing production from its producing fields to meet Pakistan's energy requirements from indigenous resources.



Seismic Activities in Waziristan Block, KP

Directors' Report



SGPC - Mari Gas Field, Daharki - Sindh

Sachal Gas Processing Complex (SGPC):

This project, involving commercialization of low BTU gas from Goru-B reservoir in Mari Field has been completed in two phases. Phase-1 was commissioned in March 2022 while Phase-II was completed in December 2022 and overall supply was gradually ramped up to 100 MMSCFD. The supply will be further enhanced after commissioning of an additional Amine Sweetening Unit (ASU).

SGPC is the largest development project undertaken by the Company to-date, involving significant investment and has been executed safely in-line with the best engineering and HSE practices, while overcoming multiple challenges. It is not only helping to develop and optimally exploit deeper reservoirs of Mari Field but has also significantly enhanced the Company's processed gas production capacity to help meet the ever-increasing natural gas demand in the country. Other than increasing indigenous supplies to national grid it is helping to save substantial foreign exchange of over USD 300 million per annum, through LNG import substitution assuming prevailing LNG prices.

EPF at Waziristan Block (Formerly, Bannu West Block):

After finalization of the contractual negotiations with OPI for supply of Early Processing Facility (EPF) that was available in the Country, the contract was signed on April 12, 2023 which will result in a fast track solution with no major exposure to foreign exchange for the Country. The Company is working in close liaison with OPI, Law Enforcement Agencies and other stakeholders to accelerate the installation and start-up of the facility before year end which is

highly dependent on the completion of the SNGPL gas transmission pipeline and availability of a conducive security environment.

Maintenance & Asset Integrity:

After the establishment of the Asset Integrity Management (AIM) policy in line with ISO 55000, the Asset Integrity Management System (AIMS) framework has been developed and the roll out of AIMS for Sachal Gas Processing Complex is in progress. Throughout the year, the main focus has been on conducting proactive on-site health assessments of aging assets for optimize, safe, reliable and sustainable operations. Multiple advanced level non-intrusive inspection and monitoring techniques used to ascertain condition of asset.

Second corporate level asset integrity report has been issued, this report



Zarghun South Gas Field - Balochistan

provides an overview of the major outcomes and outlines our future strategies aimed at continuous improvement in Mari field and other smaller fields.

Well Integrity Management System (WIMS):

The framework has been developed and implemented in well planning, well construction and production operations. Data analysis for defining wells operating envelopes has been completed for all MPCL operated wells. Two corrosion logging campaigns were undertaken on older wells and results were found satisfactory.

Schedule for Wellhead and X-mas tree integrity testing, maintenance and reporting mechanism has been prepared and implemented at fields while monitoring and analysis is in

progress. As part of the well integrity standard, testing of wellhead & X-Mas tree valves has been completed for Zarghun, Bolan and Sujawal fields while it is in progress for remaining satellite fields.

'Well Completion Design Manual' has been developed while 'Well Integrity Manual' and development of 'Well Risk Ranking Manual' is under process.

Mari Revitalization Project:

Building on the focused approach of the last couple of years, the Company made further progress on the Mari Revitalization Project. Several potential opportunities and options were evaluated to improve operating efficiency, enhance production, extend production plateau and maximize ultimate recovery from the existing reservoirs. Following are the

key highlights of the project during 2022-23:

- Drilled and successfully commissioned first-ever horizontal well Mari-122H in the HRL reservoir of the Mari field. Building on that success, the Company completed the subsurface evaluation and planned to drill four more horizontal wells out of which Mari-123H was also drilled and completed. Both wells have a combined potential of up to 40 MMSCFD with significant boost to the system pressure and to sustain plateau production from the HRL reservoir.
- Completed technical evaluation of all SML-SUL Reservoir fields and identified additional development opportunities including development wells and

Directors' Report



Sujawal Gas & Condensate Field, Sujawal Block - Sindh

compression to add/accelerate additional reserves. Completed drilling of Shaheen-3 development well to accelerate production from SML-SUL reservoirs and extend their plateau. The well has been successfully tested up to 6.0 MMSCFD at a WHFP of 290 psig (pre-acid). Further evaluation of the well is in progress.

- Completed 3rd party validation of the in-house evaluation for reserves acceleration by achieving HRL production plateau extension based on various potential opportunities including recompletions, acid stimulations, system de-bottlenecking and Pressure Enhancement Facilities Project. Acid stimulation campaign was successfully initiated on HRL candidate wells to remove skin damage.
- Added a second well in Mari field for produced water disposal.

PORTFOLIO EXPANSION AND DIVERSIFICATION

Expansion

Over the past three years, MPCL has taken a decisive approach, refocusing its efforts on the core business. A key aspect of this strategy has been the aggressive acquisition of new exploration acreages, positioning the

company for future sustainable organic growth. By augmenting our inventory of prospects, we are poised to discover and harness new hydrocarbon resources.

During FY 2022-23, the Company acquired five (05) new exploration blocks. Four of these blocks were awarded by DGPC as a result of competitive bidding during Block Bid Round (October) 2022. Formalities for execution of Petroleum Concession Agreements (PCAs) and grant of exploration licenses have been completed post year end.

Working interests in blocks Bid Round October 2022 are given as below:

Sr. No.	Block	Province	Operator (Working Interest)	JV Partner(s) (Working Interest)
1.	South Pishin	Balochistan	MPCL 37%	PPL 35% OGDCL 28%
2.	Shaigalu	Balochistan	PPL 40%	MPCL 30% OGDCL 30%
3.	Tanishpa	Balochistan	OGDCL 37%	MPCL 28% PPL 35%
4.	Lugai	Balochistan	OGDCL 40%	MPCL 30% PPL 30%

The Company also acquired 44% working interest in Kalchas South Block through a farm-in. UEPL (46% working interest) becomes the Operator, and Dewan Petroleum Ltd retains 10% working interest. Deed of Assignment has also been executed post balance sheet date.

These developments mark a testament to our commitment to organic growth and expansion in the oil and gas sector.

It is pertinent to note that during the last three years, MPCL has added 16 new blocks in its portfolio including one international block in Abu Dhabi, through participation in bidding rounds and farm-in. The company's portfolio now consists of 34 blocks spread over 68,290 sq. km area.

Diversification

In pursuit of a resilient and varied revenue stream while effectively managing risks, our Company remains steadfast in its commitment to diversification and

strategic investments in different sectors. Currently, we are diligently evaluating numerous projects and conducting thorough due diligence to identify the most promising ventures.

MPCL plans to diversify in near core or non-core areas such as renewables, mining, green hydrogen and other investment avenues in the oil and gas sector and is constantly evaluating opportunities in these areas. The Company has also engaged local and international consultants to help in carrying out studies for exploring potential opportunities.

Particularly, our efforts extend to the mining sector, where we are eager to explore and capitalize on available opportunities. As a significant step forward, we have successfully established Mari Mining Company as a wholly-owned subsidiary subsequent to the end of the fiscal year.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mandatory Social Welfare

Obligations: The Company discharged its mandatory social welfare obligations pertaining to different Blocks by depositing the amounts in joint bank accounts maintained with the respective District Coordination Officers. Total deposit for FY 22-23 is in excess of USD 822 K.

Over & Above CSR Activities:

In addition to MPCL's contractual and statutory obligations, the Company has initiated multiple social support and investment programs for the communities living near the operational areas including a comprehensive Flood Relief & Rehabilitation Plan. An amount of Rs 2.05 billion was spent under voluntary obligations. After the discovery of gas in Waziristan



Inauguration Ceremony of Mobile Health Units for Waziristan Block- Head Office

Block, MPCL has formulated a comprehensive CSR Strategy specifically for the development of this area.

Waziristan CSR Strategy: 11 social investment programs were planned and are currently under execution. Following the concept of Triple Bottom Line (People, Planet, Profit), our social investment in Waziristan aims to improve socio-economic conditions of the community, mitigate associated business risks and ensure continuity of the operations. For each intervention, participatory bottom-to-top approach has been followed through grand community dialogue sessions. An all-inclusive CSR plan has positively impacted 35,623 beneficiaries.

Flood Relief and Rehabilitation

Plan: Demonstrating solidarity with the affectees of 2022 floods, MPCL responded instantly to provide relief to the communities in different parts of the country, in coordination with Army Relief Centers and direct engagement with local affectees by mobilizing field teams and resources. In addition to extensive relief efforts, MPCL launched an impactful rehabilitation plan that focused on

renovation/rehabilitation of schools, hospitals and community places. Multiple water filtration and supply schemes have been executed in Balochistan. The most significant initiative is the reconstruction of 45 completely damaged houses in Abegum, Machh District.

INTERNAL CONTROL SYSTEM

The Board of Directors are responsible to ensure that an adequate and effective internal control system is in place in the Company. The Company's management is responsible for designing, establishing and maintaining effective internal controls including controls over financial reporting. The objective of such controls is to ensure reliability and completeness of accounting records and timely preparation of reliable financial and management information. The internal control system also ensures compliance with all applicable laws and regulations, promises optimum utilization of resources and protects the Company's assets and stakeholder's interests.

Directors' Report



The Company has organizational structure and system of documented processes, in the form of Management System Procedures (MSPs) that ensure effective and efficient operations. All major policies are approved by the Board of Directors and are reviewed periodically. The state-of-the-art SAP ERP solution has inbuilt controls including authorization controls, which further enhance the control environment. In addition, the Company has a Whistle Blowing Policy to address fraud and other wrongdoings at workplace, if any.

In compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors of the Company has set up an Internal Audit function, which is headed by Chief Internal Auditor who functionally reports to the Audit Committee of the Board of Directors.

Based on the work performed by the internal and external auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal controls including controls over financial reporting are sound in design and were effectively implemented and monitored during the financial year 2022-23.

ENTERPRISE RISK MANAGEMENT

In pursuing a successful business strategy aimed at sustaining the business and to achieve its objectives, MPCL recognises that there being no activity without any risks, taking calculated risks with mitigations in place is integral to its success. The Company has therefore adopted an enterprise-wide risk management methodology, in line with ISO 31000:2018, to ensure a proactive, adequate and holistic approach to risk management with focus on:

- Developing a link between risk, strategy and business performance;
- Building a stronger control environment;
- Integration of risk management activities within the Company's decision-making processes;
- Complying with all applicable laws and regulations in the applicable jurisdictions; and
- Developing and maintaining a culture of risk awareness, facilitating financial and operational performance and efficiency.

Overall, the Company's Board of Directors are responsible for the

governance of risks at MPCL, determining level of risk appetite and tolerance, and establishing risk management policies and framework. The Board's Audit Committee is responsible for the oversight of risk and is, amongst other things, responsible for ensuring the adequacy, robustness and effectiveness of risk management policies and processes delivered through the risk governance architecture. Within the Company, a dedicated ERM Department centrally coordinates risk management activities, ensures smooth and streamlined adoption of ERM practices across the organisation, and provides risk-related advice, guidance and support to other departments.

Principal Risks and Uncertainties

E&P industry is an inherently high-risk sector wherein nature of risks vary widely ranging from strategic, operational, financial, compliance, regulatory area etc. Principal risks and uncertainties in the recent times have emanated primarily from the challenging security and macro-economic situation of the country.

MPCL is exposed to significant risks to its personnel, assets and timely & efficient execution of the work program owing to presence of its high prospective blocks in security sensitive locations. Comprehensive set of controls have been put in place to ensure safety and integrity of MPCL's personnel and assets in coordination with the LEAs and security agencies.

The challenging macro-economic situation of the Country also affects the Company's business. The potential effects of these challenges range from imposition of new taxes that affect the bottom line to administrative controls on forex flow that indirectly affect our ability to timely procure equipment

and services. MPCL is proactively monitoring these exposures and taking appropriate measures, to mitigate the overall impact.

Furthermore, Oil & Gas being a highly regulated sector, makes MPCL business vulnerable to changes in government regulations and policies. There were no significant changes during the year with respect to petroleum related policies and regulations. However, there is a delay in the notification of sales gas prices for fertilizer sector of Mari field, which is resulting in negative differential margin for the Company. Additionally, due to substantial delays in payment from the public sector owned gas utilities, overdue receivables are increasing which can result in cash flow/liquidity issues and can create challenges for on-going and planned exploration and development activities of the Company.

INDUSTRIAL RELATIONS AND HUMAN RESOURCES

We acknowledge the immense value of cultivating a work environment that encourages zeal and passion. Concurrently, we remain dedicated to fulfilling our social and legal responsibilities, while upholding Health, Safety, and Environment standards at all locations. It is our aim to ensure the provision of a healthy, conducive environment for our employees, thereby fostering overall productivity and harmony.

We continue our commitment to maintain harmonious relations with our staff. With an aim to not only to engage them in successfully meeting organizational goals but also to enhance the economic conditions of our staff.

Various crucial initiatives were launched in order to implement our plan, with the goals of improving



HR - Revitalization Training Session, Head Office - Islamabad



HR - Embrace Agility Session - Islamabad

organizational effectiveness, hiring talent for essential technical and support roles, building a performance-driven culture, competency development, and leadership training. These programs includes:

- The implementation of a dual career ladder and competency development program to further enhance employee growth and professional development.
- The MPCL leadership development framework, aimed at cultivating and maintaining a robust leadership pipeline.
- Process automation to enrich the overall employee experience and promote efficiency.

- Strategic and quality hiring for ongoing projects, ensuring their timely and successful execution.
- The provision of business-driven training and development opportunities to keep our workforce abreast of industry trends and skills.
- A collaborative culture drive, through various team-building events that foster cooperation, ownership, solution driven approach and teamwork.

All our initiatives aim to implement best HR practices with the objectives of enhancing efficiency, maximizing employee retention, and fostering a sense of happiness and engagement among our staff.

Directors' Report



INFORMATION TECHNOLOGY

MPCL is dedicated to driving operational efficiency through adoption of automated IT systems and digital transformation initiatives, which are designed to streamline and take the core business activities to newer heights. The Company uses industry leading software suites for collaborative capabilities, yielding improved geological insights and prospect assessment, in line with data management principles.

As part of its IT Strategy, the Company aims for greater process optimization and has initiated numerous notable projects like paperless office through digital transformation, Enterprise Data Management and Analytics and development of Business Intelligence dashboards to support data-driven decision-making.

MPCL's Disaster Recovery Plan offers a structured response to unforeseen incidents which threaten Company's IT infrastructure, with recovery objectives and priorities defined on basis of business impact analysis and business continuity requirements.

The Company is fully aware of its responsibility towards imparting knowledge to its employees regarding cybersecurity risks and

trends. Regular in-house awareness sessions are conducted, and the Company closely monitors cybersecurity news and trends. In addition, trusted vulnerability assessment and monitoring solutions are used to identify risks and strengthen cybersecurity controls in a timely manner.

CORPORATE GOVERNANCE

Board Structure

MPCL has a proactive Board, comprising directors having an appropriate mix of core competencies and diversity of backgrounds, skills, knowledge and experience. The total number of directors on the Board is fixed at eleven, comprising seven elected directors and four nominee directors (two each representing Government of Pakistan and OGDCL).

Current composition of the Board is as follows:

S.No.	Director	Category
Representing Fauji Foundation		
1.	Mr. Waqar Ahmed Malik	Non-executive director
2.	Dr. Nadeem Inayat	Non-executive director
3.	Maj Gen Ahmad Mahmood Hayat (Retd)	Non-executive director
4.	Mr. Faheem Haider	Executive director
Representing Government of Pakistan		
5.	Capt. (Retd) Muhammad Mahmood*	Non-executive director
6.	Mr. Mohammad Hassan Iqbal	Non-executive director
Representing OGDCL		
7.	Mr. Ahmed Hayat Lak	Non-executive director
8.	Mr. Muhammad Aamir Salim	Non-executive director
Representing General Public		
9.	Mr. Adnan Afridi	Independent, non-executive director
10.	Mr. Abid Niaz Hasan	Independent, non-executive director
11.	Ms. Seema Adil	Independent, non-executive director

* Nomination withdrawn by GoP post year end.

Male Directors: 10

Female Director: 01

Positions of Chairman of the Board and CEO are Held by Two Different Individuals

Mr. Waqar Ahmed Malik is the Chairman of the Board, while Mr. Faheem Haider is the Managing Director/CEO of the Company.

The names of the persons who, at any time during the financial year, were directors of the company

- Mr. Ali Raza Bhutta
- Syed Khalid Siraj Subhani
- Abdul Rasheed Jokhio (Resigned from the Board on July 26, 2023)

Committees of the Board of Directors

MPCL Board has constituted four* committees to assist the Board in its operations and oversight of different functions. These committees thoroughly consider important matters relating to their respective domains and present their recommendations to the Board for consideration and final decision.

Audit Committee:

Audit Committee of the Board currently comprises of the following directors:

Director	Designation
Mr. Abid Niaz Hasan	Chairman (independent, non-executive director)
Dr. Nadeem Inayat	Member
Capt. (Retd) Muhammad Mahmood**	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

** Nomination withdrawn by GoP post year end.

HR and Remuneration Committee

Human Resource and Remuneration Committee of the Board currently comprises of the following directors:

Director	Designation
Mr. Adnan Afridi	Chairman (independent, non-executive director)
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Mohammad Hassan Iqbal	Member
Mr. Ahmed Hayat Lak	Member
Mr. Abid Niaz Hasan	Member

Technical Committee:

Technical Committee of the Board currently comprises of the following directors:

Director	Designation
Maj Gen Ahmad Mahmood Hayat (Retd)	Chairman
Mr. Mohammad Hassan Iqbal	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

Investment Committee

Investment Committee of the Board currently comprises of the following directors:

Director	Designation
Dr. Nadeem Inayat	Chairman
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

* The Board constituted ESG Committee on August 08, 2023.



Annual Evaluation of the Performance of the Board, Board's Committees and Individual Directors

For an objective and independent evaluation of the performance of the Board, its Committees and Individual Directors, MPCL Board has decided to hire the services of Pakistan Institute of Corporate Governance (PICG) to carry out the evaluation for the FY 2022-23.

PICG is a premier governance institute in Pakistan, promoting good corporate governance practices and is involved in training and education, undertaking research, publishing guidelines and other resource material.

PICG has also developed a specialized mechanism for conducting the board evaluation, which provides an independent assessment of the strengths and capabilities of the board, its committees and individual directors. PICG's online assessments are customized and delivered in collaboration with The Corporate L.I.F.E.™ Centre International Inc. PICG assessment enables boards to pay attention to high impact, low performance areas and develop solutions that support management to achieve the desired strategic objectives.

After completion of the evaluation, PICG will submit the evaluation report

Directors' Report

to the Board's HR&R Committee, which will present the report along with its recommendations to the Board.

Directors' Remuneration Policy

In compliance with Clause 16 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal Directors' Remuneration Policy is in place. Salient features of the policy are as under:

Executive Director:

The Managing Director/CEO is the only executive director on the Board. He is entitled to salary and other benefits as per his employment contract approved by the Board and in line with the Company Policies. No fee is paid to the Managing Director to attend Board, Board committees and general meetings.

Non-Executive and Independent Director's Remuneration:

In line with Company's Articles of Association and regulatory requirements, every non-executive director including independent directors is entitled to remuneration for attending Board and Committees meetings as decided by the Board. The current fee for Directors as approved by the Board during its 203rd meeting held on October 21, 2022 as follows:

Chairman	Rs 600,000 for attending Board meetings
Directors	Rs 400,000 for attending Board and Committee meetings

When on Company's business, all directors are also entitled to travel related allowances as per applicable policy of the Company.

No fee is paid to the non-executive directors for attending general meetings of the Company. Further, they are also not entitled to receive any bonuses and post-retirement benefits.

There is no stock option scheme in place for any category of the directors.

Details of remuneration paid to executive and non-executive directors during the year are given in Note 37 of the attached financial statements.

Pattern of shareholding

A statement showing the pattern of shareholding as at June 30, 2023 is provided in this report.

CODE OF CORPORATE GOVERNANCE

The Company proactively undertakes to achieve full compliance with *the Listed Companies (Code of Corporate Governance) Regulations, 2019*, issued by the SECP. The statement of compliance is reviewed by the statutory auditors and their review report to the members is included in the annual report every year.

Directors' Compliance Statement

The Directors of the Company hereby confirm the following:

a) These financial statements have been prepared in accordance with the following accounting and reporting standards:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) The financial statements present fairly the Company's state of affairs,



Green On Wheels - Environmental Initiatives



- the result of its operations, cash flows and changes in equity.
- c) Proper books of accounts of the Company have been maintained.
- d) There are no significant doubts regarding the Company's ability to continue as going concern.
- e) Appropriate accounting policies have been consistently applied in preparation of the financial statements, except for any changes as detailed in financial statements, and all accounting estimates are based on a reasonable and prudent judgment.
- f) Directors are responsible and have adequately ensured that the system of internal controls including financial controls is sound in design and has been effectively implemented and monitored.
- g) All related party transactions were reviewed by the Audit Committee prior to approval by the Board.
- h) There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- i) Key operating and financial data of the last ten years is provided in the Annual Report.
- j) Value of investments including bank deposits and accrued income of various funds as at June 30, 2022, based on their respective audited accounts, is as under:
- | | |
|------------------------------------|------------------|
| Contributory provident fund | Rs 1,539 million |
| Management staff gratuity fund | Rs 2,911 million |
| Non-management staff gratuity fund | Rs 1,106 million |
- k) Information regarding outstanding taxes and levies is disclosed in the notes to the financial statements.

DIVIDEND

During the year, the Company paid final cash dividend of Rs 62 per share (620%) for the year ended June 30, 2022, and also paid an interim cash dividend for the year ended June 30, 2023 of Rs 89 per share (890%).

Further, the Board of Directors in its meeting held on August 08, 2023 has proposed final cash dividend for the year ended June 30, 2023 of Rs 58 per share (580%), for approval of the shareholders in the upcoming Annual General Meeting (AGM).

FUTURE OUTLOOK OF THE COMPANY

Core Business

The Company is steadily expanding its operations and building its human, technical, financial and social capitals to fuel and sustain its future growth trajectory. The Company is endeavoring to optimize its production from its existing fields, especially the mother field Mari and accelerate its exploration activities in both local as well as international blocks.

Mari Field has been the major source of the Company's production and revenues since inception and is expected to keep making a substantial

Directors' Report

contribution in the coming years. Therefore, a significant portion of the Company's efforts and resources including drilling of wells and production optimization efforts are focused on Mari Field.

Early production from Shewa discovery is also a key priority and subject to completion of the EPF facilities and SNGPL pipeline new production could be added before end of 2023.

Likewise appraisal of newly discovered reservoir in Waziristan Block and Ghazij formation in Mari D&PL area would be the other two priority projects along with drilling activities in other prospective blocks.

The Company will also carry out exploration activities in current and prospective blocks on priority with an aim to discover more hydrocarbon resources, which can be brought on stream quickly by utilizing existing infrastructure. In total, five exploratory and five appraisal wells

are planned to be spud-in during FY 2023-24 in various operated and non-operated blocks. Moreover, various 2D and 3D seismic data acquisition projects are also planned in operated and non-operated blocks to evaluate their hydrocarbon potential that will lead to identification of prospects.

In addition to the above, the Company is actively evaluating multiple reserves acceleration and plateau extension opportunities for Mari Field reservoirs under Mari Revitalization initiative to optimize their depletion strategies. In this respect, different in-house studies have been completed and execution of the identified opportunities to maintain/extend the optimum production levels of those reservoirs is underway.

The Company is required to supply gas from Mari Field to its fertilizer customers at natural flowing pressure at point of delivery (POD), which is undergoing a natural decline. MPCL is working jointly with its fertilizer



3D Seismic, Ziarat Block - Balochistan

customers, to manage the declining pressure and to extend plateau production. The PEF (Pressure Enhancement Facilities) project at Mari Field involves debottlenecking of surface pipeline infrastructure and installation of compression facility at various nodes for which execution activities have started.

Exploration Portfolio Management:

After implementing the exploration portfolio management strategy, the Company has ranked its exploration portfolio and has prioritized various Prospects and Leads for drilling during 2023-26 ensuring a robust risk-reward matrix, based on which drilling and seismic plans have been developed for optimum utilization of available resources including funds, by targeting high grade exploration wells to ensure robust capital discipline and resource addition.

In order to supplement its growth trajectory, enhancing exploration portfolio by adding new blocks has been the key focus of the management. These E.Ls, which are spread across all basins will give the Company much needed flexibility to optimize its exploration program in line with its growth strategy.



CMF-II, Mari Gas Field (Mari Deep), Daharki - Sindh



Exploration Activity, Block-28 - Balochistan



MD's visit to SGPC, Mari Field, Daharki - Sindh

EXTERNAL AUDITORS

The present statutory auditors, M/s A.F. Ferguson & Co., Chartered Accountants, will retire at the conclusion of the upcoming AGM. Being eligible, they have offered themselves for re-appointment as statutory auditors of the Company for the FY 2023-24.

The Audit Committee in its meeting held on July 25, 2023, considered the appointment of the auditors and recommended M/s A.F. Ferguson & Co., Chartered Accountants as statutory auditors of the Company for FY 2023-24. The recommendation of the Audit Committee was endorsed by the Board of Directors in its meeting held on August 08, 2023, and the matter will now be tabled at the upcoming AGM for approval of the shareholders.

ACKNOWLEDGEMENT

The Board of Directors would like to commend all employees of the Company for their dedication and commitment to deliver on various significant projects along with outstanding financial results.

The Board also wishes to express its appreciation for the continued assistance and cooperation

received from Federal and Provincial Governments, Local Administrations, various departments of Federal Government especially the Ministry of Energy (Petroleum Division), Ministry of Finance, OGRA, DGs of (Petroleum Concessions, Oil and Gas), Fauji Foundation, OGDCL, FBR, Law Enforcement Agencies, its suppliers, JV partners, and other stakeholders.

For and on behalf of the Board

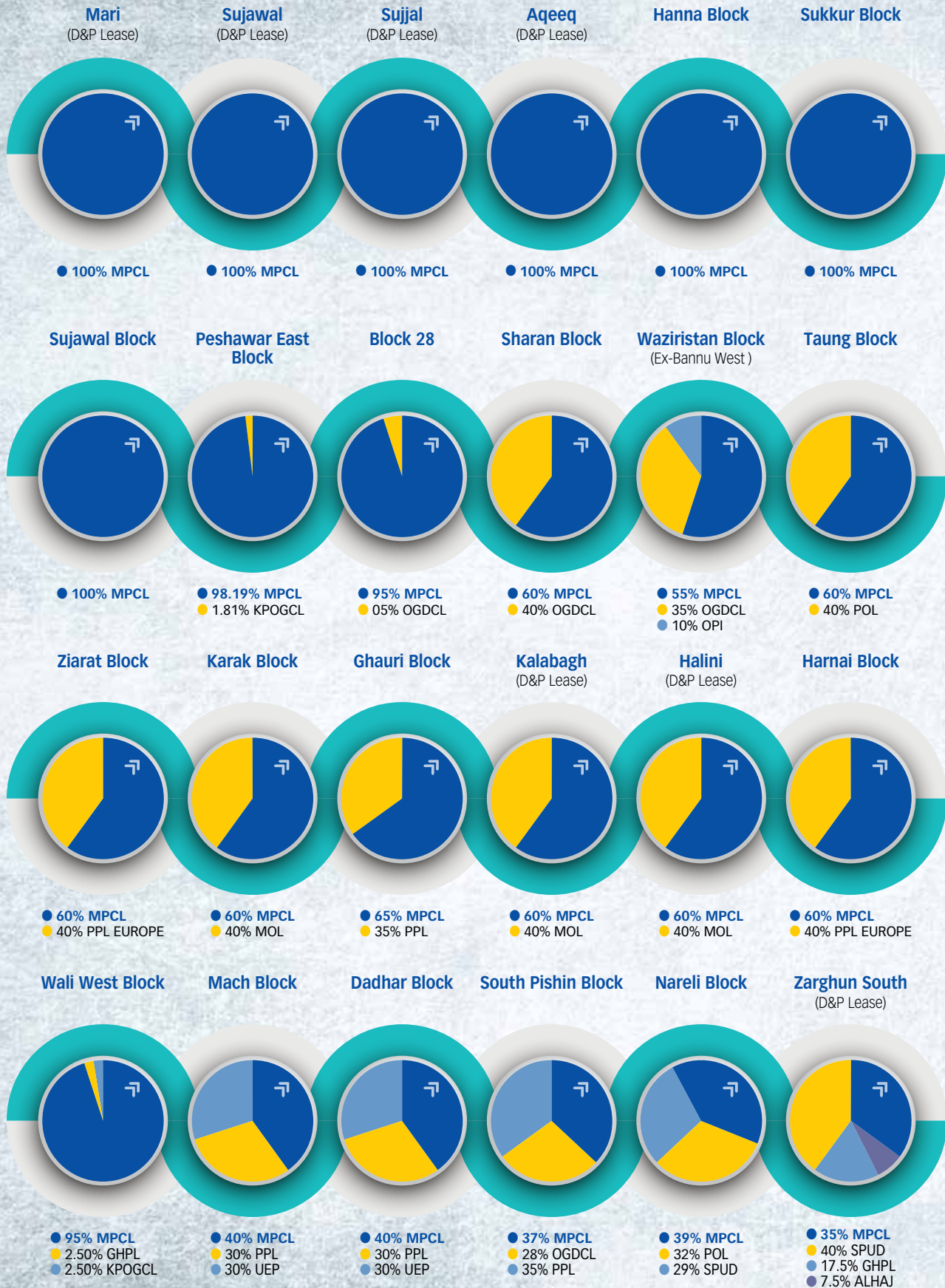
Faheem Haider
Chief Executive Officer

Islamabad
August 08, 2023

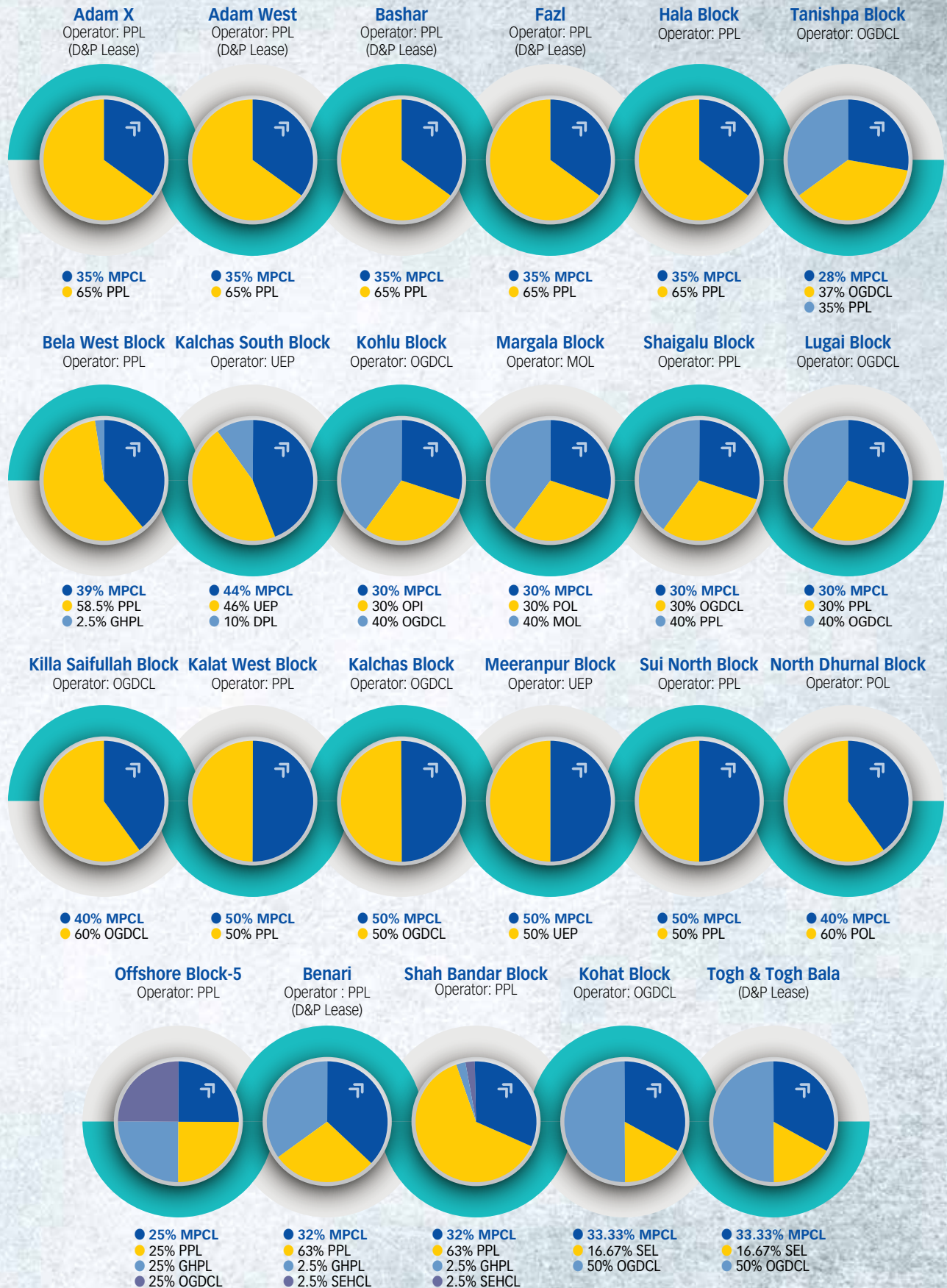
Waqar Ahmed Malik (SI)
Chairman

MPCL'S OPERATED BLOCKS

and Development & Production (D&P) Leases

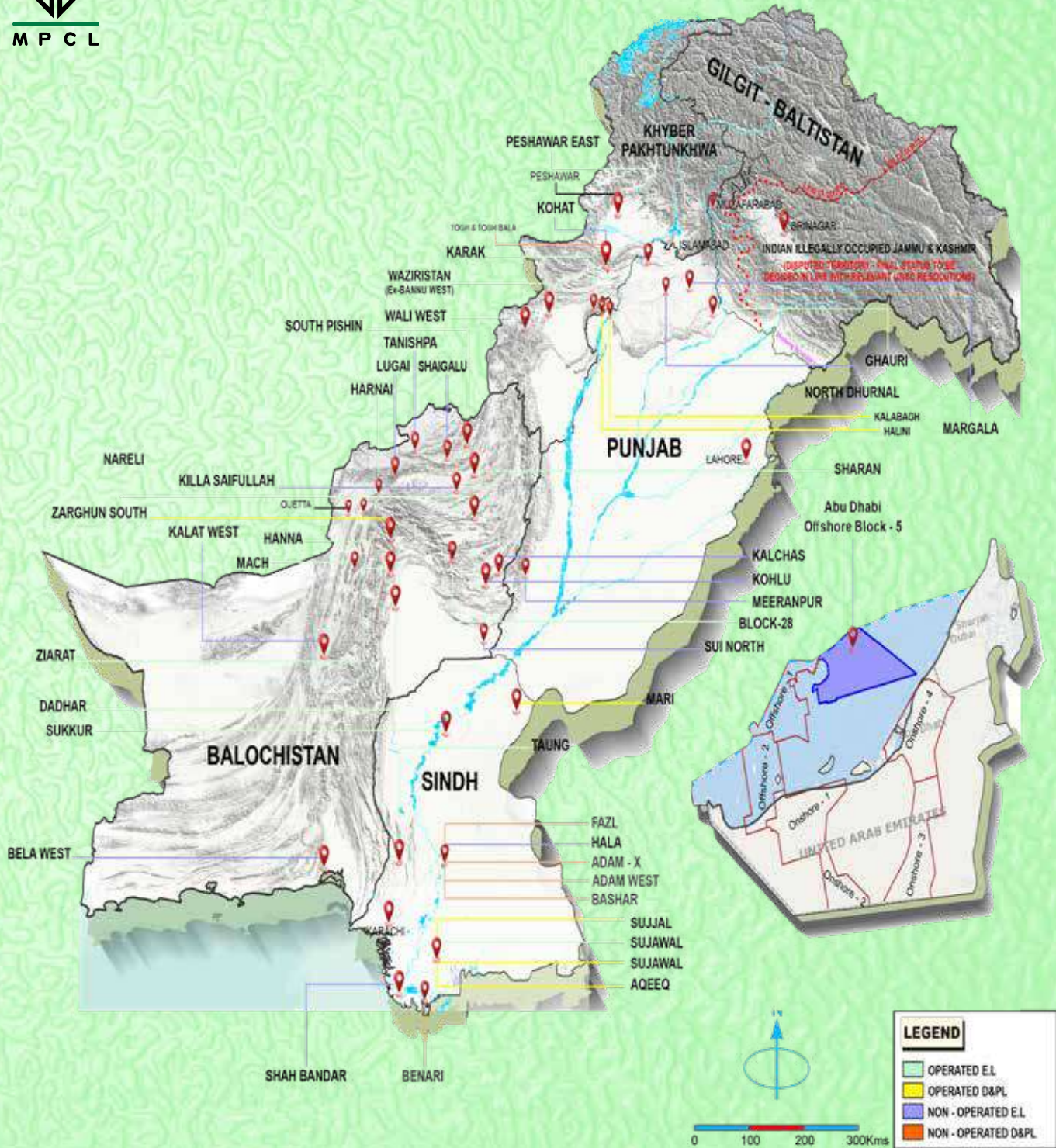


MPCL'S NON-OPERATED BLOCKS and D&P Leases



GEOGRAPHICAL PRESENCE

Mpcl Concessions and Working Interest





A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE MEMBERS OF MARI PETROLEUM COMPANY LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mari Petroleum Company Limited, (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Chartered Accountants
Islamabad
Date: August 29, 2023

UDIN: CR202310050s34zLjrYv

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924, 2206473; < www.pwc.com/pk>*

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

MARI PETROLEUM COMPANY LIMITED

For the year ended June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors is eleven as per the following detail:
 - a. Male: 10
 - b. Female: 01
2. The composition of the Board is as follows:

As at June 30, 2023:

Category	Names
Independent Directors* (Excluding Female Director)	Mr. Adnan Afridi
	Mr. Abid Niaz Hasan
Executive Director	Mr. Faheem Haider
Non-executive Directors	Mr. Waqar Ahmed Malik
	Dr. Nadeem Inayat
	Maj. Gen Ahmad Mahmood Hayat (Retd)
	Capt. (Retd) Muhammad Mahmood
	Mr. Abdul Rasheed Jokhio
	Mr. Ahmed Hayat Lak
	Mr. Muhammad Aamir Salim
Female Director (Independent Director)	Ms. Seema Adil

**The Company has elected three (03) independent directors, while the fraction of 0.67 was not rounded up as one. The Participation and Shareholders Agreement (PSA) among the principal shareholders and the Articles of Association (AoA) of the Company require that the representation on the Board shall be proportionate to, as closely as possible, the shareholding of the sponsors. Currently, four (04) out of total eleven (11) directors are nominees of the Government of Pakistan and OGDCL and Fauji Foundation has four (4) directors.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including MPCL;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and the decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;



8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and the Regulations;
9. The following Directors were certified under SECP approved Directors' Training Program as at June 30, 2023:

S#	Directors
1.	Mr. Waqar Ahmed Malik
2.	Dr. Nadeem Inayat
3.	Maj Gen Ahmad Mahmood Hayat (Retd)
4.	Mr. Faheem Haider
5.	Mr. Abdul Rasheed Jokhio
6.	Mr. Ahmed Hayat Lak
7.	Mr. Adnan Afridi
8.	Mr. Abid Niaz Hasan
9.	Ms. Seema Adil

The Director's Training Program for two newly appointed directors will be arranged in due course.

Two Director's Training Program from SECP approved institution were arranged during the year, which were attended by the following:

Directors:

Ms. Seema Adil – Independent, Non-Executive Director

Executives:

Mr. Abdul Rauf Khan – Director (Exploration)

Mr. Sajjad Akhtar – Chief Internal Audit

Mr. Muhammad Sajjad – Acting Company Secretary

Ms. Aisha Zia – HR Business Partner (Technical)

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations;



Statement of Compliance with the Code of Corporate Governance

11. Chief financial officer and the chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following committees* comprising of the members as given below:

a) **Audit Committee**

Director	Designation
Mr. Abid Niaz Hasan	Chairman (independent director)
Dr. Nadeem Inayat	Member
Capt. (Retd) Muhammad Mahmood	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

b) **HR and Remuneration Committee**

Director	Designation
Mr. Adnan Afridi	Chairman (independent director)
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Abdul Rasheed Jokhio	Member
Mr. Ahmed Hayat Lak	Member
Mr. Abid Niaz Hasan	Member

c) **Technical Committee:**

Director	Designation
Maj Gen Ahmad Mahmood Hayat (Retd)	Chairman
Mr. Abdul Rasheed Jokhio	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

d) **Investment Committee**

Director	Designation
Dr. Nadeem Inayat	Chairman
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

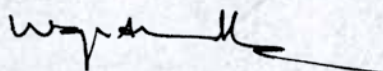
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of the meetings of committees was as given below:

Committee	Frequency of meeting
1. Audit Committee:	At least quarterly/required basis
2. HR and Remuneration Committee:	At least once a year/ required basis
3. Technical Committee:	Required basis
4. Investment Committee:	Required basis

* The Board constituted ESG Committee on August 08, 2023.

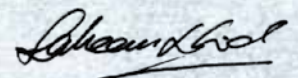
15. The Board has set-up an effective internal audit function staffed with personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or any director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanations pertaining to Regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No	Requirement	Explanation	Reg. No.
i.	Constitution of Nomination Committee	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary.	29
ii.	Constitution of Risk Management Committee	The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its ToRs. Hence a separate Risk Management Committee is currently not needed.	30



Waqar Ahmed Malik (SI)
Chairman

August 08, 2023



Faheem Haider
Chief Executive Officer



Seismic Activities at Taung Block, Sindh

FINANCIAL STATEMENTS

for the year ended June 30, 2023

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- Statement of Cash Flows 211
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INDEPENDENT AUDITOR'S REPORT**To the members of Mari Petroleum Company Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of Mari Petroleum Company Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

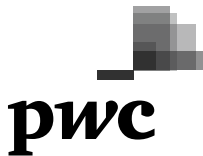
A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
 74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O.Box 3021, Islamabad-44000, Pakistan
 Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924, 2206473; < www.pwc.com/pk>



Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Recognition of Revenue <i>(Refer note 3.12 and 23 to the financial statements)</i> <p>The Company is engaged in the production and sale of oil and gas resources.</p> <p>The Company recognized net revenue during the year from the sales of natural gas, crude oil and Liquefied Petroleum Gas (LPG) amounting to Rs 139,951 million, Rs 5,816 million and Rs 3 million respectively.</p> <p>Revenue is recognized when the Company satisfies a performance obligation by transferring of promised product to a customer. The Company principally satisfies its performance obligation at a point in time and recognizes as revenue the amount of transaction price that is allocated to the performance obligation.</p> <p>We considered this as a key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products; • Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers; • Checked notifications of Oil and Gas Regulatory Authority for gas prices. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / term sheets; • Assessed sales transactions on either side of the statement of financial position date to assess whether they are recorded in relevant accounting period; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; • Tested journal entries related to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of related disclosures made in the financial statements.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

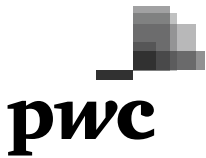
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is M. Imtiaz Aslam.

A handwritten signature in black ink, appearing to read 'M. Imtiaz Aslam', written over a light blue horizontal line.

Chartered Accountants
Islamabad
Date: August 29, 2023

UDIN: AR202310050br2qNewRP

STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	2023 (Rupees in thousand)	2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	4	1,334,025	1,334,025
Other reserves	5	17,222,067	15,711,988
Unappropriated profit		149,870,248	113,812,754
TOTAL EQUITY		168,426,340	130,858,767
NON CURRENT LIABILITIES			
Long term financing	6	672,381	724,126
Deferred liabilities	7	22,862,894	15,544,293
		23,535,275	16,268,419
CURRENT LIABILITIES			
Trade and other payables	8	33,506,735	23,299,450
Current maturity of long term financing		121,007	27,981
Unclaimed dividend	9	417,235	265,992
Provision for income tax		28,590,205	14,419,416
		62,635,182	38,012,839
TOTAL LIABILITIES		86,170,457	54,281,258
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		254,596,797	185,140,025

The annexed notes 1 to 41 form an integral part of these financial statements.




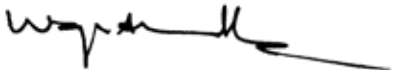
Nabeel Rasheed
Chief Financial Officer



Faheem Haider
Managing Director / CEO

	Note	2023 (Rupees in thousand)	2022
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	11	81,736,169	60,441,427
Development and production assets	12	24,992,278	17,733,482
Exploration and evaluation assets	13	15,958,410	14,538,766
Long term investments	14	5,724,782	3,185,145
Long term loans and advances	15	49,080	43,969
Long term deposits and prepayments	16	99,003	124,756
Deferred income tax asset	17	2,241,814	3,057,644
		130,801,536	99,125,189
CURRENT ASSETS			
Stores and spares	18	6,989,735	3,424,159
Trade debts	19	61,676,104	32,359,298
Short term loans and advances	20	9,879,116	7,792,601
Short term prepayments		235,905	135,672
Other receivables		2,649,332	676,270
Current portion of long term investments		1,041,068	41,068
Short term investments	21	9,197,048	4,995,065
Interest accrued		423,315	29,853
Cash and bank balances	22	31,703,638	36,496,060
		123,795,261	85,950,046
Assets classified as held for sale	14	-	64,790
TOTAL ASSETS		254,596,797	185,140,025


Abid Hasan
 Director


Waqar Ahmed Malik (SI)
 Chairman

STATEMENT OF PROFIT OR LOSS

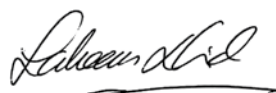
for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
Gross sales		163,156,446	108,969,625
General sales tax		(15,370,458)	(11,788,450)
Excise duty		(2,016,081)	(2,046,698)
		(17,386,539)	(13,835,148)
Net sales	23	145,769,907	95,134,477
Royalty		(17,548,455)	(11,999,913)
Operating and administrative expenses	24	(27,111,724)	(17,402,533)
Exploration and prospecting expenditure	25	(16,016,913)	(10,931,573)
Finance cost	26	(1,774,826)	(979,809)
Other charges	27	(5,793,579)	(3,622,588)
		(68,245,497)	(44,936,416)
		77,524,410	50,198,061
Other (expenses) / income	28	(362,655)	48,235
Finance income	29	9,075,445	4,483,085
Share of loss in associate	14.1	(390,022)	(2,613,070)
Profit before taxation		85,847,178	52,116,311
Provision for income tax	30	(29,718,467)	(19,053,300)
Profit for the year		56,128,711	33,063,011
Earnings per share - basic and diluted			
Earnings per ordinary share (Rupees)	31	420.75	247.84

The annexed notes 1 to 41 form an integral part of these financial statements.



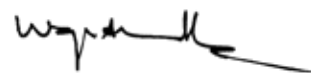
Nabeel Rasheed
Chief Financial Officer



Faheem Haider
Managing Director / CEO



Abid Hasan
Director



Waqar Ahmed Malik (SI)
Chairman

STATEMENT OF COMPREHENSIVE INCOME

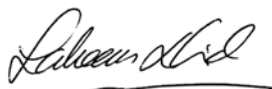
for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
Profit for the year		56,128,711	33,063,011
Other comprehensive income:			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement gains of defined benefit plans	33	191,108	23,761
Income tax effect related to remeasurement of defined benefit plans			
- Current tax (charge) / credit		(127,603)	2,851
- Deferred tax credit / (charge)		9,056	(10,265)
		72,561	16,347
Items that will be subsequently reclassified to statement of profit or loss:			
Effect of translation of investment in a foreign associated company	14.1	1,510,079	521,987
Other comprehensive income for the year		1,582,640	538,334
Total comprehensive income for the year		57,711,351	33,601,345

The annexed notes 1 to 41 form an integral part of these financial statements.



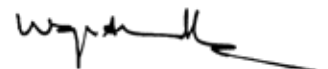
Nabeel Rasheed
Chief Financial Officer



Faheem Haider
Managing Director / CEO



Abid Hasan
Director



Waqar Ahmed Malik (SI)
Chairman

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2023

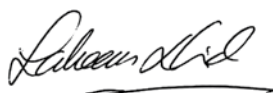
	Share capital	Other Reserves			Unappropriated profit	Total
		Capital redemption reserve fund	Self insurance reserve	Foreign currency translation reserve		
(Rupees in thousand)						
Balance as at July 01, 2021	1,334,025	10,590,001	4,600,000	-	99,009,539	115,533,565
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	33,063,011	33,063,011
Other comprehensive income	-	-	-	521,987	16,347	538,334
	-	-	-	521,987	33,079,358	33,601,345
Final cash dividend for the year ended						
June 30, 2021 @ Rs 75.00 per share *	-	-	-	-	(10,005,188)	(10,005,188)
Interim cash dividend for the year ended						
June 30, 2022 @ Rs 62.00 per share *	-	-	-	-	(8,270,955)	(8,270,955)
Balance as at June 30, 2022	1,334,025	10,590,001	4,600,000	521,987	113,812,754	130,858,767
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	56,128,711	56,128,711
Other comprehensive income	-	-	-	1,510,079	72,561	1,582,640
	-	-	-	1,510,079	56,201,272	57,711,351
Final cash dividend for the year ended						
June 30, 2022 @ Rs 62.00 per share *	-	-	-	-	(8,270,955)	(8,270,955)
Interim cash dividend for the year ended						
June 30, 2023 @ Rs 89.00 per share *	-	-	-	-	(11,872,823)	(11,872,823)
Balance as at June 30, 2023	1,334,025	10,590,001	4,600,000	2,032,066	149,870,248	168,426,340

* Distribution to owners - recorded directly in equity

The annexed notes 1 to 41 form an integral part of these financial statements.



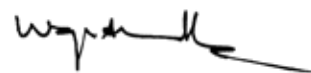
Nabeel Rasheed
Chief Financial Officer



Faheem Haider
Managing Director / CEO



Abid Hasan
Director



Waqar Ahmed Malik (SI)
Chairman

STATEMENT OF CASH FLOWS

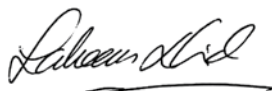
for the year ended June 30, 2023

Note	2023 (Rupees in thousand)	2022
Cash flows from operating activities		
Cash receipts from customers	142,024,429	136,602,088
Cash paid to the Government for Government levies	(52,853,714)	(62,501,082)
Cash paid to suppliers, employees and others	(18,124,977)	(12,906,173)
Income tax paid	(14,850,395)	(11,794,789)
Cash generated from operating activities	56,195,343	49,400,044
Cash flows from investing activities		
Property, plant and equipment	(23,644,159)	(24,772,074)
Development and production assets	(6,514,086)	(1,986,030)
Exploration and evaluation assets	(12,087,624)	(12,699,851)
Proceeds from disposal of property, plant and equipment	16,766	15,248
Investment in associate	(2,225,000)	(4,180,000)
Proceeds from divestment in associate	64,790	-
Investment in Term Finance Certificates	(200,000)	-
Dividend from mutual funds	1,397,036	498,468
Interest received	2,734,403	2,112,086
Cash utilized in investing activities	(40,457,874)	(41,012,153)
Cash flows from financing activities		
Proceeds from long term financing	-	1,000,000
Redemption of preference shares	(7,066)	-
Finance cost paid	(39,837)	(16,964)
Dividend paid	(19,992,535)	(18,129,026)
Cash utilized in financing activities	(20,039,438)	(17,145,990)
Decrease in cash and cash equivalents	(4,301,969)	(8,758,099)
Cash and cash equivalents at beginning of year	41,491,125	48,605,381
Effect of exchange rate changes	3,711,530	1,643,843
Cash and cash equivalents at end of year	32 40,900,686	41,491,125

The annexed notes 1 to 41 form an integral part of these financial statements.



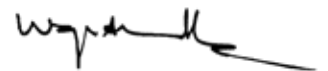
Nabeel Rasheed
Chief Financial Officer



Faheem Haider
Managing Director / CEO



Abid Hasan
Director



Waqar Ahmed Malik (SI)
Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

1. LEGAL STATUS AND OPERATIONS

1.1 Mari Petroleum Company Limited ("the Company") is a public limited company incorporated in Pakistan on December 4, 1984 under the repealed Companies Ordinance, 1984 (replaced by the Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange Limited. 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.

1.2 Geographical location of blocks/fields is as under:

Block/Fields	Location
Mari Field, Sujawal block, Sukkur block, Taung block, Hala block, Shah Bandar block and Khetwaro block	Sindh
Zarghun South Field, Kohlu block, Ziarat block, Harnai block, Block 28, Bela West block, Killa Saifullah block, Nareli block, Sharan block, Hanna block, Dadhar block, Mach block, Kalat West block and Sui North block	Balochistan
Waziristan block, Kohat block and Wali West block	Khyber Pakhtunkhwa (KPK)
Ghuri block and North Dhurnal block	Punjab
Karak block, Peshawar East block and Zindan block	KPK and Punjab
Kalchas block and Meeranpur block	Balochistan and Punjab
Margala block	Islamabad

The Company's largest field is Mari Field which is located at Daharki, District Ghotki, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees (Rupees), which is the functional currency of the Company. All figures are rounded off to the nearest thousands of Rupees.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are

believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements which are significant to these financial statements:

a) Estimation of oil and gas reserves - note 3.8 and note 12

Oil and gas commercial reserves are an important element in calculation of amortization charge and for impairment testing of development and production assets of the Company. Reserve estimates involve some degree of uncertainty, require the application of judgement and are subject to future revision. Reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. All reserve estimates are subject to revision, either upward or downward, based on new information, such as from development, drilling and production activities or from changes in economic factors, including contract terms or development plans.

b) Exploration and evaluation expenditure - note 3.7 and note 13

The Company's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of commercial reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalized amount is charged to the statement of profit or loss in the period when such judgement is made.

c) Development and production expenditure - note 3.8 and note 12

Development and production activities commence after project sanctioning by the appropriate approving authority. Judgement is applied by the management in determining whether a project is economically viable before obtaining project sanction approval. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgement is made that a development and production asset is impaired, the appropriate amount is charged to the statement of profit or loss in the period when such judgement is made.

d) Provision for decommissioning cost - note 3.3 and note 7.1

Provision is recognized for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to changes. Estimates of the amounts of provision are based on current legal and constructive requirements, technology and price levels. Provision is based on best current estimates, however, because actual outflows may differ from estimates due to

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provision is reviewed periodically and adjusted to take account of significant changes.

e) Property, plant and equipment - note 3.5 and note 11

The Company reviews the appropriateness of useful lives, method of depreciation and residual values of property, plant and equipment at each reporting date. Any change in the estimates may affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, if any.

f) Employee benefits - note 3.4 and note 33

Certain actuarial assumptions have been adopted as disclosed in note 33 to the financial statements for determination of present value of defined benefit obligations and fair value of plan assets.

g) Income taxes - note 3.1, note 17 and note 30

In making the estimates of income taxes currently payable by the Company, the management takes into account the income tax law applicable to the Company and guidance based on the decisions of appellate authorities in the past. This involves judgement on the future tax treatment of certain transactions. Deferred tax is recognized based on the expectation of the tax treatment of these transactions.

h) Measurement of the expected credit loss allowance - note 3.16 and note 34

The measurement of the Expected Credit Loss ("ECL") allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of counter parties defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include various formulas and choice of inputs, macroeconomic scenarios and economic inputs alongwith their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs).

As referred in note 2.6 to these financial statements, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due from the Government of Pakistan (GoP). Accordingly, the Company reviews the recoverability of its financial assets that are due directly/ ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

i) Stores and spares - note 3.10 and note 18

The Company reviews the stores and spares for possible impairment on a periodic basis, which may affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

j) Contingencies - note 3.20 and note 10

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

k) Joint arrangements - note 3.15

The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint

operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

2.5 New and amended standards and interpretations

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2022. However, these amendments do not have any significant impact on the Company's financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

- Amendment to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after January 1, 2024). The amendments provide more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.
- Amendment to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants (effective for annual reporting periods beginning on or after January 1, 2024). The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' (effective for annual reporting periods beginning on or after January 1, 2023). The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements (effective for annual reporting periods beginning on or after January 1, 2024). The amendments introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates (effective for annual reporting periods beginning on or after January 1, 2023). The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

- Amendments to IAS 12 'Income Taxes' - International Tax Reform—Pillar Two Model Rules (effective for annual reporting periods beginning on or after January 1, 2023). The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.
- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after January 1, 2024). The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. It requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
- On June 25, 2020, the IASB issued Amendment to IFRS 4 'Insurance Contracts'. The fixed expiry date for the exemption in IFRS 4 from applying IFRS 9 for an entity choosing to apply the deferral approach is now January 1, 2023.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or deferred by the SECP as at June 30, 2023:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

2.6 Exemption from application of IFRS 9 'Financial Instruments'

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023 has notified that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable for financial years ending on or before December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

Consequently, the Company has not recorded impact of application of ECL model on the financial assets due directly/ultimately from the GoP in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements.

3.1 Income tax

Income tax comprises current and deferred tax and it is recognized in profit or loss except to the extent that it relates to items recognized outside of profit or loss (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside of profit or loss.

Current

Provision for current income tax is based on taxable income at the applicable tax rates after taking into account tax credits and tax rebates, if any.

Deferred

The Company accounts for deferred tax using the 'liability method' in respect of all temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent, it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax has been calculated at the estimated effective tax rate of 42% after taking into account the availability of depletion allowance and royalty. The tax rate is reviewed periodically and significant adjustments are incorporated, where required.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

3.2 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and significant adjustments are made to reflect the current best estimate.

3.3 Decommissioning cost

The activities of the Company normally give rise to obligations for site restoration, which may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration.

Liabilities for decommissioning cost are recognized when the Company has an obligation for site restoration and a reliable estimate of that liability can be made. The amount recognized is the estimated cost of decommissioning based on current requirements, technology and price levels and is discounted to its present value over the useful economic life of the reserves. The associated decommissioning cost asset is capitalized to the cost of property, plant and equipment, development and production assets and exploration and evaluation assets, as the case may be. The recognized amount of decommissioning cost asset is subsequently amortized/depreciated as part of the capital cost of the development and production assets and property, plant and equipment.

While the provision is based on the best estimates, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property,

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

plant and equipment, development and production assets and exploration and evaluation assets, as the case may be. The unwinding of discount on decommissioning provision is recognized as finance cost in the statement of profit or loss.

The decommissioning cost has been discounted at a real discount rate of 1.30% (2022: 1.30%) per annum.

3.4 Employee benefits

The Company operates following plans for its eligible employees:

- i) Defined benefit funded and unfunded plans:
 - a) The Company makes contributions to funded plans and records liability for funded and unfunded plans on the basis of actuarial valuations, carried out annually by independent actuaries using the "Projected Unit Credit Method" and the latest valuation was carried out as at June 30, 2023. The results of the valuation are summarized in note 33 to these financial statements.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the present value of the future benefit that employees have earned in return for their service in the current and prior periods. Past service cost and curtailments are recognized in statement of profit or loss, in the period in which change takes place.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise.

- b) The Company has the policy to provide for compensated absences of its employees in accordance with respective entitlement on cessation of service; related expected cost thereof has been recognized in the statement of profit or loss.
- ii) Defined contribution provident fund, for which Rs 251,259 thousand (2022: Rs 196,106 thousand) are charged to statement of profit or loss for the year. The contributions to the fund are made by the Company at the rate of 10% of the basic salary.

3.5 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning cost as referred in note 3.3 to these financial statements. The cost of self constructed assets also includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation on property, plant and equipment is charged to statement of profit or loss using the straight line method at rates specified in note 11 to these financial statements except for decommissioning cost which is charged on unit of production basis, so as to write off the cost of property, plant and equipment over their estimated useful lives.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is derecognized.

Subsequent costs are included in the assets' carrying amounts when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Carrying amount of parts so replaced, if any, is derecognized. All other repairs and maintenance are charged to statement of profit or loss as and when incurred. Gains and losses on disposals are credited or charged to statement of profit or loss in the year of disposal.

Capital work in progress is stated at cost less impairment loss, if any, and transferred to respective item of property, plant and equipment when available for intended use.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized in the statement of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.6 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably. Intangible assets having definite useful life are stated at cost less accumulated amortization. Intangible assets which have indefinite useful life are not amortized and tested for impairment annually, if any.

3.7 Exploration and evaluation assets

The Company applies the "successful efforts" method of accounting for Exploration and Evaluation (E&E) expenditures. Under this method of accounting, all property acquisitions and exploratory/evaluation drilling expenditures are initially capitalized as E&E assets in cost centers by well, field or exploration area, as appropriate, till such time that technical feasibility and commercial viability of extracting gas and oil are demonstrated.

Major costs capitalized include material, chemical, fuel, well services, rig costs, cost of recognizing provisions for future site restoration and decommissioning and any other cost directly attributable to a particular well. All other exploration costs including cost of technical studies, seismic acquisition and processing, geological and geophysical activities are charged against income as exploration and prospecting expenditure. Costs incurred prior to having obtained the legal rights to explore an area are charged directly to the statement of profit or loss as and when incurred.

Tangible assets used in E&E activities including the Company's vehicles, drilling rigs and other property, plant and equipment used by the Company's exploration function are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an E&E asset, the amount reflecting that consumption is recorded as part of the cost of the E&E asset. Such costs include directly attributable overheads, together with the cost of other materials consumed during the exploration and evaluation phases.

E&E assets relating to each exploration license/field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets. Otherwise, the capitalized costs are written off as dry hole costs. E&E assets are not amortized.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include, the point at which a determination is made as to whether or not commercial reserves exist, the period for which the Company has right to explore has either expired or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration and evaluation activities is not planned or budgeted and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E assets is increased due to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognized for the E&E assets in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.8 Development and production assets

Development and production assets represent the cost of developing the discovered commercial reserves, together with the capitalized E&E expenditures transferred from E&E assets as outlined in note 3.7 above. The cost of development and production assets also includes the cost of acquisitions of such assets, directly attributable overheads, production bonus and the cost of recognizing provisions for future site restoration and decommissioning. Development and production assets are amortized on a unit of production basis, which is the ratio of production for the year to the estimated quantities of proved developed reserves at the end of the year plus the production for the year.

Changes in the estimates of commercial reserves are dealt with prospectively. Acquisition cost of leases, where commercial reserves have been discovered, are capitalized and amortized on unit of production basis.

Impairment test of development and production assets is also performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production concession and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against expected recoverable amounts of the oil and gas assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The cash generating unit applied for impairment test purpose is generally field by field basis, except that a number of fields may be grouped as a single cash generating unit where the cash flows of each field are inter-dependent.

Where an impairment loss subsequently reverses, the carrying amount is increased due to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognized in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.9 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets

and liabilities of the associate are incorporated in these financial statements using the equity method of accounting.

Under this method, investment in associates is carried in the statement of financial position at cost as adjusted for post acquisition changes (net of tax) in the Company's share of net assets of the associate, less any impairment in the value of investment. Dividend distribution by the associate is adjusted against the carrying amount of investment. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of Company's interest in the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long term interest that, in substance, form part of the Company's net investment in the associate) are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The Company's share of post-acquisition profit or loss is included in statement of profit or loss and its share of post-acquisition other comprehensive income or loss is included in statement of comprehensive income.

At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of loss in associate' in the statement of profit or loss.

3.10 Stores and spares

These are valued at the lower of cost and net realizable value less allowance for obsolete and slow moving items. Material in transit is valued at cost. Cost is determined on the moving average basis and comprises cost of purchases and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

When stores and spares meet the definition of property, plant and equipment, they are classified as stores and spares held for capital expenditure under property, plant and equipment.

3.11 Foreign currencies

Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange prevailing at the statement of financial position date. All exchange differences are taken to the statement of profit or loss.

Foreign operation

The transactions of foreign operation are translated at the rate of exchange prevailing on the date of transaction. All monetary and non-monetary assets and liabilities of foreign operation are translated into Rupees at exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognized in other comprehensive income and accumulated as a separate reserve in equity until the disposal of the foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

3.12 Revenue recognition

Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring of promised good or service to a customer. In case of goods, the Company principally satisfies its performance obligations at a point in time. The transfer of control of hydrocarbons usually coincides with the delivery of the same to customers.

When, or as, a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Amounts billed or received prior to being earned, are deferred and recognized as deferred income. The Company recognizes revenue on take or pay arrangements with the customers only to the extent that it is highly probable that a significant reversal in the amount recognized will not occur when the uncertainty, if any, associated with the revenue is subsequently resolved. The Company considers such uncertainty as resolved when such revenue is received by the Company and customer cannot adjust the unused paid volumes in the future.

3.13 Finance income and finance cost

Interest income on financial assets at amortized cost is calculated using the effective interest method and is recognized in statement of profit or loss as part of finance income. Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets. Dividend income is recognized when the right to receive is established. Foreign currency gains and losses are reported on a net basis. The Company recognizes interest on delayed payments from counter parties on probability of receipt basis.

Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred. Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The Company suspends capitalization of borrowing costs during extended period when active development of a qualifying asset is suspended.

3.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method.

Preference shares, which are mandatorily redeemable by the Company are classified as liabilities. The profit on these preference shares is recognized in the statement of profit or loss as finance cost.

3.15 Joint operations

Investments in joint arrangements are classified as either joint operations or joint ventures depending on contractual rights and obligations of the parties to the arrangement. The Company has assessed the nature of its arrangements and determined them to be joint operations.

The Company has recognized its share of assets, liabilities, revenues and expenses jointly held or incurred under the joint operations on the basis of latest available audited financial statements of the joint operations

and where applicable, the cost statements received from the operator of the joint venture, for the intervening period up to the statement of financial position date. Unrealized gains on transactions between the Company and its joint operations are eliminated to the extent of Company's interest in the joint operations.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not classified at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The Company derecognizes financial assets when the contractual rights to the cash flows expire.

The Company classifies its financial assets as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the classification of financial asset at initial recognition.

(i) Financial assets measured at amortized cost

Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in statement of profit or loss when the assets are derecognized or impaired and when interest is recognized using the effective interest method.

(ii) Financial assets measured at fair value through other comprehensive income

Financial assets are classified as measured at fair value through other comprehensive income when they are held in a business model the objective of which is both to collect contractual cash flows and sell the financial assets, and the contractual cash flows represent solely payments of principal and interest. Such assets are carried on the statement of financial position at fair value with gains or losses recognized in the other comprehensive income.

(iii) Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortized cost or fair value through other comprehensive income. Such assets are carried on the statement of financial position at fair value with gains or losses recognized in the statement of profit or loss.

b) Financial liabilities

The measurement of financial liabilities depends on their classification, as follows:

(i) Financial liabilities measured at fair value through profit or loss

Financial liabilities that meet the definition of held for trading are classified as measured at fair value through profit or loss. Such liabilities are carried on the statement of financial position at fair value with gains or losses recognized in the statement of profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

(ii) Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of directly attributable transaction costs.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

c) Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

d) Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each statement of financial position date. Expected credit losses are measured based on the maximum contractual period over which the Company is exposed to credit risk. Since this is typically less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the Company's in-scope financial assets. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the Company expects to receive discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the statement of profit or loss.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the Company has no reasonable expectation of recovering amounts due.

In respect of financial assets due directly/ ultimately from the GoP on which ECL model is not applicable as referred to in note 2.6 to these financial statements, the financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have occurred having negative effect on the estimated future cash flows of that asset.

3.17 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, bank instruments and balances with banks and include short term highly liquid investments that are readily convertible to the known amounts of cash and are subject to an insignificant risk of change in value.

3.18 Dividend distribution

Dividend is recognized as a liability in the financial statements in the period in which it is declared.

3.19 Leases

Right of use asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. If a contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts are short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

3.20 Contingent liabilities and assets

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, which is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.21 Non-current assets classified as held for sale

Non current assets are classified as assets held for sale and carried at the lower of carrying amount and fair value less cost to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use. These assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less cost to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the statement of profit or loss.

3.22 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The benefit provided by the government under a loan arrangement at a below-market rate of interest is treated as a government grant. The loan obtained at below-market rate of interest is recognised and measured in accordance with IFRS 9 "Financial Instruments" and the benefit of the below-market rate of interest is government grant, which is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. Government grants related to assets are presented in the statement of financial position as a reduction to the carrying amount of the relevant assets and are recognised as a reduction to depreciation expense in the statement of profit or loss over the same period and in the same proportions as the relevant assets.

3.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

	Note	2023 (Rupees in thousand)	2022
4. SHARE CAPITAL			
Authorized capital			
17,000,000,000 (2022: 1,309,000,100)			
ordinary shares of Rs 10 each		170,000,000	13,090,000
Issued, subscribed and paid up capital			
24,850,007 (2022: 24,850,007) ordinary shares of			
Rs 10 each issued for cash		248,500	248,500
11,899,993 (2022: 11,899,993) ordinary shares of			
Rs 10 each issued for consideration other than cash	4.1	119,000	119,000
96,652,500 (2022: 96,652,500) ordinary shares of			
Rs 10 each issued as bonus shares	4.2	966,525	966,525
		1,334,025	1,334,025

4.1 This represents shares allotted to the Government of Pakistan (GoP) and Fauji Foundation in consideration for transfer of assets and liabilities of Pak Stanvec Petroleum Project.

4.2 736,120 bonus shares have not been issued as at June 30, 2023 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares (2022: 736,120 bonus shares).

4.3 Major shareholding of the Company is as follows:

	2023 (Percentage)	2022
Fauji Foundation	40.00 *	40.00 *
Oil and Gas Development Company Limited (OGDCL)	20.00 *	20.00 *
Government of Pakistan	19.99 **	18.39 **

* Shareholding includes 444,675 and 222,338 bonus shares (2022: 444,675 and 222,338 bonus shares) of Fauji Foundation and OGDCL respectively, which have not been issued as at year end due to pending resolution of issue as referred to in note 4.2 to these financial statements.

** Subsequent to the directives issued by the Supreme Court of Pakistan on December 22, 2021 declaring the BESOS Scheme as ultra vires, the shares of the BESOS Trust Fund have been subsequently transferred back to the Government of Pakistan during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

4.4 Distribution of shareholders

Category	2023 (Number of shares)	2022
Sponsor shareholders	106,704,040	104,568,216
Directors	1,008	518
Executives	3,011	3,991
Others	26,694,441	28,829,775
	133,402,500	133,402,500

There are no foreign shareholders including natural persons who hold more than 5% of the shareholding.

4.5 Rights and privileges in the Participation and Shareholders Agreement (PSA)

A Participation and Shareholders Agreement (PSA) was signed among sponsor shareholders i.e. Fauji Foundation, the GoP and OGDCL on June 3, 1985 which contained the rights and privileges of the parties. PSA was later amended through a Supplemental PSA dated July 25, 1992.

Right of First Refusal

If any of the sponsor shareholders desires to sell or transfer its shares in the Company in whole or in part, the remaining sponsor shareholders shall have the first right to purchase such shares, subject to the conditions and in the manner prescribed in the PSA.

Board Selection

The membership of the Board of Directors of the Company shall reflect as closely as possible the proportion in which shares of the Company are held by the sponsor shareholders and others.

Management Right

The management of the affairs and the business of the Company shall vest in and be conducted by Fauji Foundation through a Managing Director exclusively nominated by Fauji Foundation.

	Note	2023 (Rupees in thousand)	2022
5. OTHER RESERVES			
Capital redemption reserve fund	5.1	10,590,001	10,590,001
Self insurance reserve	5.2	4,600,000	4,600,000
Foreign currency translation reserve	5.3	2,032,066	521,987
		17,222,067	15,711,988

5.1 This reserve was created for redemption of redeemable preference shares in the form of cash to the preference shareholders.

5.2 The Company has set aside a specific capital reserve for self insurance of assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

5.3 This reserve represents accumulated balance of translation effect of a foreign operation into Rupees as per the Company's accounting policy.

6. LONG TERM FINANCING

Under 'Temporary Economic Relief Facility' (TERF) announced by the State Bank of Pakistan (SBP), the Company has secured financing of Rs 1 billion during the year ended June 30, 2022 for installation of stand-alone processing facilities at Mari field for low BTU gas from Tipu, Goru-B and HRL Reservoirs ('Sachal Gas Processing Complex', formerly known as GTH project) for enhancement of production from Mari Field. TERF is obtained through a commercial bank with quarterly repayments. Tenor of the facility is 10 years including two years of grace period for principal repayments. Security under TERF facility is first pari passu hypothecation charge over all present & future fixed assets of the Company (excluding land and building) with 25% margin.

Long term financing has been recognised at amortized cost, which is calculated using effective interest rates on various drawdown dates ranging from 7.90% to 10.43% per annum. The differential mark-up has been recognised as 'deferred government grant' and has been deducted from the carrying value of related asset.

	Note	2023 (Rupees in thousand)	2022
7. DEFERRED LIABILITIES			
Provision for decommissioning cost	7.1	21,557,253	14,525,961
Provision for employee benefits - unfunded	7.2	1,305,641	1,018,332
		22,862,894	15,544,293
7.1 Provision for decommissioning cost			
Balance at beginning of the year		14,525,961	10,149,673
Provision made during the year		2,297,443	1,931,147
Revision due to change in estimates		3,012,972	1,478,604
Cost incurred during the year		(7,032)	(11,977)
Unwinding of discount	26	1,727,909	978,514
Balance at end of the year		21,557,253	14,525,961
The above provision is analysed as follows:			
Wells		16,565,112	11,829,552
Production facilities including pipelines		4,992,141	2,696,409
		21,557,253	14,525,961
Wholly owned		16,910,079	11,269,051
Joint operations		4,647,174	3,256,910
		21,557,253	14,525,961

It is expected that cash outflows resulting from decommissioning will occur between 2024 to 2060.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
7.2 Provision for employee benefits - unfunded			
Post retirement leaves	33.2	702,117	585,149
Post retirement medical	33.2	94,043	66,365
Compensated leave absences		509,481	366,818
		1,305,641	1,018,332
8. TRADE AND OTHER PAYABLES			
Creditors		1,643,663	776,886
Accrued liabilities		25,077,169	14,450,616
Joint operating partners		2,938,845	2,530,208
Retention money and performance bonds payable		714,073	318,780
Provident fund		-	46,160
Gas Development Surcharge (GDS)	8.1	-	1,544,777
Gas Infrastructure Development Cess (GIDC)	8.1	-	390,373
General sales tax		-	612,352
Excise duty		-	165,591
Royalty		1,223,379	1,259,199
Redeemable preference shares and related accrued profit	8.2	110,670	117,736
Workers' Welfare Fund		1,254,779	868,514
Workers' Profit Participation Fund		-	19,361
Deferred income		177,687	-
Others		366,470	198,897
		33,506,735	23,299,450

8.1 These represent GDS and GIDC received from customers and are to be deposited with the GoP as per their respective rules and regulations. Furthermore, GDS and GIDC and their related sales tax recoverable from customers and payable to the GoP when collected from customers amounting to Rs 156,228,771 thousand (2022: Rs 156,570,018 thousand) are not reflected in these financial statements in accordance with the accounting guidance issued by Institute of Chartered Accountants of Pakistan (ICAP) through Circular no.1/2021 dated January 21, 2021.

On August 13, 2020, the Supreme Court of Pakistan has decided the matter of GIDC, which has restrained the charging of GIDC from August 1, 2020 onwards and ordered gas consumers to pay GIDC arrears due upto July 31, 2020 in installments. The fertilizer companies have obtained stay orders against recovery from the Sindh High Court, where the matter is subjudice.

8.2 5,335,946 (2022: 5,335,946) preference shares have not been issued as at June 30, 2023 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares. Further, 4,749,844 (2022: 5,442,384) preference shares have not been claimed/redeemed by certain minority shareholders as at June 30, 2023.

	2023 (Rupees in thousand)	2022
9. UNCLAIMED DIVIDEND		
Fauji Foundation	170,461	103,315
Oil and Gas Development Company Limited	85,231	51,658
Others	161,543	111,019
	417,235	265,992

9.1 This includes dividend amounting to Rs 282,183 thousand (2022: Rs 171,029 thousand) due to pending resolution of issue as referred to in note 4.2 to these financial statements.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- a) The Company is defending suits in various courts of Pakistan related to its normal business operations. Based on the assessments of lawyers nominated in each case, the management believes that there are no legal cases and claims, which warrant disclosure in these financial statements.
- b) The Company has given corporate guarantees to the GoP under various Petroleum Concession Agreements (PCAs) for the performance of obligations.
- c) As part of the arrangement, as disclosed in note 14.3 of these financial statements, each of the consortium companies including MPCL has also provided, joint and several, parent company guarantees to ADNOC and Supreme Council for Financial and Economic Affairs Abu Dhabi, UAE, to guarantee the obligations of Pakistan International Oil Limited (PIOL), a related party.

	2023 (Rupees in thousand)	2022
10.2 Commitments		
a) Commitments for capital expenditure:		
Wholly owned	7,850,833	5,705,766
Joint operations	12,620,774	5,936,656
	20,471,607	11,642,422
b) The Company's share in outstanding minimum work commitments, other than capital commitments included in 'a' above, under various PCAs aggregating to US\$ 98.58 million (2022: US\$ 60.83 million)	27,151,756	12,509,977

- c) As part of the Shareholders Agreement with the consortium partners in PIOL, the Company has committed to invest upto US\$ 100 million in PIOL during five years from August 31, 2021, out of which US\$ 35 million have been invested upto June 30, 2023 (2022: US\$ 25 million). The remaining amount of US\$ 65 million (equivalent Rs 17,904 million) will be invested in subsequent years.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

11. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Roads and bridges	Drilling rig, tools and equipment	Plant and machinery	Computers and allied equipment	Pipelines	Furniture and fixtures	Vehicles - heavy	Vehicles - light	Decommissioning Cost - Production facilities including pipelines - note 3.5	Stores and spares held for capital expenditure	Capital work in progress	Total
As at July 1, 2021																
Cost	250,177	102,224	1,924,509	849,362	224,967	4,452,099	14,934,702	666,398	5,948,278	247,746	1,677,169	1,105,946	548,700	5,491,235	15,143,559	53,587,071
Accumulated depreciation	-	(21,899)	(750,373)	(310,698)	(179,981)	(2,504,968)	(6,668,393)	(554,147)	(2,162,205)	(115,342)	(1,111,316)	(655,820)	(279,393)	-	-	(15,914,535)
Net book value	250,177	80,325	1,174,136	538,664	44,986	1,947,131	8,266,309	132,251	3,186,073	132,404	565,853	450,126	269,307	5,491,235	15,143,559	37,672,536
Year ended June 30, 2022																
Opening net book value	250,177	80,325	1,174,136	538,664	44,986	1,947,131	8,266,309	132,251	3,186,073	132,404	565,853	450,126	269,307	5,491,235	15,143,559	37,672,536
Additions / transfers from capital work in progress	-	-	32,202	45,616	2,450	441,966	6,894,705	143,397	3,327,326	33,692	12,264	84,582	1,416,933	-	23,584,060	36,019,193
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	955,790
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,471
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(80,376)	(2,970)	-	-	(14,502)	(53,916)	-	-	(11,018,200)	(11,169,964)
Accumulated depreciation	-	-	-	-	-	-	80,209	2,878	-	-	14,502	53,916	-	-	-	151,505
Depreciation charge	-	(1,487)	(86,112)	(40,155)	(11,974)	(291,150)	(1,680,983)	(100,366)	(534,511)	(20,637)	(279,406)	(149,049)	(29,274)	-	(11,018,200)	(11,018,459)
Net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
As at July 1, 2022																
Cost	250,177	102,224	1,956,711	894,978	227,417	4,894,065	21,749,031	826,825	9,275,604	281,438	1,674,931	1,136,612	2,003,104	6,447,025	27,709,419	79,429,561
Accumulated depreciation	-	(23,386)	(836,485)	(350,853)	(191,955)	(2,796,118)	(8,289,167)	(651,655)	(3,296,716)	(135,979)	(1,376,220)	(750,953)	(308,667)	-	-	(18,988,134)
Net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
Year ended June 30, 2023																
Opening net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
Additions / transfers from capital work in progress	-	7,687,008	149,158	79,795	283,172	783,520	23,278,100	197,846	1,872,328	55,472	199,782	95,386	1,659,362	-	22,640,131	58,981,060
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038,229	-	1,038,229
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271,952
Cost	-	-	(10,860)	(3,876)	-	(100,064)	(66,855)	44,504	(93,136)	(143)	98,508	(23,747)	-	-	(84,681,567)	(84,857,236)
Accumulated depreciation	-	-	1,348	3,120	-	83,517	94,797	(8,909)	26,225	141	(45,771)	20,399	-	-	-	174,867
Depreciation charge	-	-	(9,512)	(756)	-	(16,547)	7,942	35,595	(66,911)	(2)	52,737	(3,348)	-	-	(34,681,567)	(34,682,369)
Net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
As at June 30, 2023																
Cost	250,177	7,789,232	2,095,009	970,897	510,589	5,577,521	44,940,276	1,069,175	11,054,796	336,767	1,973,221	1,208,251	3,934,418	7,485,254	15,667,983	104,863,566
Accumulated depreciation	-	(102,519)	(921,218)	(393,013)	(207,296)	(3,051,743)	(10,289,736)	(805,644)	(4,210,936)	(159,482)	(1,601,486)	(887,860)	(496,664)	-	-	(23,127,397)
Net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
Rates of depreciation (%)	-	1-3	5	5	10	5-33.33	6.67-10	33.33	10	10	30	20	-	-	-	-

	Note	2023 (Rupees in thousand)	2022
11.1 Net book value at year end represents:			
Wholly owned		72,624,042	55,807,772
Joint operations	11.2	9,112,127	4,633,655
		81,736,169	60,441,427

11.2 It includes assets having net book value amounting to Rs 1,649,389 thousand (2022: Rs 1,561,391 thousand), being Company's share in joint operations operated by OGDCL, PPL and MOL (assets not in the possession of the Company).

11.3 The depreciation charge has been allocated as follows:

	2023 (Rupees in thousand)	2022
Development and production assets	55,497	49,724
Exploration and evaluation assets	160,763	141,766
Operating and administrative expenses	3,112,949	2,114,028
Exploration and prospecting expenditure	310,597	489,429
Other income	674,324	430,157
	4,314,130	3,225,104

11.4 The aggregate net book value of assets disposed off during the year is Rs 802 thousand (2022: Rs 259 thousand), being not more than Rs 5,000 thousand.

11.5 Particulars of immovable property (land and buildings) as at June 30, 2023 are as follows:

Description	Location	Approximate Area of Land
Wells, production / processing facilities, residential area, field office and warehouse	Sindh	2,552.38 acres
Land and head office building	Islamabad	2.45 acres
Warehouse	Balochistan	4.00 acres
Guest house	KPK	0.14 acres
Field area	Punjab	0.16 acres

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

12. DEVELOPMENT AND PRODUCTION ASSETS

	Development expenditure	Decommissioning cost	Total
(Rupees in thousand)			
As at July 1, 2021			
Cost	26,507,028	2,394,741	28,901,769
Accumulated amortization	(10,881,499)	(1,542,035)	(12,423,534)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	15,425,529	852,706	16,278,235
Year ended June 30, 2022			
Opening net book value	15,425,529	852,706	16,278,235
Additions	2,023,777	148,490	2,172,267
Revision due to change in estimates of provision for decommissioning cost	-	1,232,639	1,232,639
Amortization charge	(1,778,078)	(171,581)	(1,949,659)
Closing net book value	15,671,228	2,062,254	17,733,482
As at July 1, 2022			
Cost	28,530,805	3,775,870	32,306,675
Accumulated amortization	(12,659,577)	(1,713,616)	(14,373,193)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	15,671,228	2,062,254	17,733,482
Year ended June 30, 2023			
Opening net book value	15,671,228	2,062,254	17,733,482
Additions	6,562,551	638,081	7,200,632
Revision due to change in estimates of provision for decommissioning cost	-	2,632,451	2,632,451
Disposals			
Cost	(92,578)	(134,382)	(226,960)
Accumulated Amortization	92,578	134,382	226,960
	-	-	-
Transferred from exploration and evaluation assets	1,837,267	191,906	2,029,173
Amortization charge	(3,738,744)	(864,716)	(4,603,460)
Closing net book value	20,332,302	4,659,976	24,992,278
As at June 30, 2023			
Cost	36,838,045	7,103,926	43,941,971
Accumulated amortization	(16,305,743)	(2,443,950)	(18,749,693)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	20,332,302	4,659,976	24,992,278

	2023 (Rupees in thousand)	2022
Net book value at year end represents:		
Wholly owned	20,795,252	13,513,135
Joint operations	4,197,026	4,220,347
	24,992,278	17,733,482

13. EXPLORATION AND EVALUATION ASSETS

	Exploration and evaluation expenditure	Decommissioning cost	Total
	(Rupees in thousand)		
As at July 1, 2021			
Cost	8,483,292	432,674	8,915,966
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	7,025,440	360,757	7,386,197
Year ended June 30, 2022			
Opening net book value	7,025,440	360,757	7,386,197
Additions	12,841,617	365,724	13,207,341
Revision due to change in estimates of provision for decommissioning cost	-	183,389	183,389
Cost of dry and abandoned wells	(6,220,247)	(17,914)	(6,238,161)
Closing net book value	13,646,810	891,956	14,538,766
As at July 1, 2022			
Cost	15,104,662	963,873	16,068,535
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	13,646,810	891,956	14,538,766
Year ended June 30, 2023			
Opening net book value	13,646,810	891,956	14,538,766
Additions	12,248,387	-	12,248,387
Revision due to change in estimates of provision for decommissioning cost	(91,612)	200,181	108,569
Disposals			
Cost	(505,482)	(16,126)	(521,608)
Accumulated impairment losses	505,482	16,126	521,608
	-	-	-
Transferred to development and production assets	(1,837,267)	(191,906)	(2,029,173)
Impairment losses	(4,706,387)	(558,514)	(5,264,901)
Cost of dry and abandoned wells	(3,643,238)	-	(3,643,238)
Closing net book value	15,616,693	341,717	15,958,410
As at June 30, 2023			
Cost	21,275,450	956,022	22,231,472
Accumulated impairment losses	(5,658,757)	(614,305)	(6,273,062)
Net book value	15,616,693	341,717	15,958,410

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
Net book value at year end represents:			
Wholly owned		4,740,813	303,603
Joint operations		11,217,597	14,235,163
		15,958,410	14,538,766

14. LONG TERM INVESTMENTS

Investment in related party - associate (Un-quoted)	14.1	5,530,202	2,185,145
Term Finance Certificates (TFCs) (Quoted)	14.4	194,580	1,000,000
		5,724,782	3,185,145

14.1 Investment in related party - associate (Un-quoted)

National Resources (Pvt) Limited

Opening carrying value		64,790	161,018
Movement during the year:			
Proceeds from divestment	14.2	(64,790)	-
Share of loss		-	(96,228)
Closing carrying value		-	64,790

Pakistan International Oil Limited - foreign operation

Opening carrying value		2,185,145	-
Movement during the year:			
Cost of investment	14.3	2,225,000	4,180,000
Share of loss	14.3	(390,022)	(2,516,842)
Effect of translation of investment		1,510,079	521,987
Closing carrying value		5,530,202	2,185,145
Total closing carrying value - at equity method		5,530,202	2,249,935
Less: Long term investments classified as held for sale shown as current assets	14.2	-	(64,790)
		5,530,202	2,185,145

Total share of loss in associate

(390,022) (2,613,070)

14.2 The Board of Directors in its meeting held on April 14, 2022 has approved the divestment of entire 20% shareholding in an associated company, National Resources (Pvt) Limited, comprising of 20.9 million shares on book value basis effective from February 28, 2022. After obtaining the necessary approvals and receipt of proceeds from divestment, the Company has transferred its shares to the purchasers.

14.3 The Company made investment in Pakistan International Oil Limited (PIOL), a company engaged in the business of extraction of oil and natural gas and registered as a limited liability company in the Emirates of Abu Dhabi and incorporated in Abu Dhabi Global Market on July 15, 2021, with 25% shareholding by each consortium partners namely MPCL, OGDCL, PPL and GHPL. The concession agreement between PIOL and Abu

Dhabi National Oil Company (ADNOC) was signed on August 31, 2021 and following the award of Offshore Block-05 in Abu Dhabi on August 31, 2021, the Company subscribed to 2.5 million ordinary shares of PIOL by paying US\$ 25,000 thousand (Rs 4,180,000 thousand). During the year, the Company has subscribed to additional 1 million ordinary shares of PIOL by paying US\$ 10,000 thousand (Rs 2,225,000 thousand).

Share of loss of PIOL is based on the audited financial statements for the period upto December 31, 2022, adjusted for transactions and events upto June 30, 2023 based on management accounts.

Summarized financial information is as follows:

Note	2023 (Rupees in thousand)	2022
Summarized statement of financial position		
Current assets	13,894,974	3,009,309
Non-current assets	8,940,048	6,349,723
Current liabilities	(714,214)	(618,453)
Net assets	22,120,808	8,740,579
Company's shareholding	25%	25%
Share of net assets reconciled with carrying value of investment	5,530,202	2,185,145
Summarized statement of comprehensive income		
Total comprehensive (loss) for the year / period	(1,560,088)	(10,067,368)
Company's shareholding	25%	25%
Share of comprehensive (loss)	(390,022)	(2,516,842)
14.4 Term Finance Certificates (TFCs)		
Quoted - At amortised cost		
Term Finance Certificates	14.5	1,041,068
Less: Current portion classified under current assets		(1,041,068)
		-
		1,000,000
Quoted - At fair value through profit or loss		
Term Finance Certificates	14.6	194,580
		-
		194,580
		1,000,000

14.5 This represents investment in TFCs having maturity of three years and are rated AAA by PACRA. TFCs are secured by 105% lien over GoP securities and have earned profit at 9.03% per annum.

14.6 This represents investment in un-secured, subordinated and perpetual TFCs and are rated AA- by PACRA. TFCs are callable at the option of bank after five years and profit is on semi annual basis at six months KIBOR + 2% on non-cumulative basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023 (Rupees in thousand)	2022
15. LONG TERM LOANS AND ADVANCES		
Considered good		
Loans and advances to employees	81,825	74,932
Less: Current portion classified under current assets	(32,745)	(30,963)
	49,080	43,969

15.1 Loans and advances to employees are for house rent advance, purchase of vehicle, emergency and purchase of household appliances as per Company's Human Resource policy. These are recoverable in 12 to 60 equal monthly instalments. Interest free loans to employees have not been discounted as the effect is immaterial.

	2023 (Rupees in thousand)	2022
16. LONG TERM DEPOSITS AND PREPAYMENTS		
Deposits	93,572	123,515
Prepayments	5,431	1,241
	99,003	124,756

	2023	2022
17. DEFERRED INCOME TAX ASSET		
Balance at beginning of the year	3,057,644	2,209,320
(Charge) / credit for the year:		
Statement of profit or loss	(824,886)	858,589
Statement of comprehensive income	9,056	(10,265)
	(815,830)	848,324
Balance at end of the year	2,241,814	3,057,644

17.1 The balance of deferred income tax asset is in respect of following temporary differences:

Exploration and evaluation expenditure	12,270,990	7,832,559
Accounting and tax depreciation / amortization	(8,602,523)	(5,012,604)
Others	(1,426,653)	237,689
	2,241,814	3,057,644

17.2 The deferred tax asset has been recognised taking into account the availability of future taxable profits and it is probable that the Company will be able to earn these profits.

	2023 (Rupees in thousand)	2022
18. STORES AND SPARES		
Wholly owned	6,258,962	2,989,595
Joint operations	730,773	434,564
	6,989,735	3,424,159
19. TRADE DEBTS		
Due from associated companies and related parties		
- considered good	55,620,574	27,653,103
Due from others - considered good	6,055,530	4,706,195
	61,676,104	32,359,298

19.1 As detailed in note 8.1 to these financial statements, GDS and GIDC amounts and their related sales tax billed to customers but not received are not included in these financial statements.

19.2 The maximum aggregate amount due from associated companies and related parties at the end of any month during the year was Rs 55,620,574 thousand (2022: Rs 31,777,059 thousand).

	Note	2023 (Rupees in thousand)	2022
19.3 The ageing of trade debts is as follows:			
Neither past due nor impaired			
Due from associated companies and related parties		14,001,105	7,085,310
Due from others		5,440,928	3,169,435
		19,442,033	10,254,745
Past due but not impaired			
Due from associated companies and related parties			
Past due 0-30 days		8,745,430	1,950,545
Past due 30-60 days		7,030,046	3,607,294
Past due 60-90 days		4,554,059	267,225
Over 90 days		21,289,934	14,742,729
Due from others			
Past due 0-30 days		65,751	482,848
Past due 30-60 days		5,608	143,546
Past due 60-90 days		3,475	72,847
Over 90 days		539,768	837,519
	19.4	42,234,071	22,104,553
		61,676,104	32,359,298

19.4 'Past due but not impaired' trade debts include amounts receivable directly/ultimately from the GoP amounting to Rs 41,472,399 thousand (2022: Rs 20,519,884 thousand). Due to exemption provided by SECP from application of ECL model on financial assets receivable from the GoP upto December 31, 2024, the Company has not recorded the impact of application of ECL model on trade debts in respect of circular debt due directly/ultimately from GoP for impairment assessment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
20. SHORT TERM LOANS AND ADVANCES			
Considered good			
Current portion of long term loans and advances	15	32,745	30,963
Advances to employees against expenses		231,844	151,531
Advances to suppliers, contractors and deposits for LC margin		5,681,793	1,363,169
Receivables from joint operating partners		2,967,239	5,671,110
Management Gratuity Fund	33.1	554,295	575,828
Workers' Profit Participation Fund		411,200	-
		9,879,116	7,792,601

21. SHORT TERM INVESTMENTS

At fair value through profit or loss

Mutual funds	21.1	9,197,048	4,995,065
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21.1 Fair value has been determined using quoted repurchase prices, being net asset value of units as of June 30, 2023.

	Note	2023 (Rupees in thousand)	2022
22. CASH AND BANK BALANCES			
Cash on hand and bank instruments		3,645,341	1,155,564
Balances with banks on:			
Deposit accounts	22.1	28,031,391	35,305,266
Current accounts		26,906	35,230
		28,058,297	35,340,496
		31,703,638	36,496,060

22.1 These include US\$ 58,490 thousand (2022: US\$ 43,797 thousand) having mark-up of 5.00% (2022: 0.50%) per annum. The mark-up for local currency accounts ranges from 6.67% to 19.65% (2022: 2.47% to 13.00%) per annum.

		2023 (Rupees in thousand)	2022
23. NET SALES			
Product wise breakup of net sales is as follows:			
Natural gas		139,950,750	89,877,313
Crude oil		5,816,376	5,253,043
Liquefied Petroleum Gas (LPG)		2,781	4,121
		145,769,907	95,134,477

	Note	2023 (Rupees in thousand)	2022
24. OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	24.1	9,084,100	7,742,893
Rent, rates and taxes	24.2	910,388	745,707
Legal, professional and support services		810,277	493,502
Fuel, light, power and water		561,283	260,929
Maintenance, repairs and consumption of stores and spares		2,994,085	1,217,588
Insurance		261,639	152,657
Depreciation		3,112,949	2,114,028
Amortization and charge of provision for decommissioning cost		4,603,460	1,974,765
Employees medical and welfare		984,756	527,210
Field and other services		3,188,590	2,320,476
Travelling		283,400	160,186
Licences and equipment maintenance		246,624	353,770
Auditor's remuneration and tax services	24.3	23,585	27,456
Mobile dispensary and social welfare		1,885,824	857,621
Training		196,788	147,688
Directors' fee and expenses		70,665	68,434
Reservoir study and production logging		527,326	149,034
Freight and transportation		913,499	561,364
Others		506,196	282,541
		31,165,434	20,157,849
Less: Allocation of expenses to activities		4,053,710	2,755,316
		27,111,724	17,402,533

24.1 These include operating lease rentals amounting to Rs 310,595 thousand (2022: Rs 161,472 thousand) in respect of leased vehicles provided to eligible employees as per Company's policy.

24.2 These include expense amounting to Rs 504,389 thousand (2022: Rs 359,389 thousand) relating to short-term leases.

	2023 (Rupees in thousand)	2022
24.3 Auditor's remuneration and tax services		
Annual audit fee	3,726	3,386
Review of half yearly accounts and other certifications	1,742	1,815
Tax services	17,600	21,820
Out of pocket expenses	517	435
	23,585	27,456

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
25. EXPLORATION AND PROSPECTING EXPENDITURE		
Prospecting expenditure	7,108,774	4,693,412
Cost of dry and abandoned wells	3,643,238	6,238,161
Impairment loss	5,264,901	-
	16,016,913	10,931,573
26. FINANCE COST		
Unwinding of discount on provision for decommissioning cost	1,727,909	978,514
Interest on long term financing	34,581	-
Others	12,336	1,295
	1,774,826	979,809
27. OTHER CHARGES		
Workers' Profit Participation Fund	4,538,800	2,754,074
Workers' Welfare Fund	1,254,779	868,514
	5,793,579	3,622,588
28. OTHER (EXPENSES) / INCOME		
It includes income from contractual services of Rs 2,579,644 thousand (2022: Nil) offset by related expenses of Rs 3,116,417 thousand (2022: Nil).		
	2023	2022
	(Rupees in thousand)	
29. FINANCE INCOME		
Interest income on Term Finance Certificates (TFCs)	103,848	91,537
Income on mutual funds	1,397,036	498,468
Interest income on term deposit with banks	62,001	1,096,073
Interest income on deposit accounts with banks	2,731,831	854,931
Interest income on treasury bills	224,765	-
Exchange gain	4,555,964	1,942,076
	9,075,445	4,483,085
30. PROVISION FOR INCOME TAX		
Current - charge for the year	28,893,581	19,911,889
Deferred - charge / (credit) for the year	824,886	(858,589)
	29,718,467	19,053,300

	2023	2022
	(Percentage)	
30.1 Reconciliation of effective tax rate		
Applicable tax rate	57.9	58.3
Effect of:		
- depletion allowance and royalty payments	(20.5)	(21.6)
- amounts not admissible for tax purposes	-	2.4
Others	(2.8)	(2.4)
Effective tax rate	34.6	36.7

30.2 The management has assessed that tax provision carried in the Company's financial statements is sufficient. Income tax liability as per financial statements for the last three tax years is adequate considering latest tax assessments for the said years.

	2023	2022
31. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees in thousand)	56,128,711	33,063,011
Number of ordinary shares outstanding (in thousand)	133,403	133,403
Earnings per ordinary share (in Rupees)	420.75	247.84

There is no dilutive effect on the basic earnings per ordinary share of the Company.

	Note	2023 (Rupees in thousand)	2022
32. CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	31,703,638	36,496,060
Short term investments	21	9,197,048	4,995,065
		40,900,686	41,491,125

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

33. EMPLOYEE BENEFITS

The results of the actuarial valuations carried out as at June 30, 2023 and June 30, 2022 are as follows:

33.1 Funded benefits

	2023		2022	
	Management Gratuity	Non- Management Gratuity	Management Gratuity	Non- Management Gratuity
(Rupees in thousand)				
Reconciliation of net defined benefit plan				
Present value of defined benefit obligations	2,742,849	1,169,127	2,342,579	1,106,030
Fair value of plan assets	(3,297,144)	(1,169,127)	(2,918,407)	(1,106,030)
(Asset) / liability recognized in statement of financial position	(554,295)	-	(575,828)	-
Movement in net defined benefit plan				
Balance as at beginning of year	(575,828)	-	(880,796)	-
Expense for the year	21,533	23,007	304,968	126,539
	(554,295)	23,007	(575,828)	126,539
Contribution to fund during the year	-	(23,007)	-	(126,539)
Balance as at end of year	(554,295)	-	(575,828)	-
Movement in present value of defined benefit obligations				
Balance as at beginning of year	2,342,579	1,106,030	2,165,588	981,299
Current service cost	281,598	48,579	250,808	44,112
Past service cost	-	-	207,763	-
Interest cost	327,835	143,851	200,069	87,445
Benefits during the year	(87,702)	(125,931)	(400,571)	(116,053)
Remeasurement (gain) / loss on obligation	(121,461)	(3,402)	(81,078)	109,227
Balance as at end of year	2,742,849	1,169,127	2,342,579	1,106,030
Movement in fair value of plan assets				
Balance as at beginning of year	2,918,407	1,106,030	3,046,384	981,299
Contributions during the year	-	23,007	-	126,539
Interest income on plan assets	400,802	143,851	275,997	87,445
Remeasurement gain / (loss) on plan assets	65,637	22,170	(3,403)	26,800
Benefits during the year	(87,702)	(125,931)	(400,571)	(116,053)
Balance as at end of year	3,297,144	1,169,127	2,918,407	1,106,030
Plan assets comprise of:				
Deposit with banks and bank instruments	3,297,144	1,169,127	2,918,407	1,106,030
Expense for the year:				
Recognized in statement of profit or loss				
Current service cost	281,598	48,579	250,808	44,112
Past service cost	-	-	207,763	-
Interest cost	327,835	143,851	200,069	87,445
Interest income on plan assets	(400,802)	(143,851)	(275,997)	(87,445)
	208,631	48,579	382,643	44,112

	2023		2022	
	Management Gratuity	Non- Management Gratuity	Management Gratuity	Non- Management Gratuity
	(Rupees in thousand)			
Recognized in statement of comprehensive income				
Remeasurement loss / (gain) on obligations:				
Due to change in financial assumptions	17,639	(10,255)	22,669	7,237
Due to change in experience adjustments	(139,100)	6,853	(103,747)	101,990
Remeasurement (gain) / loss on plan assets	(65,637)	(22,170)	3,403	(26,800)
	(187,098)	(25,572)	(77,675)	82,427
Total expense for the year	21,533	23,007	304,968	126,539
Actual return on plan assets	466,439	166,021	272,594	114,245
Expected contribution for the next year	-	51,570	-	48,579

33.2 Un-funded benefits

	2023		2022	
	Post Retirement Leaves	Post Retirement Medical	Post Retirement Leaves	Post Retirement Medical
	(Rupees in thousand)			
Present value of defined benefit obligations	702,117	94,043	585,149	66,365
Movement in present value of defined benefit obligations				
Balance as at beginning of year	585,149	66,365	595,633	90,009
Expense / (credit) for the year	141,469	31,601	9,493	(19,339)
	726,618	97,966	605,126	70,670
Benefits paid during the year	(24,501)	(3,923)	(19,977)	(4,305)
Balance as at end of year	702,117	94,043	585,149	66,365
Expense / (credit) for the year:				
Recognized in statement of profit or loss				
Current service cost	79,726	1,389	70,409	1,362
Interest cost	81,503	8,650	55,107	7,812
Remeasurement (gain) / loss	(19,760)	-	(116,023)	-
	141,469	10,039	9,493	9,174
Recognized in statement of comprehensive income				
Remeasurement loss / (gain) on obligations (experience adjustment)	-	21,562	-	(28,513)
Total expense / (credit) for the year	141,469	31,601	9,493	(19,339)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

33.3 The principal actuarial assumptions used in the actuarial valuations are as follows:

	2023	2022
	(Per annum)	
- Discount rate	15.5%	13.5%
- Expected rate of salary increase	15.0% - 17.0%	13.5% - 17.0%
- Increase in cost of medical benefits	15.5%	13.5%
- Mortality rates	SLIC (2001-05)-1	
- Employee turnover rate	Moderate	

33.4 Weighted average duration and projected payments

	Management Gratuity	Non- Management Gratuity
Weighted average duration of the obligation as at June 30, 2023 (in years)	8.72	4.72
Maturity analysis of the benefit payments (future cash flows) for the next five years is as follows:	Rupees in thousand	
For the year 2024	267,808	181,570
For the year 2025	291,389	226,002
For the year 2026	225,185	208,254
For the year 2027	354,887	204,427
For the year 2028	272,638	233,337

33.5 Sensitivity analysis of the obligation:

	Effect on present value of obligation	
	Management Gratuity	Non- Management Gratuity
	(Rupees in thousand)	
Discount rate:		
0.5% point increase	(223,317)	(27,590)
0.5% point decrease	257,176	28,944
Salary rate:		
0.5% point increase	241,914	26,231
0.5% point decrease	(214,165)	(25,229)

33.6 Employee benefits are exposed to the following risks:

Mortality risks

The risk that the actual mortality experience is different and the Company will have to pay sooner than expected.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what we assumed.

Withdrawal risk

The risk of higher or lower withdrawal experience than assumed.

		2023	2022
		(Rupees in thousand)	
34. FINANCIAL INSTRUMENTS			
34.1 Financial assets and liabilities			
Financial assets			
Maturity up to one year			
Trade debts	at amortized cost	61,676,104	32,359,298
Short term loans and advances	at amortized cost	6,810,514	5,702,073
Other receivables	at amortized cost	1,324,502	676,270
Current portion of long term			
investments	at amortized cost	1,041,068	41,068
Short term investments	at fair value through profit or loss	9,197,048	4,995,065
Interest accrued	at amortized cost	423,315	29,853
Cash and bank balances	at amortized cost	31,703,638	36,496,060
Maturity after one year			
Long term investments	at amortized cost	-	1,000,000
Long term investments	at fair value through profit or loss	194,580	-
Long term loans and advances	at amortized cost	49,080	43,969
Long term deposits	at amortized cost	93,572	123,515
		112,513,421	81,467,171
Financial liabilities			
Maturity up to one year			
Trade and other payables	at amortized cost	30,373,750	18,076,490
Current maturity of long			
term financing	at amortized cost	121,007	27,981
Maturity after one year			
Long term financing	at amortized cost	672,381	724,126
Deferred liabilities	at amortized cost	1,305,641	1,018,332
		32,472,779	19,846,929

34.2 Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA), VIS Credit Rating Company Limited (VIS) and Moody's. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Rating	2023 (Rupees in thousand)	2022
Trade debts			
Counterparties with external credit rating	A1+	39,517,749	4,434,088
	A1	4,400,591	3,952,035
	A2	2,736,084	8,012,487
Counterparties without external credit rating		15,021,680	15,960,688
		61,676,104	32,359,298
Short term loans and advances			
Counterparties with external credit rating	A1+	4,485,051	1,608,409
	A1	572,671	-
	A2	448,829	835,166
Counterparties without external credit rating			
Counterparties with no default in the past		1,303,963	3,258,498
		6,810,514	5,702,073
Other receivables			
Counterparties without external credit rating			
Counterparties with no default in the past		1,324,502	676,270
Current portion of long term investments			
Counterparties with external credit rating	AAA	1,041,068	41,068
Short term investments			
Counterparties with external credit rating	AAA (f)	4,800,958	2,990,719
	AA+ (f)	3,378,953	1,503,694
	AA(f)	1,017,137	500,652
		9,197,048	4,995,065
Interest accrued			
Counterparties with external credit rating	A1+	423,315	29,853
Bank balances / instruments			
Counterparties with external credit rating	A1+	31,696,415	36,493,951
	A1	3,323	25
		31,699,738	36,493,976
Long term investments			
Counterparties with external credit rating	AAA	-	1,000,000
	AA-	194,580	-
		194,580	1,000,000
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees with no default in the past		49,080	43,969
Long term deposits			
Counterparties without external credit rating			
Deposits with counter parties with no default in the past		93,572	123,515

34.3 Financial risk management

34.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on identification and analysis of risks faced by the Company, setting appropriate risk limits and controls and monitoring thereof. Risk management policies and systems are reviewed regularly in the light of changes in Company's activities and business environment.

a) Credit risk

Credit risk is the risk of financial loss to the Company on a financial asset if counterparty fails to meet its contractual obligations and principally arises from trade debts, investments and bank balances. To manage credit risk, the Company maintains procedures covering the function for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes, the financial viability of all counterparties is regularly monitored and assessed.

Financial assets are considered to be credit-impaired when there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. This includes observable data concerning significant financial difficulty of the counterparty; a breach of contract; it becoming probable that the counterparty will enter bankruptcy or other financial re-organization because of financial difficulties. Where the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof for example where all legal avenues for collection of amounts due have been exhausted, the financial asset (or relevant portion) is impaired.

The Company has not recorded impact of application of ECL model on the financial assets due directly/ ultimately from the GoP in these financial statements. For other financial assets, the management believes that the impact of ECL is not material as outstanding balances are receivable from counter parties who have high credit ratings with no history of default.

The carrying amount of financial assets represents the maximum credit exposure. The Company conducts transactions with the following major types of counterparties:

Customers

Trade debts are essentially due from fertilizer companies, power generation companies, gas distribution companies and refineries and the Company does not expect these companies to fail to meet their obligations. Payment terms are agreed with customers which vary from 7 to 45 days.

An impairment analysis is performed at each reporting date in accordance with impairment requirements of IFRS 9 read with S.R.O. 67(I)/2023 dated January 20, 2023 issued by SECP, which has exempted financial assets due from the GoP from application of IFRS 9 till financial years ending on or before December 31, 2024. While evaluating the concentration of risk with respect to trade debts, the Company takes into account that the oil and gas industry in Pakistan is highly regulated, supported by the GOP and there is no history of default by any of the customers in the past. The Company considers current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables and applies the IFRS 9 simplified approach, read with S.R.O. 67(I)/2023 dated January 20, 2023 issued by SECP, to measure the expected credit losses which uses a lifetime expected loss allowance for trade debts.

Banks, mutual funds and investments

The Company limits its exposure to credit risk by placing funds only with approved counterparties that have a high credit rating. Investments of surplus funds are made in a safe and secure manner while ensuring optimum return and liquidity. Given these high credit ratings, strict regulations by the State Bank of Pakistan and no history of default, management does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Others

The relationship with the joint operating partners is governed under Petroleum Concession Agreements (PCAs) signed by the Government of Pakistan, the Company and its respective joint operating partners with the prior approval of the Ministry of Petroleum and Natural Resources, the Government of Pakistan. Various avenues are available for the recovery of dues from joint operating partners including engaging the regulator, right to forfeit working interest, assignment of invoices etc. Based on above and considering there is no history of default by any counter party, management considers the risk of default as very low. In respect of deposits, the management does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when due under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient cash and cash equivalents and the Company's financial assets are in excess of financial liabilities by Rs 80,040,642 thousand (2022: Rs 61,620,242 thousand).

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on financial instruments.

i) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's profit or the value of its holdings of financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimizing the return on financial instruments.

Exposure to foreign currency risk

The Company's exposure to currency risk is as follows:

	2023 (Rupees in thousand)	2022	2023 (US\$ in thousand)	2022
Cash and bank balances	16,110,486	9,006,883	58,490	43,797
Short term loans and advances	2,967,239	5,671,110	10,773	27,577
Trade and other payables	(13,816,897)	(5,699,845)	(50,163)	(27,716)
Net financial assets	5,260,828	8,978,148	19,100	43,658

The following are significant exchange rates:

	Average rate		Closing rate	
	2023 (Rupees)	2022	2023 (Rupees)	2022
US\$ 1	252.96	179.71	275.44	205.65

Foreign currency sensitivity analysis

A 10 percent variation of the Pak Rupee against the US\$ at June 30, would have affected profit or loss after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Change in foreign exchange rates	Effect on profit after tax	Effect on equity
(Rupees in thousand)			
2023			
US\$	+10%	210,433	210,433
	-10%	(210,433)	(210,433)
2022			
US\$	+10%	359,126	359,126
	-10%	(359,126)	(359,126)

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2023	2022
(Rupees in thousand)		
Financial assets		
Long term investments	194,580	1,000,000
Current portion of long term investments	1,041,068	41,068
Interest accrued	423,315	29,853
Bank balances	28,031,391	35,305,266
	29,690,354	36,376,187
Financial liabilities		
Long term financing	672,381	724,126
Current maturity of long term financing	121,007	27,981
	793,388	752,107

The effective interest rates for the financial assets are mentioned in respective notes to the financial statements.

Interest rate sensitivity analysis

At June 30, 2023 if interest rates had been 50 basis points higher/ lower and all other variables were held constant, the Company's profit after tax for the year ended June 30, 2023 would increase/ decrease by Rs 84,960 thousand (2022: increase/ decrease by Rs 105,478 thousand).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

34.3.2 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain a going concern and continue to provide returns to shareholders and benefits to other stakeholders.

In order to achieve the above objectives, the Company may issue new shares through right issue or raise financing from financial institutions.

34.4 Fair value of financial instruments

The carrying values of financial assets and liabilities approximate their fair values except for financial assets due directly/ultimately from GoP for which ECL model has not been applied due to exemption provided by SECP as mentioned in note 2.6 to the financial statements. Had the exemption not been granted, carrying value of said financial assets would approximate their fair value.

Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
June 30, 2023				
Short term investments	9,197,048	-	-	9,197,048
Long term investments	194,580	-	-	194,580
	9,391,628	-	-	9,391,628
June 30, 2022				
Short term investments	4,995,065	-	-	4,995,065

35. INFORMATION ABOUT JOINT OPERATIONS

The Company's working interests in Pakistan are as follows:

	2023	2022
	Working interest (%)	
OPERATED BLOCKS / FIELDS		
Zarghun South Field	35.0	35.0
Ziarat Block	60.0	60.0
Karak Block	60.0	60.0
Wali West Block	95.0	95.0
Taung Block	60.0	60.0
Harnai Block	60.0	60.0
Ghuri Block	65.0	65.0
Peshawar East Block	98.2	98.2
Waziristan Block	55.0	55.0
Block 28	95.0	95.0
Khetwaro Block *	51.0	51.0
Sharan Block	60.0	60.0
Nareli Block	39.0	39.0
Dadhar Block	40.0	-
Mach Block	40.0	-
NON - OPERATED BLOCKS		
Hala Block	35.0	35.0
Kohat Block	33.3	33.3
Kohlu Block	30.0	30.0
Kalchas Block	50.0	50.0
Shah Bandar Block	32.0	32.0
Bela West Block	39.0	39.0
North Dhurnal Block	40.0	40.0
Killa Saifullah Block	40.0	40.0
Zindan Block *	35.0	35.0
Kalat West Block	50.0	-
Sui North Block	50.0	-
Meeranpur Block	50.0	-
Margala Block	30.0	-

* The Company has applied for the relinquishment of these blocks and GoP's approval is awaited.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

36. DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES AND THE COMPANIES LISTED ON ISLAMIC INDEX

Description	Explanation	Rupees in thousand
i) Balance as at June 30, 2023:		
<u>Assets</u>		
Long term investments including	Placed under interest arrangement	1,235,648
current portion - TFCs	Placed under Shariah permissible arrangement	-
		1,235,648
Interest accrued	Placed under interest arrangement	421,117
	Placed under Shariah permissible arrangement	2,198
		423,315
Short term investments	Placed under interest arrangement	8,436,725
	Placed under Shariah permissible arrangement	760,323
		9,197,048
Bank balances / instruments	Placed under interest arrangement	30,103,990
	Placed under Shariah permissible arrangement	1,595,748
		31,699,738
<u>Liabilities</u>		
Long term financing including current portion	Obtained under interest arrangement	793,388
	Obtained under Shariah permissible arrangement	-
		793,388
ii) Transactions for the year ended June 30, 2023		
Net sales	Earned under non-Shariah compliant business	-
	Earned under Shariah compliant business	145,769,907
		145,769,907
Interest income on Term Finance	Placed under interest arrangement	103,848
Certificates (TFCs)	Placed under Shariah permissible arrangement	-
		103,848
Interest income on term deposit with banks	Placed under interest arrangement	-
	Placed under Shariah permissible arrangement	62,001
		62,001
Interest income on treasury bills	Placed under interest arrangement	224,765
	Placed under Shariah permissible arrangement	-
		224,765
Income on mutual funds	Placed under interest arrangement	1,319,763
	Placed under Shariah permissible arrangement	77,273
		1,397,036
Interest income on deposit accounts with banks	Placed under interest arrangement	2,677,677
	Placed under Shariah permissible arrangement	54,154
		2,731,831

Description	Explanation	Rupees in thousand
Borrowing costs paid on long term financing	Obtained under interest arrangement	27,500
	Obtained under Shariah permissible arrangement	-
		27,500

iii) **Names of Company's shariah compliant banks**

1. Askari Bank Limited (Islamic)
2. Bank Alfalah Limited (Islamic)
3. Meezan Bank Limited
4. Al Baraka Bank (Pakistan) Limited
5. Bank Islami Pakistan Limited
6. Dubai Islamic Bank
7. Bank of Punjab
8. Faysal Bank Limited

Disclosures other than above are not applicable on the Company.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements as remuneration and allowances including all benefits to key management personnel (chief executive and directors) and executives of the Company is as follows:

	2023		2022	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousand)			
Managerial remuneration	45,290	2,380,694	34,839	1,945,885
Provident fund	4,529	228,113	3,484	174,173
Gratuity fund	4,562	207,887	4,023	270,668
Housing, utilities and others	24,910	2,799,799	19,161	2,438,899
Bonuses	58,250	2,631,609	23,436	2,033,825
	137,541	8,248,102	84,943	6,863,450
Number of persons including those who worked part of the year	1	677	1	597

The above were also provided with medical facilities and post retirement leave benefits. The Chief executive and certain executives were provided with free use of Company maintained cars, residential telephones and use of club facilities. Executives based at plant site, Daharki, are also provided with children schooling and subsidized club facilities.

Non-executive directors were paid aggregate fee and reimbursable expenses of Rs 70,665 thousand (2022: Rs 68,434 thousand). As at June 30, 2023, total directors were 11 (2022: 11).

	2023	2022
38. NUMBER OF EMPLOYEES		
Total number of employees as at year end	1,618	1,559
Average number of employees during the year	1,597	1,414

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

39. BALANCES AND TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED COMPANIES

The related parties of the Company comprise of entities having significant influence over the Company and entities controlled by such entities, associates, employees' retirement funds and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its MD/CEO and Directors to be key management personnel. Associated companies have been identified in accordance with the requirements of the Companies Act, 2017. Transactions and balances with related parties and associated companies, other than below, have been disclosed in relevant notes to these financial statements.

The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are either disclosed in respective notes to these financial statements or are collectively, but not individually, significant to these financial statements. Certain entities have become related parties and associated companies during the year and their information pertaining to prior year is also disclosed for comparison purposes.

Name and nature of relationship	Nature of transaction	Transactions for year ended June 30,	
		2023	2022
		(Rupees in thousand)	
Related parties			
Entities with significant influence over the Company			
Fauji Foundation *	Dividend paid	7,990,364	7,249,537
	Cost recharge expense	249,312	249,736
	Corporate Social Responsibility	619,763	409,620
Oil and Gas Development Company Limited (OGDCL)*	Dividend paid	3,995,182	3,624,768
Government of Pakistan (GoP)	Dividend paid	3,703,534	3,360,160
	Price differential	14,745,904	-
Entities controlled by those entities having significant influence over the company			
Sui Northern Gas Pipelines Limited	Gas sale	47,004,693	20,028,084
Sui Southern Gas Company Limited	Gas sale	6,953,434	7,680,835
Central Power Generation Company Limited	Gas sale	5,390,961	7,065,967
Pak Arab Refinery Company Limited	Crude sale	772,924	214,550
Pakistan Refinery Limited	Crude sale	101,339	254,075
Foundation Power Company			
Daharki Limited	Gas sale	5,208,024	3,439,580
Foundation Gas	LPG sale	2,781	5,001
National Investment Trust	Income on mutual funds	646,804	278,764
National Bank of Pakistan	Interest income	40,771	18,995
Pakistan Petroleum Limited	Contractual services income	2,823,838	-
	Gas processing income	4,686	310,119
	Purchase of stores and spares	14,759	26,299

Name and nature of relationship	Nature of transaction	Transactions for year ended June 30,	
		2023 (Rupees in thousand)	2022
Entities controlled by those entities having significant influence over the company			
Fauji Cement Company Limited	Crude sale	31,394	94,521
Employees' retirement funds			
Gratuity fund (Non-Management)	Company's contribution	23,007	126,539
Provident fund	Company's contribution	269,652	176,883
Associated companies			
Askari Bank Limited	Interest income	2,165,425	575,698
Fauji Fertilizer Company Limited	Gas sale	32,978,650	22,225,373
Fauji Fertilizer Bin Qasim Limited	Crude sale	-	3,338
FFBL Power Company Limited	Corporate Social Responsibility	10,000	-
		Balance as at June 30,	
Name and nature of relationship	Nature of balance	2023	2022
		(Rupees in thousand)	
Related parties			
Entities with significant influence over the Company			
Fauji Foundation *	Cost recharge payable	60,000	60,524
Oil and Gas Development Company Limited (OGDCL) *	Payable to joint operating partner	167,129	1,950,509
Government of Pakistan (GoP)	Receivable from joint operating partner	674,521	1,608,409
	Receivable on account of price differential	3,661,268	-
Entities controlled by those entities having significant influence over the company			
Sui Northern Gas Pipelines Limited	Trade debts	33,744,454	3,952,035
Sui Southern Gas Company Limited	Trade debts	4,400,586	6,002,876
Central Power Generation Company Limited	Trade debts	11,213,215	15,927,606
Pak Arab Refinery Company Limited	Trade debts	290,166	68,802
Pakistan Refinery Limited	Trade debts	23,289	42,863
Foundation Power Company			
Daharki Limited	Trade debts	688,239	647,637
Foundation Gas	Trade debts	6,072	11,290
Government Holdings (Private) Limited	Receivable from joint operating partner	26,475	154,529
National Investment Trust	Mutual funds	4,759,233	2,990,719
National Bank of Pakistan	Bank balances / instruments	415,559	2,016,286
	Interest accrued	17,514	3,238
Pakistan Petroleum Limited	Payable to joint operating partner	365,987	563,434
	Receivable from joint operating partner	265,120	1,466,077
	Receivable against contractual services	719,251	-
	Receivable against gas processing	3,615	41,087

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Name and nature of relationship	Nature of balance	Balance as at June 30,	
		2023	2022
		(Rupees in thousand)	
Key management personnel			
Managing Director / CEO	Advance as per Company's policy	700	-
Associated companies			
Askari Bank Limited	Bank balances / instruments	23,734,622	24,289,285
	Interest accrued	402,814	16,474
Fauji Fertilizer Company Limited	Trade debts	1,593,285	999,994

* These entities are also associated entities by virtue of common directorship.

40. NON - ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

40.1 The Board of Directors in its meeting held on August 8, 2023 has proposed final cash dividend for the year ended June 30, 2023 @ Rs 58 per share, for approval of the shareholders in the Annual General Meeting.

40.2 Subsequent to year end, a wholly owned subsidiary namely Mari Mining Company (Private) Limited has been incorporated and registered with the Securities and Exchange Commission of Pakistan, having share capital of Rs 100,000 divided into 10,000 shares of Rs 10 each.

41. GENERAL

41.1 Revenue from major customers constitutes 96% of the total revenue during the year ended June 30, 2023 (2022: 94%).

41.2 Capacity and Production

Saleable production (net) from Company's fields including share from non-operated fields for the year ended June 30, 2023 is as under:

Product	Unit	Production for the year
Gas	MMSCF	275,214
Crude oil	Barrels	387,456
LPG	Metric ton	17.64

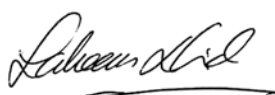
Due to the nature of operations of the Company, installed capacity of above products is not relevant.

41.3 All investments out of Provident Fund and Gratuity Funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified for this purpose.

41.4 These financial statements have been authorized for issue by the Board of Directors of the Company on August 8, 2023.



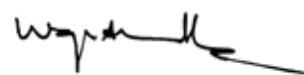
Nabeel Rasheed
Chief Financial Officer



Faheem Haider
Managing Director / CEO



Abid Hasan
Director



Waqar Ahmed Malik (SI)
Chairman

DEFINITION AND GLOSSARY OF TERMS

2D Seismic

Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 2-D seismic provides two dimensional information.

3D Seismic

Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 3-D seismic provides three dimensional information.

Abbreviations

2C	Contingent Resources
2D/3D	2 Dimensional/3 Dimensional
2P	Proven and Probable Reserves
ADNOC	Abu Dhabi National Oil Company
AGA	American Gas Association
AI	Artificial Intelligence
AI & ML	Artificial Intelligence and Machine Learning
AIM	Asset Integrity Management
AIMS	Assets and Infrastructure Management System
ALARP	As Low As Reasonably Practicable
ALHAJ	Al-Haj Enterprises Pvt. Limited
API	American Petroleum Institute
ASU	Amine Sweeting Unit
ATL	Active Tax Payers List
B2B	Business to Business
BBLS	Barrels
BCF/BSCF	Billion Cubic Feet/Billion Standard Cubic Feet
BESOS	Benazir Employees Stock Option Scheme
BI	Business Intelligence
BOE	Barrel of Oil Equivalent
BOPD/BPD	Barrels of Oil Per Day/Barrels Per Day
BSCF	Billion Standard Cubic Feet
BTU	British Thermal Unit
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CATS	Cross Application Timesheets
CCR	Central Control Room
CCUS	Carbon Capture, Utilisation and Storage
CDC	Central Depository Company of Pakistan Limited
CDRS	Comprehensive Disaster Response Services
CGG	Centre for Good Governance
CGS	Chief of General Staff
CIM	Central Inspectorate of Mines
CMF-I/CMF-II	Central Manifold-I & II
CO ₂	Carbon dioxide
COCG	Code of Corporate Governance
COW	Control of Work
CPGCL	Central Power Generation Company Ltd
CSR	Corporate Social Responsibility
C-SUITE	company's top management positions, where the "C" stands for "chief"
CY	Current Year
D&PL (D&P)	Development and Production Lease
DCS	Deputy Commissioners
DGPC	Directorate General of Petroleum Concessions
DRP	Disaster Recovery Plan
DTP	Directors' Training Programme
E&I	Electrical and Instrumentation
E&P	Exploration and Production
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECDA	External Corrosion Direct Assessment
EIA	Environmental Impact Assessment
EKDS	Early Kick Detection System
EMS	Environmental Management System
EPA	Environmental Protection Agency
EPF	Early Production Facility
EPZ	Export Processing Zones
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
EWT	Extended Well Test
FAR	Fatal Accident Rate
FEED	Front End Engineering Design
FLNG	Floating Liquefied Natural Gas
G&G	Geological and Geophysical
G&M	Gravity and Magnetic
GHG	Greenhouse Gas
GHPL	Government Holdings (Pvt) Ltd
GIDC	Gas Infrastructure Development Cess
GPA	Gas Wellhead Price Agreement
GTH	Goru B, Tipu, Habib Rahi Limestone
HAZOP	Hazard and Operability Study
HRL	Habib Rahi Limestone
HSE-MS	Health, Safety and Environment Management System
HSEQ	Health, Safety, Environment and Quality
IASB	International Accounting Standards Board
ICI	Imperial Chemical Industries
IDMS	Inspection Data Management System
IEA	International Energy Agency
IEE	Initial Environmental Examination
IEE/EIA	Initial Environmental Examination/Environmental Impact Assessment
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IMS	Integrated Management System
INGOS	International Non-governmental Organizations
INSEAD	Institut Européen d'Administration des Affaires
IOGP	International Association of Oil & Gas Producers
IOSH	Institution of Occupational Safety and Health
ISMS	Information Security Management System
JSRS-OMAN	Joint Supplier Registration System-Oman
JV/JVP	Joint Venture/Joint Venture Partner
KBOED	thousand barrels of oil equivalent (per day)
KMI	KSE-Meezan Index
KPIS	Key Performance Indicators
LMKR	LMK Resources
LNG/RLNG	Liquefied Natural Gas/Re-Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LRUT	Long Range Ultrasonic Testing
LTIF	Lost Time Injury Frequency

Definition and Glossary of Terms

LTIR	Lost Time Injury Rate
M&AI	Management & Asset Integrity
MBOE	Thousand Barrel of Oil Equivalent
MCSA/MCA	Motor Current Signature Analysis
MDU	Mari Drilling Unit
MGMS	Mari Gravity & Magnetic Survey Unit
ML	Machine Learning
MMBOE	Million Barrels of Oil Equivalent
MMLU	Mari Mud Logging Unit
MMSCFD	Million Standard Cubic Feet/Day
MOC	Management of Change
MPTA	Myanmar Petroleum Trade Association
MSPC	Mari Seismic Data Processing Center
MSPS	Management System Procedures
MSU	Mari Seismic Unit
MVCR	Motor Vehicle Crash Rate
NCCPL	National Clearing Company of Pakistan Limited
NFEH	National Forum for Environment and Health
NFPA	National Fire Protection Association
NWD	Nation Wide Dialing System
OBM	Oil Based Mud
ODS	Operational Deflection Shape
OEM	original Equipment Manufacturer
OGDCL	Oil & Gas Development Company Limited
OGRA	Oil & Gas Regulatory Authority
OICCI	Overseas Investors Chamber of Commerce and Industry
OPEC	Organization of the Petroleum Exporting Countries
OPI	Orient Petroleum Inc
OPL	Ocean Pakistan Limited
P/E	Price to Earnings Ratio
PAPCO	Pak-Arab Pipeline Company Limited
PAT	Profit After Tax
PBC	Pakistan Business Council
PCAS	Petroleum Concession Agreements
PCP	Pakistan Centre for
PEF	Pressure Enhancement Facilities
PICG	Pakistan Institute of Corporate Governance
PIOL	Pakistan International Oil Limited
PKL	Pirkoh Limestone
PKR	Pakistani rupee
PLC	public limited company
PLC	Programmable Logic Controller
POD	point of delivery
POL	Pakistan Oilfields Limited
PPEPCA	Pakistan Petroleum Exploration and Production Companies Association
PPIS	Pakistan Petroleum Information Service
PPL	Pakistan Petroleum Limited
PRD	Pressure Relief Device
PSA	Participation & Shareholders Agreement
PSER	Process Safety Event Rate
PSI/PSIG	Pounds Per Square Inch Gauge
PSO	Pakistan State Oil
PSSR	Pre-Startup Safety Reviews
PSX	Pakistan Stock Exchange
PTA	Pakistan Telecommunication Authority
PVT	Private
PWC	PricewaterhouseCoopers
Q&A	Questions and Answers
QAIP	Quality Assurance & Improvement Program
QCR	Quality Control Review
R&D	Research & Development
RBI	Risk-Based Inspection
RCM	Reliability Centered Maintenance
RHC	Renewable heating and cooling
RLNG	regassified liquefied natural gas
RO PLANT	Reverse Osmosis Plant
RRR	Reserves Replacement Ratio
RT	Real Time
SAP	Systems, Applications and Products
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDGS	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SEED	Skills Enhancement & Employee Development
SEHCL	Sindh Energy Holding Company Limited
SEL	Saif Energy Limited
SGPC	Sachal Gas Processing Complex
SGS	Société Générale de Surveillance (General Society of Surveillance)
SI	Sitara-i-Imtiaz
SIF	Safety Instrumented Function
SIL	Safety Integrity Level
SIMOPS	Simultaneous Operations
SIS	Safety Instrumented System
SML	Sui Main Limestone
SNGPL	Sui Northern Gas Pipelines Limited
SOES	State-owned Enterprises
SOPS	Standard Operating Procedures
SPE	Special Purpose Entity
SPE/PAPG	Society of Petroleum Engineers/Pakistan Association of Petroleum Geoscientists
SQ. KM	Square Kilometers
SUL	Sui Upper Limestone
SWOS	Social Welfare Obligations
SWOT	Strengths, Weaknesses, Opportunities & Threats
TB	Tuberculosis
TCF	Trillion Cubic Feet
TERF	Temporary Economic Refinance Facility
TFCS	Term Finance Certificates
THQ	Tehsil Headquarters
TORS	Terms of Reference
TRIR	Total Recordable Injury Rate
UAE	United Arab Emirates
UEP	United Energy Pakistan
UEPL	United Energy Pakistan Limited
JET	University of Engineering and Technology
UK	United Kingdom
UN	United Nations
UNGC	United Nations Global Compact
USA	United States
USD	United States Dollar
VDI	Virtual Desktop Infrastructure
WBG	World Bank Group
WHFP	Wellhead Flowing Pressure
WIMS	Well Integrity Management System
YOY	Year-on-Year
YPO	Youth Peace Organization

ڈائریکٹرز رپورٹ

مندرجہ بالا کے علاوہ، کمپنی ماری فیلڈریز روائرز کے لیے متعدد ذخائر میں تیزی اور پیداواری سطح کی توسیع کے مواقع کا فعال طور پر جائزہ لے رہی ہے تاکہ ان کی کمی کی حکمت عملیوں کو بہتر بنایا جاسکے۔ اس سلسلے میں اندرون ملک مختلف اسٹیڈیز مکمل ہو چکی ہیں اور ان ذخائر کی بہترین پیداواری سطح کو برقرار رکھنے / بڑھانے کے لیے نشاندہی کیے گئے مواقع پر عمل درآمد جاری ہے۔

کمپنی کو ماری فیلڈ سے اپنے کھاد کے صارفین کو نیچرل فلوئنگ پریشر پر پوائنٹ آف ڈیلیوری (POD) پر گیس فراہم کرنے کی ضرورت ہے، جو کہ قدرتی کمی سے گزر رہی ہے۔ MPCL اپنے کھاد کے صارفین کے ساتھ مل کر کام کر رہا ہے، تاکہ کم ہوتے ہوئے دباؤ کو کنٹرول کیا جاسکے اور پلیٹیو پروڈکشن کو بڑھایا جاسکے۔ ماری فیلڈ میں پی ای ایف (پریشر انہاسمنٹ فیسیلٹی) پر وجیکٹ میں سرفیس پائپ لائن کے بنیادی ڈھانچے کو ختم کرنے اور مختلف Nodes پر کمپریشن سہولت کی تنصیب شامل ہے جس کے لیے عمل درآمد شروع ہو چکا ہے۔

ایکسپلوریشن پورٹ فولیو مینجمنٹ:

ایکسپلوریشن پورٹ فولیو مینجمنٹ کی حکمت عملی کو نافذ کرنے کے بعد کمپنی نے اپنے ایکسپلوریشن پورٹ فولیو کی درجہ بندی کی ہے اور 2023-26 کے دوران ڈرلنگ کے لیے مختلف امکانات اور لیڈز کو ترجیح دی ہے تاکہ ایک مضبوط سرمائے کے نظم و ضبط اور وسائل میں اضافے کو یقینی بنانے کے لئے اعلیٰ درجے کے ایکسپلوریٹری ویلز کو ہدف بنا کر، فنڈز سمیت دستیاب وسائل کو زیادہ سے زیادہ استعمال کر کے ڈرلنگ اور سیمک کے منصوبے بنائے جاسکیں۔

اس کی ترقی کی رفتار کو پورا کرنے کے لیے، نئے بلاکس کو شامل کر کے ایکسپلوریشن پورٹ فولیو کو بڑھانا انتظامیہ کا کلیدی فوکس رہا ہے۔ یہ E.Ls، جو تمام مینس میں پھیلے ہوئے ہیں، کمپنی کو اس کی ترقی کی حکمت عملی کے مطابق اس کے ریسرچ پروگرام کو بہتر بنانے کے لیے بہت ضروری چلک فراہم کریں گے۔

ایکسٹرل آڈیٹرز

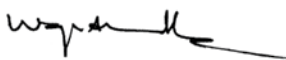
موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، آئس آف ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، آئس آف ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو مالی سال 2023-24 کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔

آڈٹ کمیٹی نے 25 جولائی 2023 کو منعقدہ اپنے اجلاس میں آڈیٹرز کی تقرری پر غور کیا اور میسرز ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو مالی سال 2023-24 کے لیے کمپنی کے قانونی آڈیٹرز تعیناتی کی سفارش کی ہے۔ آڈٹ کمیٹی کی سفارشات کی توثیق بورڈ آف ڈائریکٹرز نے 08 اگست 2023 کو ہونے والے اپنے اجلاس میں کی تھی اور اب یہ معاملہ شیئر ہولڈرز کی منظوری کے لیے آئس آف ایف فرگوسن اینڈ کو میں پیش کیا جائے گا۔

اظہار تشکر

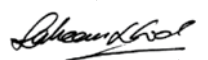
بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کو شاندار مالیاتی نتائج کے ساتھ مختلف اہم پروجیکٹس کی فراہمی پر ان کی لگن اور عزم کو خراج تحسین پیش کرتے ہیں۔ بورڈ مقامی انتظامیہ، صوبائی حکومتوں اور وفاقی حکومت کے مختلف محکموں بالخصوص وزارت توانائی (پیٹرولیم ڈویژن)، وزارت خزانہ، اوگرا، پیٹرولیم کنسٹیبلز آف ایف ایف ایف کے DGs، فوجی فاؤنڈیشن، اوجی ڈی سی ایل، ایف بی آر اور قانون نافذ کرنے والے اداروں، اپنے سپلائرز اور دیگر اسٹیک ہولڈرز کی جانب سے معاونت اور تعاون فراہم کرنے پر تہ دل سے مشکور و ممنون ہے۔

بورڈ کے لیے اور اس کی جانب سے



وقار احمد ملک (ستارہ امتیاز)

چیئرمین



قاسم حیدر

منیجنگ ڈائریکٹر / سی ای او

اسلام آباد

08 اگست 2023

- (g) بورڈ کی منظوری سے قبل آڈٹ کمیٹی کے ذریعہ تمام متعلقہ فریقین کے لین دین کا جائزہ لیا گیا۔
- (h) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں کارپوریٹ گورننس کے بہترین اصولوں سے کوئی قابل ذکر تضاد نہیں پایا گیا۔
- (i) سالانہ رپورٹ میں گزشتہ دس سالوں کا کلیدی آپریٹنگ اور فنانشل ڈیٹا فراہم کیا گیا ہے۔
- (j) 30 جون 2022 تک بینک ڈپازٹس اور مختلف فنڈز کی جمع شدہ آمدنی سمیت سرمایہ کاری کی قدر، ان کے متعلقہ آڈٹ شدہ کھاتوں کی بنیاد پر تفصیل حسب ذیل ہے:

کسٹمر بیوٹری پروویڈنٹ فنڈ	1,539 ملین روپے
مینجمنٹ سٹاف گریجویٹ فنڈ	2,911 ملین روپے
نان - مینجمنٹ سٹاف گریجویٹ فنڈ	1,106 ملین روپے

(k) بقایا ٹیکسز اور لیویز سے متعلق معلومات مالیاتی گوشواروں کے نوٹس میں بیان کی گئی ہیں۔

ڈیویڈنڈ

سال کے دوران کمپنی نے 30 جون 2022 کو ختم ہونے والے سال کے لیے 62 روپے فی حصص (62%) کا حتمی نقد منافع ادا کیا، اور 30 جون 2023 کو ختم ہونے والے سال کے لیے 89 روپے فی حصص (89%) کا عبوری کیش ڈیویڈنڈ بھی ادا کیا ہے۔

مزید برآں، بورڈ آف ڈائریکٹرز نے 08 اگست 2023 کو منعقد ہونے والے اپنے اجلاس میں 30 جون 2023 کو ختم ہونے والے سال کے لیے حتمی نقد منافع 58 روپے فی شیئر (58%)، کی تجویز پیش کی ہے جو آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کے لئے پیش کیا جائے گا۔

کمپنی کے مستقبل کے منصوبہ جات

بنیادی کاروبار

کمپنی مستقل طور پر اپنے آپریشنز کو بڑھا رہی ہے اور اپنے انسانی، تکنیکی، مالیاتی اور سماجی سرمائے کی تعمیر کر رہی ہے تاکہ اس کی مستقبل کی ترقی کی رفتار کو ایندھن پر برقرار رکھا جاسکے۔ کمپنی اپنی موجودہ فیلڈز، خاص طور پر مدر فیلڈ ماری سے اپنی پیداوار کو بہتر بنانے اور مقامی اور بین الاقوامی دونوں بلاکس میں اپنی تلاش کی سرگرمیوں کو تیز کرنے کی کوشش کر رہی ہے۔

ماری فیلڈ شروع سے ہی کمپنی کی پیداوار اور آمدنی کا ایک بڑا ذریعہ رہا ہے اور امید کی جاتی ہے کہ آنے والے برسوں میں اس کا خاطر خواہ تعاون جاری رہے گا۔ لہذا، کمپنی کی کوششوں اور وسائل کا ایک اہم حصہ بشمول ویلز کی ڈرلنگ اور پیداوار کو بہتر بنانے کے لئے ماری فیلڈ پر توجہ مرکوز کیے ہوئے ہے۔

Shewa ڈسکوری سے ابتدائی پیداوار کا حصول ایک اہم ترجیح ہے جو کہ EPF سہولیات اور SNGPL پائپ لائن کی تکمیل سے مشروط ہے نئی پیداوار 2023 کے اختتام سے پہلے شامل کی جاسکتی ہے۔

اسی طرح وزیرستان بلاک اور Mari D&PL ایریا میں Ghazijz فارمیشن سے نئے دریافت ہونے والے اپریزل ذخائر ہیں جو دیگر دو ترجیحی منصوبے ہوں گے اور دیگر ممکنہ بلاکس میں ڈرلنگ کی سرگرمیاں بھی شروع کی جائیں گی۔

کمپنی ہائیڈرو کاربن کے مزید وسائل کو دریافت کرنے کی غرض سے موجودہ اور ممکنہ بلاکس میں تلاشی کی سرگرمیاں بھی ترجیحی بنیادوں پر انجام دے رہی ہے، جنہیں موجودہ انفراسٹرکچر کو بروئے کار لا کر تیزی سے آگے لایا جاسکتا ہے۔ مجموعی طور پر، مالی سال 2023-24 کے دوران مختلف آپریٹڈ اور نان آپریٹڈ بلاکس میں پانچ ایکسپلوریشن اور پانچ اپریزل ویلز ڈرل کرنے کا منصوبہ ہے۔ مزید برآں مختلف 2D اور 3D سیمک ڈیٹا کے حصول کے منصوبے بھی آپریٹڈ اور نان آپریٹڈ بلاکس بنائے گئے ہیں تاکہ ان کے ہائیڈرو کاربن کی صلاحیت کا جائزہ لیا جاسکے جو امکانات کی شناخت کا باعث بنیں گے۔

ڈائریکٹرز رپورٹ

چیرمین	بورڈ کے اجلاس میں شرکت کے لیے 600,000 روپے
ڈائریکٹرز	بورڈ اور کمیٹی کے اجلاس میں شرکت کے لیے 400,000 روپے

کمپنی کے کاروبار پر تمام ڈائریکٹرز بھی کمپنی کی قابل اطلاق پالیسی کے مطابق سفر سے متعلق الاؤنسز کے حقدار ہیں۔

کمپنی کے عام اجلاس میں شرکت کے لیے نان ایگزیکٹو ڈائریکٹرز کو کوئی فیس ادا نہیں کی جاتی ہے۔ اس کے علاوہ، وہ کوئی بونس اور ریٹائرمنٹ کے بعد کے فوائد حاصل کرنے کے حقدار نہیں ہیں۔

ڈائریکٹرز کے کسی بھی کیٹیگری کے لیے کوئی اسٹاک آپشن اسکیم موجود نہیں ہے۔

سال کے دوران ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیلات منسلک مالی بیانات کے نوٹ 37 میں دی گئی ہیں۔

شیر ہولڈنگ پیٹرن

30 جون 2023 کے شیر ہولڈنگ پیٹرن کی تفصیلات سالانہ رپورٹ میں موجود ہیں۔

کوڈ آف کارپوریٹ گورننس

کمپنی SECP کی طرف سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی مکمل تعمیل کرنے کے لیے سرگرم عمل ہے۔ تعمیل کے بیان کا قانونی آڈیٹرز کے ذریعہ جائزہ لیا جاتا ہے اور ممبران کو ان کی جائزہ رپورٹ ہر سال سالانہ رپورٹ میں شامل کی جاتی ہے۔

ڈائریکٹرز کپلائنس اسٹیٹمنٹ

کمپنی کے ڈائریکٹر مندرجہ ذیل کی تصدیق کرتے ہیں:

(a) یہ مالیاتی بیانات درج ذیل اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق تیار کیے گئے ہیں:

- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS) انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کے ذریعہ جاری کردہ جیسا کہ کمپنیز ایکٹ، 2017 کے تحت مطلع کیا گیا ہے۔ اور
 - کمپنیز ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات
- جہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS معیارات سے مختلف ہیں، وہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔

(b) مالیاتی گوشوارے کمپنی کی اسٹیٹ آف افیئرز، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

(c) کمپنی کے حساب کتاب درست طور پر برقرار رکھے گئے ہیں۔

(d) کمپنی کی صلاحیت کے بارے میں کوئی خاص شک نہیں ہے جو قابل تشویش ہو۔

(e) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اطلاق کیا گیا ہے، سوائے مالی بیانات میں تفصیل کے مطابق کسی بھی تبدیلی کے، اور اکاؤنٹنگ کے تمام تخمینے ایک معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

(f) ڈائریکٹرز اس بات کے ذمہ دار ہیں اور انہوں نے مناسب طریقے سے اس بات کو یقینی بنایا ہے کہ مالیاتی کنٹرول کے ساتھ ساتھ انٹرنل کنٹرول کا نظام بھی درست ڈیزائن کیا گیا ہے اور اسے موثر طریقے سے لاگو کیا گیا اور نگرانی کی گئی ہے۔

انویسٹمنٹ کمیٹی

بورڈ کی انویسٹمنٹ کمیٹی درجہ ذیل ڈائریکٹرز پر مشتمل ہے:

عہدہ	ڈائریکٹر
چیئر مین	ڈاکٹر ندیم عنایت
ممبر	میجر جنرل احمد محمود حیات (ریٹائرڈ)
ممبر	جناب محمد عامر سلیم
ممبر	جناب عدنان آفریدی
ممبر	محترمہ سیما عادل

* بورڈ آف ڈائریکٹرز نے 8 اگست 2023 کو ESG کمیٹی تشکیل دی ہے۔

بورڈ، بورڈ کمیٹیز اور انفرادی ڈائریکٹرز کی کارکردگی کا سالانہ جائزہ

بورڈ، اس سے متعلقہ کمیٹیز اور انفرادی ڈائریکٹرز کی کارکردگی کا آزادانہ جائزہ لینے کے لئے MPCL بورڈ نے مالی سال 2022-23 کا جائزہ لینے کے لئے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کرنے کا فیصلہ کیا ہے۔

PICG پاکستان میں گورننس کا سب سے پہلا ادارہ ہے جو کارپوریٹ گورننس کے بہترین طریقوں کو فروغ دینے کے ساتھ ساتھ تعلیم و تربیت تحقیق، رہنما اصولوں کی اشاعت اور دیگر ریسورس میٹریل کو فروغ دے رہا ہے۔

PICG نے بورڈ کی تشخیص کے لیے ایک خصوصی طریقہ کار تیار کیا ہے جو بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی طاقت اور صلاحیتوں کا آزادانہ جائزہ فراہم کرتا ہے۔ PICG کے آن لائن اسیسمنٹ کو The Corporate L.I.F.E™ Center International Inc کے تعاون سے Customize اور ڈیلیور کیا جاتا ہے۔ PICG اسیسمنٹ بورڈ کو اس قابل بناتا ہے کہ وہ زیادہ متاثر کن، کم کارکردگی والے علاقوں پر توجہ دیں اور ایسے حل تلاش کریں جو مطلوبہ اسٹریٹجک مقاصد کو حاصل کرنے کے لیے انتظامیہ کی مدد کر سکیں۔

ایو الو ایشن کی تکمیل کے بعد PICG اپنی ایو الو ایشن رپورٹ بورڈ کی HR&R کمیٹی کو پیش کرے گا، جو اپنی سفارشات کے ساتھ رپورٹ بورڈ کو پیش کرے گی۔

ڈائریکٹرز کی معاوضہ پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 16 کی تعمیل میں، ڈائریکٹرز کے معاوضے کی باقاعدہ پالیسی موجود ہے۔ پالیسی کی نمایاں خصوصیات حسب ذیل ہیں:

ایگزیکٹو ڈائریکٹر: نیجنگ ڈائریکٹر / سی ای او بورڈ میں واحد ایگزیکٹو ڈائریکٹر ہیں۔ بورڈ کی منظوری سے وہ تنخواہ اور دیگر مراعات کا حقدار ہے جو کمپنی کی پالیسی کے مطابق ہے۔ نیجنگ ڈائریکٹر کو بورڈ، بورڈ کمیٹیوں اور عام اجلاسوں میں شرکت کے لیے کوئی فیس ادا نہیں کی جاتی ہے۔

انڈیپنڈنٹ، نان-ایگزیکٹو ڈائریکٹر کا معاوضہ:

کمپنی کے آرٹیکلز آف ایسوسی ایشن اور ریگولیشنز تقاضوں کے مطابق، ہر نان ایگزیکٹو ڈائریکٹر بشمول انڈیپنڈنٹ ڈائریکٹر بورڈ اور کمیٹیوں کے اجلاس میں شرکت کے لیے معاوضے کا حقدار ہے جیسا کہ بورڈ نے فیصلہ کیا ہے۔ ڈائریکٹرز کے لیے موجودہ فیس جیسا کہ بورڈ نے 21 اکتوبر 2022 کو منعقدہ اپنی 203 ویں اجلاس کے دوران منظوری کی تھی، درجہ ذیل ہے:

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی کمیٹیاں

ایم پی سی لبل بورڈ نے چار کمیٹیاں تشکیل دی ہیں جو بورڈ کو اس کے کاموں کی مختلف کی نگرانی میں معاونت فراہم کرتی ہیں۔ یہ کمیٹیاں اپنے متعلقہ دائرہ اختیار سے متعلق اہم معاملات پر اچھی طرح غور کرتی ہیں اور اپنی سفارشات بورڈ کو غور و خوض کرنے اور حتمی فیصلے کے لیے پیش کرتی ہیں۔

آڈٹ کمیٹی:

بورڈ کی آڈٹ کمیٹی اس وقت درجہ ذیل ڈائریکٹرز پر مشتمل ہے:

عہدہ	ڈائریکٹر
چیرمین (انڈیپنڈنٹ، نان - ایگزیکٹو ڈائریکٹر)	جناب عابد نیاز حسن
ممبر	ڈاکٹر ندیم عنایت
ممبر	کیپٹن (ر) محمد محمود **
ممبر	جناب احمد حیات لک
ممبر	جناب عدنان آفریدی

** سال کے اختتام کے بعد GoP کی طرف سے نامزدگی واپس لے لی گئی۔

HR&R کمیٹی

بورڈ کی HR&R کمیٹی درجہ ذیل ڈائریکٹرز پر مشتمل ہے:

عہدہ	ڈائریکٹر
چیرمین (انڈیپنڈنٹ، نان - ایگزیکٹو ڈائریکٹر)	جناب عدنان آفریدی
ممبر	میجر جنرل احمد محمود حیات (ریٹائرڈ)
ممبر	جناب محمد حسن اقبال
ممبر	جناب احمد حیات لک
ممبر	جناب عابد نیاز حسن

ٹیکنیکل کمیٹی

بورڈ کی ٹیکنیکل کمیٹی درجہ ذیل ڈائریکٹرز پر مشتمل ہے:

عہدہ	ڈائریکٹر
چیرمین	میجر جنرل احمد محمود حیات (ریٹائرڈ)
ممبر	جناب محمد حسن اقبال
ممبر	جناب محمد عامر سلیم
ممبر	جناب عدنان آفریدی
ممبر	محترمہ سیمما عادل

کارپوریٹ گورننس

بورڈ کی تشکیل

کمپنی ایک انتہائی موثر بورڈ پر مشتمل ہے، جس میں بنیادی قابلیت، کثیر النوع پس منظر، مہارت، علم اور تجربات کا مناسب امتزاج شامل ہے۔ بورڈ کل 11 ڈائریکٹرز پر مشتمل ہے جس میں سے سات (7) منتخب ڈائریکٹرز اور چار (4) نامزد ڈائریکٹرز (دو دو حکومت پاکستان اور او جی ڈی سی ایل کی نمائندگی کرتے ہیں) شامل ہیں۔ بورڈ کی موجودہ تشکیل حسب ذیل ہے:

کیٹیگری	ڈائریکٹر	نمبر شمار
نان- ایگزیکٹو ڈائریکٹر	فوجی فاؤنڈیشن کی نمائندگی جناب وقار احمد ملک	-1
نان- ایگزیکٹو ڈائریکٹر	ڈاکٹر ندیم عنایت	-2
نان- ایگزیکٹو ڈائریکٹر	میجر جنرل احمد محمود حیات (ریٹائرڈ)	-3
ایگزیکٹو ڈائریکٹر	جناب فہیم حیدر	-4
نان- ایگزیکٹو ڈائریکٹر	حکومت پاکستان کی نمائندگی کیپٹن (ر) محمد محمود *	-5
نان- ایگزیکٹو ڈائریکٹر	جناب محمد حسن اقبال	-6
نان- ایگزیکٹو ڈائریکٹر	OGDCL کی نمائندگی جناب احمد حیات لک	-7
نان- ایگزیکٹو ڈائریکٹر	جناب محمد عامر سلیم	-8
نان- ایگزیکٹو ڈائریکٹر	جنرل پیلک کی نمائندگی جناب عدنان آفریدی	-9
انڈیپنڈنٹ، نان- ایگزیکٹو ڈائریکٹر	جناب عابد نیاز حسن	-10
انڈیپنڈنٹ، نان- ایگزیکٹو ڈائریکٹر	محترمہ سہیما عادل	-11

* سال کے اختتام کے بعد GoP کی طرف سے نامزدگی واپس لے لی گئی۔

میل ڈائریکٹرز: 10

نی میل ڈائریکٹرز: 01

بورڈ کے چیئرمین اور سی ای او کے عہدے دو مختلف افراد کے پاس ہیں۔

جناب وقار احمد ملک بورڈ کے چیئرمین ہیں، جبکہ جناب فہیم حیدر کمپنی کے مینجنگ ڈائریکٹر / سی ای او ہیں۔ ان افراد کے نام جو مالی سال کے دوران کسی وقت کمپنی کے ڈائریکٹر تھے۔

- جناب علی رضا بھٹ
- سید خالد سراج سبحانی
- عبدالرشید جو کھیو - 26 جولائی 2023 کو بورڈ سے مستعفی ہوئے۔

ڈائریکٹرز رپورٹ

صنعتی تعلقات اور انسانی وسائل

کمپنی کام کے ماحول کو فروغ دینے کی اہمیت، جوش اور جذبے کی حوصلہ افزائی کرتا ہے۔ اس کے ساتھ ساتھ، ہم تمام مقامات پر صحت، حفاظت اور ماحولیات کے معیارات کو برقرار رکھتے ہوئے اپنی سماجی اور قانونی ذمہ داریوں کو پورا کرنے کے لیے پُر امید ہیں۔ یہ ہمارا اولین مقصد ہے کہ ہم اپنے ملازمین کے لیے ایک صحت مند، سازگار ماحول کی فراہمی کو یقینی بنانے کے لئے کوشاں ہیں، اس سے مجموعی پیداوار اور ہم آہنگی کو فروغ ملے گا۔ ہم اپنے عملے کے ساتھ مکمل ہم آہنگی کے ساتھ تعلقات کو برقرار رکھنے کے لئے پُر عزم ہیں۔ جس کا مقصد نہ صرف ان سے تنظیمی اہداف کو کامیابی سے پورا کرنا شامل ہے بلکہ اپنے عملے کی معاشی حالت کو بھی بہتر بنانا ہے۔

اس منصوبے کو عملی جامہ پہنانے کے لیے مختلف اقدامات شروع کیے گئے، جن میں تنظیمی ڈھانچے کو بہتر بنانے، ضروری تکنیکی اور معاون کرداروں کے لیے ہنرمند افراد کی خدمات حاصل کرنے، کارکردگی پر مبنی ثقافتی تعمیر، قابلیت کی ترقی، اور قیادت کی تربیت کرنا شامل ہے۔ ان پروگرامز میں مندرجہ ذیل شامل ہیں:

- ملازمین کی ترقی اور پیشہ ورانہ ترقی کو مزید بڑھانے کے لیے ڈیول کیریئر اور قابلیت کی ترقی کے پروگرام کا نفاذ۔
- MPCL لیڈر شپ ڈویلپمنٹ فریم ورک پروگرام کا مقصد ایک مضبوط لیڈر شپ تیار کرنا۔
- ملازمین کے مجموعی تجربے اور کارکردگی کو بہتر بنانے کے لیے آٹومیشن کو فروغ دینا۔
- جاری منصوبوں کے لیے اسٹریٹجک اور معیاری خدمات حاصل کرنا، ان کے بروقت اور کامیاب عمل کو یقینی بنانا۔
- ہماری افرادی قوت کو صنعتی رجحانات اور مہارتوں کے برابر رکھنے کے لیے کاروبار سے چلنے والی تربیت اور ترقی کے مواقع کی فراہمی۔
- ایک باہمی تعاون پر مبنی ثقافت کی مہم، ٹیم بنانے کے مختلف واقعات کے ذریعے جو تعاون، ملکیت، حل پر مبنی نقطہ نظر اور ٹیم ورک کو فروغ دیتے ہیں۔

ہمارے تمام اقدامات کا مقصد کارکردگی کو بڑھانے، ملازمین کو برقرار رکھنے، اور عملے کے مابین باہمی ربط اور مشغولیت کے احساس کو فروغ دینے کے مقاصد کے ساتھ بہترین HR طریقوں کو نافذ کرنا ہے۔

انفارمیشن ٹیکنالوجی

MPCL خود کار IT نظام اور ڈیجیٹل ٹرانسفارمیشن کے اقدامات کو اپناتے ہوئے آپریشنل کارکردگی کو بڑھانے کے لیے پُر عزم ہے، جو بنیادی کاروباری سرگرمیوں کو ہموار کرنے اور نئی بلندیوں تک لے جانے کے لیے ڈیزائن کیا گیا ہے۔ کمپنی ڈیٹا مینجمنٹ کے اصولوں کے مطابق، باہمی تعاون کی صلاحیتوں کے لیے صنعت کے معروف سافٹ ویئر سوشس کا استعمال کرتی ہے، جس سے بہتر جیولوجیکل بصیرت اور پراسپیکٹ اسسٹ حاصل ہوتی ہے۔

IT کی حکمت عملی کے ایک حصے کے طور پر کمپنی نے ڈیٹا پر مبنی فیصلہ سازی کو سپورٹ کرنے کے لیے ڈیجیٹل ٹرانسفارمیشن، انٹرپرائز ڈیٹا مینجمنٹ اور تجزیات اور بزنس انٹیلی جنس بورڈز کی ترقی کے لئے پیپر لیس آفس جیسے متعدد قابل ذکر پروجیکٹس شروع کیے ہیں۔

MPCL کا ڈیٹا سٹرکچر ریورس پلان ان غیر متوقع واقعات کے لیے ایک منظم رد عمل پیش کرتا ہے جو کمپنی کے IT کے بنیادی ڈھانچے کو خطرے میں ڈالتا ہے، بحالی کے مقاصد اور ترجیحی کاروباری اثرات کے تجزیہ اور کاروباری تسلسل کی ضروریات کی بنیاد پر بیان کی جاتی ہیں۔

کمپنی اپنے ملازمین کو سائبر سیکیورٹی کے خطرات اور رجحانات کے بارے میں معلومات فراہم کرنے کی اپنی ذمہ داری سے پوری طرح آگاہ ہے۔ باقاعدگی سے اندرون خانہ آگاہی سیشنز منعقد کیے جاتے ہیں، اور کمپنی سائبر سیکیورٹی کی خبروں اور رجحانات پر گہری نظر رکھے ہوئی ہے۔ اس کے علاوہ، خطرات کی نشاندہی کرنے اور بروقت سائبر سیکیورٹی کنٹرول کو مربوط بنانے کے لیے قابل اعتماد رسک کی تشخیص اور نگرانی کے حل استعمال کیے جاتے ہیں۔

انٹرنل ریسک مینجمنٹ

کاروبار کو برقرار رکھنے اور اپنے مقاصد کو حاصل کرنے کے لیے ایک کامیاب کاروباری حکمت عملی پر عمل کرتے ہوئے کمپنی اس بات کو تسلیم کرتی ہے کہ بغیر کسی رسک کے کوئی سرگرمی ممکن نہیں ہے۔ اس لیے کمپنی نے ISO 31000:2018 کے مطابق ایک انٹرنل ریسک مینجمنٹ کا طریقہ کار اپنایا ہے، تاکہ خطرے کے انتظام کے لیے ایک فعال، مناسب اور جامع طریقہ کار کو یقینی بنایا جاسکے۔ جس پر توجہ مرکوز کی جائے:

- خطرے، حکمت عملی اور کاروباری کارکردگی کے مابین ایک ربط پیدا کرنا؛
- ایک مضبوط ماحولیاتی کنٹرول کا قیام؛
- کمپنی کے فیصلہ سازی کے عمل میں رسک مینجمنٹ کی سرگرمیوں کا انضمام؛
- قابل اطلاق دائرہ اختیار میں تمام قابل اطلاق قوانین اور ضوابط کی تعمیل؛ اور
- خطرے سے آگاہی کے کلچر کو فروغ دینا اور اسے برقرار رکھتے ہوئے مالی اور آپریشنل پر فارمنس اور کارکردگی کو آسان بنانا۔

مجموعی طور پر کمپنی کے بورڈ آف ڈائریکٹرز MPCL میں رسک کو جانچنے، رسک کی نوعیت اور برداشت کی سطح کا تعین کرنے، اور رسک مینجمنٹ کی پالیسیوں اور فریم ورک کے قیام کے ذمہ دار ہے۔ بورڈ کی آڈٹ کمیٹی رسک کا جائزہ لینے، دیگر چیزوں کے ساتھ ساتھ، رسک کے انتظامی پالیسیوں اور رسک گورننس آرکیٹیکچر کے ذریعے فراہم کی جانے والی کارروائیوں کی مناسبت، مضبوطی اور تاثیر کو یقینی بنانے کی ذمہ دار ہے۔ کمپنی کے اندر ایک فعال ERM ڈیپارٹمنٹ موجود ہے جو رسک مینجمنٹ ایکٹیویٹیز کو مرکزی طور پر مربوط کرتا ہے، جو پورے ادارے میں ERM پریکٹسز کو فعال طریقے سے اپنانے کو یقینی بناتا ہے اور دیگر ڈیپارٹمنٹس کو خطرے سے متعلق مشورہ، رہنمائی اور مدد فراہم کرتا ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

E&P انڈسٹری فطری طور پر زیادہ پرخطر شعبہ ہے جہاں خطرات کی نوعیت وسیع پیمانے پر مختلف ہوتی ہے جس میں اسٹریٹجک، آپریشنل، مالیاتی، تعمیل، ریگولیٹری ایریاز وغیرہ شامل ہیں۔ حالیہ دنوں میں بنیادی خطرات اور غیر یقینی صورتحال کی بڑی وجہ ملک میں پیدا ہونے والے سیکورٹی کے مسائل اور معاشی صورتحال ہے۔

MPCL سیکورٹی کے لحاظ سے حساس مقامات پر اپنے ممکنہ بلاکس کی موجودگی کی وجہ سے اپنے اہلکاروں، اثاثہ جات اور ورک پروگرام کو بروقت اور موثر طریقے سے انجام دینے کے لیے بہت سے خطرات سے دوچار ہے۔ ایم پی سی ایل نے اہلکاروں اور اثاثوں کی حفاظت اور سالمیت کو یقینی بنانے کے لیے LEA اور سیکورٹی اداروں کے ساتھ مل کر کنٹرول کا ایک جامع نظام قائم کیا ہے۔

ملک کو درپیش مالی اور معاشی صورتحال نے کمپنی کے کاروبار کو بھی متاثر کیا ہے۔ ان چیلنجز کے ممکنہ اثرات نئے ٹیکسوں کے نفاذ سے لے کر فاریکس کے بہاؤ پر انتظامی کنٹرول تک اثر انداز ہوتے ہیں جو آلات اور خدمات کو بروقت حاصل کرنے کی ہماری صلاحیت کو بالواسطہ طور پر متاثر کرتے ہیں۔ MPCL ان حالات کی مسلسل نگرانی کر رہا ہے اور مجموعی اثرات کو کم کرنے کے لیے مناسب اقدامات اٹھائے جا رہے ہیں۔

مزید برآں، آئل اینڈ گیس ایک انتہائی ریگولیٹڈ سیکٹر ہونے کی وجہ سے MPCL کے کاروبار کو حکومتی قواعد و ضوابط اور پالیسیوں میں تبدیلیوں کا سامنا رہتا ہے۔ پٹرولیم سے متعلق پالیسیوں اور ضوابط کے حوالے سے سال کے دوران کوئی خاص تبدیلی نہیں ہوئی۔ تاہم، ماری فیلڈ کے فریڈیلٹری سیکٹر کے لیے گیس کی فروخت کی قیمتوں کے نوٹیفیکیشن میں تاخیر ہو رہی ہے، جس کا نتیجہ کمپنی کے منفی فرق کے مارجن کی صورت میں نکل رہا ہے۔ مزید برآں، پبلک سیکٹر کی ملکیتی گیس یوٹیلیٹیز کمپنیوں سے ادائیگی میں کافی تاخیر کی وجہ سے، واجب الادا وصولیوں میں اضافہ ہو رہا ہے جس کے نتیجے میں کیش فلو / لیکویڈیٹی کے مسائل پیدا ہو رہے ہیں اور کمپنی کی جاری اور منصوبہ بند تلاش اور ترقیاتی سرگرمیوں کے لیے چیلنجز پیدا ہو سکتے ہیں۔

ڈائریکٹرز رپورٹ

دیگر CSR سرگرمیاں: MPCL کی معاہدہ اور قانونی ذمہ داریوں کے علاوہ، کمپنی نے آپریشنل علاقوں کے قریب رہنے والی کمیونٹیوں کے لیے متعدد سماجی معاونت اور سرمایہ کاری کے پروگرام شروع کیے ہیں جن میں ایک جامع فلڈ ریلیف اور بحالی کا منصوبہ شامل ہے۔ 2.05 بلین روپے کی خطیر رقم رضاکارانہ طور پر ذمہ داریوں کے تعین کے لئے خرچ کی گئی ہے۔ وزیرستان بلاک میں گیس کی دریافت کے بعد MPCL نے خاص طور پر اس علاقے کی تعمیر و ترقی کے لیے ایک جامع CSR حکمت عملی تیار کی ہے۔

وزیرستان CSR حکمت عملی: اس علاقے میں 11 سماجی سرمایہ کاری کے پروگرام کی منصوبہ بندی کی گئی ہے اور یہ منصوبے اس وقت زیر تکمیل ہیں۔ ٹریپل باٹم لائن (People, Planet, Profit) کے تصور پر عمل کرتے ہوئے وزیرستان میں ہماری سماجی سرمایہ کاری کا مقصد کمیونٹی کے سماجی و اقتصادی حالات کو بہتر بنانا، متعلقہ کاروباری خطرات کو کم کرنا اور آپریشنز کے تسلسل کو یقینی بنانا ہے۔ سماجی مسائل کے حل کے لئے گرینڈ کمیونٹی ڈائیلاگ سیشنز کے ذریعے شراکتی نیچے سے اوپر تک کے نقطہ نظر کی پیروی کی گئی ہے۔ ایک ہمہ جہت CSR منصوبے کے ذریعے 35,623 افراد مثبت طور پر مستفید ہوئے ہیں۔

فلڈ ریلیف اور بحالی کا منصوبہ: 2022 کے سیلاب کے متاثرین کے ساتھ یکجہتی کا مظاہرہ کرتے ہوئے، ایم پی سی ایل نے فوری طور پر ملک کے مختلف حصوں میں کمیونٹی کوریلیف فراہم کرنے کے لیے، آرمی ریلیف سیشنز کے ساتھ مل کر اور فیلڈ ٹیموں اور وسائل کو متحرک کر کے مقامی متاثرین کے ساتھ براہ راست رابطہ قائم کیا گیا۔ وسیع امدادی کوششوں کے علاوہ MPCL نے ایک موثر بحالی کا منصوبہ شروع کیا جس میں اسکولوں، ہسپتالوں اور کمیونٹی مقامات کی تزئین و آرائش / بحالی پر توجہ مرکوز کی گئی۔ بلوچستان میں واٹر فلٹریشن اور سپلائی کی متعدد اسکیمیں شروع کی گئی ہیں۔ سب سے اہم اقدام ضلع مچھ کے علاقے Abegum میں مکمل طور پر تباہ شدہ 45 مکانات کی تعمیر نو کی گئی ہے۔

انٹرنل کنٹرول سسٹم

بورڈ آف ڈائریکٹرز اس بات کو یقینی بنانے کے ذمہ دار ہیں کہ کمپنی میں ایک مناسب اور موثر انٹرنل کنٹرول سسٹم نافذ العمل ہو۔ کمپنی کی انتظامیہ مالیاتی رپورٹنگ پر کنٹرول حاصل کرنے سمیت موثر انٹرنل کنٹرول کو ڈیزائن، قائم کرنے اور برقرار رکھنے کی ذمہ دار ہے۔ اس طرح کے کنٹرول کا بنیادی مقصد اکاؤنٹنگ کے ریکارڈ کو قابل رسائی، بھروسہ مند بنانے اور قابل اعتماد مالی اور انتظامی معلومات کی بروقت تیاری کو یقینی بنانا ہے۔ انٹرنل کنٹرول سسٹم تمام قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بناتا ہے، وسائل کے زیادہ سے زیادہ استعمال کو ممکن بنانے کے ساتھ ساتھ کمپنی کے اثاثہ جات اور اسٹیک ہولڈر کے مفادات کے تحفظ کو یقینی بنانا شامل ہے۔

کمپنی کے پاس مینجمنٹ سسٹم پر ڈیجیٹل (MSPs) کی شکل میں دستاویزی عمل کا تنظیمی ڈھانچہ اور نظام موجود ہے جو موثر اور قابل عمل کارروائیوں کو یقینی بناتا ہے۔ تمام بڑی پالیسیاں بورڈ آف ڈائریکٹرز کے ذریعے منظور کی جاتی ہیں اور وقتاً فوقتاً ان کا جائزہ لیا جاتا ہے۔ جدید ترین SAP ERP solution میں inbuilt کنٹرول سسٹم موجود ہے جس میں اختیار کا کنٹرول بھی شامل ہے، جو کنٹرول کے ماحول کو مزید بہتر بناتا ہے۔ مزید برآں، کمپنی کے پاس کام کی جگہ پر دھوکہ دہی اور دیگر غلط کاموں (اگر کوئی ہو) سے نمٹنے کے لیے ویسل بلونگ پالیسی موجود ہے۔

لسنڈ کمپینز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز نے ایک انٹرنل آڈٹ فنکشن قائم کیا ہے، جس کی سربراہی چیف انٹرنل آڈیٹر کرتے ہیں جو بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کو فعال طور پر رپورٹ کرتے ہیں۔

انٹرنل اور ایکسٹرنل آڈیٹرز کی طرف سے کئے گئے کاموں، انتظامیہ اور متعلقہ بورڈ کمیٹیوں بشمول آڈٹ کمیٹی کی طرف سے کئے گئے جائزوں کی بنیاد پر، بورڈ کی رائے ہے کہ کمپنی کے انٹرنل کنٹرول جس میں مالیاتی رپورٹنگ پر کنٹرول شامل ہے جو موثر انداز میں ڈیزائن اور مالی سال 2022-23 کے دوران موثر طریقے سے نافذ اور نگرانی کی گئی۔

مالی سال 2022-23 کے دوران کمپنی نے پانچ (05) نئے ایکسپلوریشن بلاکس حاصل کیے۔ ان میں سے چار بلاکس بڈراؤنڈ (اکتوبر) 2022 کے دوران مسابقتی بولی کے نتیجے میں DGPC کی طرف سے دیے گئے تھے۔ پٹرولیم کنسٹریکشن ایگریمنٹس (PCAs) پر عمل درآمد اور ایکسپلوریشن لائسنس دینے کے لیے رسمی کارروائیاں سال کے اختتام کے بعد مکمل ہو چکی ہیں۔

بڈراؤنڈ اکتوبر 2022 میں بلاکس کا ورکنگ انٹرسٹ ذیل میں دیا گیا ہے:

نمبر شمار	بلاک	صوبہ	آپریٹر (ورکنگ انٹرسٹ)	جے وی پارٹنرز (ورکنگ انٹرسٹ)
1	جنوبی پشین	بلوچستان	MPCL 37%	PPL 35% - OGDCL 28%
2	شیگاوا	بلوچستان	PPL 40%	MPCL 30% - OGDCL 30%
3	تینشپا	بلوچستان	OGDCL 37%	MPCL 28% - PPL 35%
4	لوگائی	بلوچستان	OGDCL 40%	MPCL 30% - PPL 30%

کمپنی نے فارم ان کے ذریعے کلچاس ساؤتھ بلاک میں 44 فیصد ورکنگ انٹرسٹ حاصل کیا ہے۔ UEPL (46 فیصد ورکنگ انٹرسٹ) کے ساتھ آپریٹر بن گیا ہے، جبکہ دیوان پٹرولیم لمیٹڈ 10 فیصد ورکنگ انٹرسٹ پر برقرار ہے۔ اس کی ڈیڈ آف اسائنمنٹ پوسٹ بیلنس شیٹ ڈیٹ عمل میں لائی گئی ہے۔

یہ پیش رفت تیل اور گیس کے شعبے میں نامیاتی ترقی اور توسیع کے لیے ہماری وابستگی کا ثبوت ہے۔

یہ بات قابل ذکر ہے کہ پچھلے تین سالوں کے دوران MPCL نے بڈنگ راؤنڈ اور فارم ان میں شرکت کے ذریعے اپنے پورٹ فولیو میں 16 نئے بلاکس کا اضافہ کیا ہے جس میں ابو ظہبی میں ایک بین الاقوامی بلاک بھی شامل ہے۔ کمپنی کا پورٹ فولیو اب 68,290 مربع کلومیٹر رقبے پر پھیلے ہوئے 34 بلاکس پر مشتمل ہے۔

ڈائیورسیفیکیشن (Diversification)

مؤثر طریقے سے رسک کے عوامل کا انتظام کرتے ہوئے ایک لچکدار اور متنوع آمدنی کی تلاش میں ہماری کمپنی مختلف شعبوں میں تنوع اور اسٹریٹجک سرمایہ کاری کے اپنے عزم پر ثابت قدم ہے۔ فی الحال، ہم مختلف پروجیکٹس کا پوری تندی سے جائزہ لے رہے ہیں اور سب سے زیادہ امید افزا منصوبوں کی نشاندہی کرنے کے لیے پوری مستعدی سے کام کر رہے ہیں۔

MPCL اپنے کاروبار سے مماثلت اور غیر مماثل کاروبار جیسے قابل تجدید ذرائع، کان کنی، گرین ہائیڈروجن اور تیل اور گیس کے شعبے میں سرمایہ کاری کے دیگر ذرائع میں تنوع کا منصوبہ رکھتی ہے اور ان شعبوں میں مواقع کا مسلسل جائزہ لے رہی ہے۔ کمپنی نے مقامی اور بین الاقوامی کنسلٹنٹس کو بھی شامل کیا ہے تاکہ وہ ممکنہ مواقع تلاش کرنے میں معاونت کر سکیں۔

خاص طور پر ہماری کوششیں کان کنی کے شعبے کی طرف زیادہ ہیں، جہاں ہم دستیاب مواقع کو تلاش کرنے اور فائدہ اٹھانے کے لیے دن رات کام کر رہے ہیں۔ ایک اہم قدم کے طور پر ہم نے مالی سال کے اختتام کے بعد کامیابی سے ماری مائننگ کمپنی کو ایک مکمل ملکیتی ذیلی کمپنی کے طور پر قائم کیا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

سماجی بہبود کی لازمی ذمہ داریاں: کمپنی نے مختلف بلاکس سے متعلق اپنی لازمی سماجی بہبود کی ذمہ داریوں کو متعلقہ ڈسٹرکٹ کو آرڈینیشن افسران کے پاس رکھا ہے تاکہ جو انٹ پیک اکاؤنٹس میں رقم کو جمع کیا جاسکے۔ مالی سال 2022-23 کے لیے کل ڈپازٹ USD 822K سے زیادہ ہے۔

ڈائریکٹرز رپورٹ

ویل انٹیگریٹی مینجمنٹ سسٹم (WIMS):

فریم ورک کو اچھی طرح سے ویل پلاننگ، ویل کنسٹرکشن اور پیداوار کے کاموں کے لئے خاص طور پر تیار اور لاگو کیا گیا ہے۔ ایم پی سی ایل کے زیر انتظام چلنے والے تمام ویلز کے لیے ویلز آپریٹڈ انویسٹمنٹ کی وضاحت کے لیے ڈیٹا کا تجزیہ مکمل کر لیا گیا ہے۔ پرانے ویلز پر two corrosion لگانگ کمپین چلائی گئی تھی جس کے نتائج کو تسلی بخش قرار دیا گیا ہے۔

ویل ہیڈ اور کرسمس ٹری انٹیگریٹی کو ٹیسٹ کرنے، میٹیننس اور رپورٹنگ کا میکانزم کا شیڈول بھی تیار کیا گیا ہے اور اسے فیلڈز میں نافذ العمل کر دیا گیا ہے جبکہ اس کی نگرانی اور تجزیہ کا عمل جاری ہے۔ ویل انٹیگریٹی اسٹیٹرز کے طور پر زرخون، بولان اور سجاول فیلڈز کے لیے ویل ہیڈ اور کرسمس ٹری والوز کی جانچ پڑتال کا عمل مکمل ہو چکا ہے جبکہ باقی سیٹلائٹ فیلڈز کے لیے یہ کام جاری ہے۔

ویل کسپلیشن ڈیزائن مینوئل تیار ہو چکا ہے جبکہ 'ویل انٹیگریٹی مینول' اور 'ویل رسک ریٹنگ مینول' پر بھی کام جاری ہے۔

ماری ریوٹلائزیشن پروجیکٹ: (Mari Revitalization Project)

گزشتہ چند سالوں کے دوران مربوط نقطہ نظر کی بنیاد پر کمپنی نے ماری ریوٹلائزیشن پروجیکٹ پر مزید پیش رفت کی ہے۔ آپریٹنگ کارکردگی کو بہتر بنانے، پیداوار بڑھانے، پیداوار کی سطح کو بڑھانے اور موجودہ، ذخائر سے حتیٰ بحالی کو زیادہ سے زیادہ کرنے کے لیے کئی ممکنہ مواقع اور اختیارات کا جائزہ لیا گیا۔ 2022-23 کے دوران منصوبے کی اہم نکات درج ذیل ہیں:

- ماری فیلڈ کے HRL ریزروائر میں پہلی مرتبہ افقی ویل Mari-122H کو ڈرل اور کامیابی کے ساتھ کمیشن کیا گیا۔ اس کامیابی کی بنیاد پر کمپنی نے ریزروائر ایواوایشن کو مکمل کرنے اور چار مزید افقی ویلز کو ڈرل کرنے کا منصوبہ بنایا، جس میں سے Mari-123H میں ڈرلنگ کا عمل مکمل کیا جا چکا ہے۔ دونوں ویلز میں 40MMSCFD تک کی مشترکہ پیداواری صلاحیت ہے جس سے سسٹم پریشر میں نمایاں اضافہ ہوا ہے اور HRL ذخائر کی پیداوار کی سطح برقرار رہی ہے۔
- تمام SML-SUL ریزروائر فیلڈز کا تکنیکی جائزہ مکمل کرنے اور اضافی ترقی کے مواقع کی نشاندہی کی گئی، جس میں ڈویلپمنٹ ویلز اور اضافی ذخائر کو شامل کرنے / تیز کرنے کے لیے کپریٹیشن شامل ہے۔ SML-SUL ذخائر سے پیداوار کو تیز کرنے اور ان کی پیداواری سطح کو بڑھانے کے لیے Shaheen-3 ڈویلپمنٹ ویل کی ڈرلنگ مکمل کر لی گئی ہے۔ ویل کا 290 psig (پری ایڈ) کے WHFP پر 6.0MMSCFD تک کامیابی سے تجربہ کیا گیا ہے۔ ویل کی مزید جانچ پڑتال کا عمل جاری ہے۔
- HRL پروڈکشن پلینٹو ایکسٹینشن کو حاصل کر کے ریزروائر ایکسٹینشن کے لیے انٹرنل ایواوایشن کی 3rd پارٹی سے توثیق مکمل کی گئی ہے جس کے تحت مختلف ممکنہ مواقع بشمول ری کسپلیشن، ایڈاسٹیمولیشن، سسٹم ڈی-بولنگ اور پریشر انہانسمنٹ فیسیلیٹی پر ویکٹ شامل ہیں۔ سطح کو پہنچنے والے نقصان کو ختم کرنے کے لیے ایچ آرایل کنڈیٹو ویل پر Acid Stimulation کی مہم کامیابی کے ساتھ شروع کی گئی۔
- ماری فیلڈ میں پانی کے اخراج کے لیے دوسرا کنڈیٹو ویل شامل کیا گیا۔

پورٹ فولیو کی توسیع اور تنوع

توسیع

گزشتہ تین سالوں میں MPCL نے ایک فیصلہ کن انداز اختیار کرتے ہوئے اپنی کوششوں کو بنیادی کاروبار پر مرکوز کیا ہے۔ اس حکمت عملی کا ایک اہم پہلو نئے ذخائر کے حصول کو ممکن بنانا ہے، تاکہ مستقبل میں بھی کمپنی کی پائیدار ترقی کو برقرار رکھا جاسکے۔ اپنی Prospect انویسٹری کو بڑھا کر نئے ہائیڈروکاربن وسائل کو دریافت کرنے اور ان کا استعمال کرنے کے لیے تیار ہیں۔

سیسک ڈیٹا کا حصول - موسی خیل بلاک (پی پی ایل آپریٹڈ) تھرڈ پارٹی بزنس

MPCL کا سیسک عملہ پاکستان پٹرولیم لمیٹڈ کے زیر انتظام موسی خیل بلاک میں تھرڈ پارٹی 2D سیسک ڈیٹا کے حصول میں مصروف عمل ہے۔ اب تک 605 لائسنس کلو میٹر کے کل حجم میں سے 395 لائسنس کلو میٹر حاصل کر لیا گیا ہے۔

اہم ترقیاتی منصوبے:

اپنی تحقیقی کوششوں اور نئی دریافتوں کی مونوٹائزیشن پر توجہ مرکوز کرنے کے علاوہ MPCL مقامی وسائل سے پاکستان کی توانائی کی ضروریات کو پورا کرنے کے لیے اپنی پیداواری فیئلڈز سے زیادہ سے زیادہ پیداوار حاصل کرنے کے لیے پرعزم ہے۔

سچل گیس پروسیسنگ کمپلیکس (SGPC):

ماری فیئلڈ میں Goru-B ریزروائر سے کم BTU گیس کی کمرشلائزیشن پر مشتمل یہ پروجیکٹ دو مرحلوں میں مکمل کیا گیا ہے۔ فیز-1 کا آغاز مارچ 2022 میں کیا گیا تھا جبکہ فیز II دسمبر 2022 میں مکمل ہوا جس سے مجموعی سپلائی کو بتدریج 100MMSCFD تک بڑھا دیا گیا تھا۔ اضافی Amine Sweetening Unit (ASU) کے شروع ہونے کے بعد سپلائی میں مزید اضافہ کیا جائے گا۔

SGPC کمپنی کی طرف سے اب تک شروع کیا جانے والا سب سے بڑا ترقیاتی منصوبہ ہے، جس میں اہم سرمایہ کاری شامل ہے اور متعدد چیلنجز اور مسائل پر قابو پاتے ہوئے بہترین انجینئرنگ اور HSE ضابطوں کے مطابق اسے محفوظ طریقے سے مکمل کیا گیا ہے۔ یہ نہ صرف ماری فیئلڈ کے گہرے ذخائر کو تیار کرنے اور بہتر طریقے سے فائدہ اٹھانے میں مدد فراہم کر رہا ہے بلکہ اس نے ملک میں قدرتی گیس کی بڑھتی ہوئی طلب کو پورا کرنے میں معاونت کرتے ہوئے کمپنی کی پروسیس شدہ گیس کی پیداواری صلاحیت میں بھی نمایاں اضافہ کیا ہے۔ کمپنی نیشنل گرڈ میں مقامی سپلائی بڑھانے کے علاوہ متبادل کے طور پر ایل این جی درآمد کر کے قومی خزانے کو سالانہ 300 ملین امریکی ڈالر سے زائد بچت کرنے میں مدد فراہم کر رہی ہے۔

وزیرستان بلاک میں EPF (سابقہ بنوں ویسٹ بلاک):

ملک میں دستیاب ارلی پروسیسنگ فیسلیٹی (EPF) کی فراہمی کے لیے OPI کے ساتھ معاہدے کے لئے مذاکرات کو حتمی شکل دینے کے بعد معاہدے پر 12 اپریل 2023 کو دستخط کیے گئے اس کے نتیجے میں فاسٹ ٹریک حل بغیر کسی بڑے غیر ملکی زرمبادلہ پر دار و مدار کئے ہوگا۔ کمپنی OPI قانون نافذ کرنے والے اداروں اور دیگر اسٹیک ہولڈرز کے ساتھ قریبی رابطے میں ہے تاکہ سال ختم ہونے سے پہلے انسٹالیشن اور سہولت کے آغاز کو تیز کیا جاسکے جو کہ SNGPL گیس ٹرانسمیشن پائپ لائن کی تکمیل اور ایک سازگار حفاظتی ماحول کی دستیابی سے مشروط ہے۔

مینجمنٹس اینڈ ایسٹ انٹگریشن:

ایسٹ انٹیگریٹی مینجمنٹ (AIM) پالیسی کے قیام کے بعد ISO 55000 کے مطابق ایسٹ انٹیگریٹی مینجمنٹ سسٹم (AIMS) کا فریم ورک تیار کیا گیا ہے اور سچل گیس پروسیسنگ کمپلیکس کے لیے AIMS کے رول آؤٹ پر کام جاری ہے۔ پورے سال کے دوران کمپنی کی بنیادی توجہ اثاثہ جات کو محفوظ بنانے، قابل اعتماد اور پائیدار آپریشنز پر مرکوز رہی۔ اثاثہ جات کی کنڈیشن کو چیک کرنے کے لیے اعلیٰ درجے کی غیر مدخلتی معائنہ اور نگرانی کی تکنیک استعمال کی گئی۔

دوسری کارپوریٹ لیول ایسٹ انٹیگریٹی رپورٹ جاری کر دی گئی ہے، یہ رپورٹ اہم نتائج کا جائزہ فراہم کرتی ہے اور ہماری مستقبل کی حکمت عملیوں کا خاکہ پیش کرتی ہے جس کا مقصد ماری فیئلڈ اور دیگر چھوٹی فیئلڈز میں مسلسل بہتری لانا ہے۔

ڈائریکٹرز رپورٹ

سال کے دوران ڈرلنگ سرگرمیاں:

ایکسپلوریٹری ویلز

مجموعی طور پر مالی سال 2022-23 کے دوران آپریٹڈ اور نان آپریٹڈ دونوں بلاکس میں 6 ایکسپلوریٹری ویلز Spud کئے گئے، جب کہ جون 2021 کے دوران 1 ایکسپلوریٹری ویل نومبر 2022 میں مکمل ہوا تھا۔ 1- Maiwand X (بلاک-28) میں ڈرلنگ کی گئی جبکہ شیوا-2 (وزیرستان بلاک) پر کام جاری ہے، مالی سال 2023-24 کے دوران دونوں ویلز کی تکمیل متوقع ہے۔ ایک اور ویل 1-Speen (ہنا بلاک) کو مومن سون کی بارشوں کی وجہ سے عارضی طور پر معطل کر دیا گیا ہے اور کمپنی بارشوں کے بعد ویل میں دوبارہ ڈرلنگ شروع کرنے کا ارادہ رکھتی ہے جو کہ ڈرلنگ رگ کی دستیابی سے مشروط ہے۔

مزید ایکسپلوریٹری ویلز یعنی سندھاتھل-1 (کلچاس بلاک)، شاہ پور آباد-1 (کوہاٹ بلاک)، ترنول-1 (مارگلہ بلاک) کو ڈرل کیا گیا اور انہیں خشک یا نان کمرشل قرار دیا گیا ہے۔

ذخائر کی متبادل تبدیلی اور وسائل میں اضافہ

کسی بھی E&P کمپنی کے لیے ذخائر کے اضافے کو سب سے اہم اشارے کے طور پر دیکھا جاتا ہے، ہماری تمام تر کوششیں موجودہ پیداوار میں اضافہ کرتے ہوئے ذخائر میں اضافہ پر مرکوز ہیں۔

سال کے دوران مختلف فیلڈز کے ثابت شدہ اور ممکنہ ذخائر میں 42MMBOE کا اضافہ دیکھنے میں آیا ہے، جو کہ 114 فیصد کے ریزرو ریلیفمنٹ ریشو (RRR) کی عکاسی کرتا ہے۔ ذخائر میں ہونے والے اس اضافے کی بنیادی وجوہات میں HRL ذخائر میں اضافہ، سطحی سہولیات کی ڈی-بوٹلنگ، افقی ویل کی ڈرلنگ اور پریشر بڑھانے کی سہولیات کے منصوبے کی منظوری اور دیگر عوامل شامل ہیں۔

اس کے علاوہ سال کے دوران کمپنی کے net contingent ذخائر میں بھی 34MMBOE کا اضافہ ہوا ہے جو بنیادی طور پر غازی تاج کی دریافت کی وجہ سے ممکن ہوا ہے۔ مجموعی طور پر ان دریافتوں کے نتیجے میں contingent وسائل میں تقریباً 48 فیصد اضافہ ہوا ہے۔

30 جون 2023 تک مجموعی ذخائر اور وسائل 682MMBOE رہے۔

سال کے دوران MPCL نے آپریٹڈ فیلڈز کے ذخائر اور وسائل کی آزادانہ طور پر 3rd پارٹی کے ذریعے ایوالویشن کرانے کے لیے ایکسٹرنل سرٹیفائیڈ ریزروز اینڈ ریسورسز اسٹیمیٹ سے خدمات حاصل کیں۔ جس کے تحت یہ نتیجہ اخذ کیا گیا کہ MPCL کے کل ذخائر اور وسائل 3rd پارٹی ایوالویشن کے مقابلے میں 2 فیصد کے معمولی فرق سے ہیں۔

جیالوجیکل اینڈ جیو فزیکل (جی اینڈ جی) سرگرمیاں

سال کے دوران MPCL نے 40 مربع کلومیٹر 3D اور 266 لائن کلومیٹر 2D سیمسک ڈیٹا کے ساتھ ساتھ گریو بیٹی اور گنڈنگ ڈیٹا کے 3,275 پوائنٹس حاصل کیے ہیں۔ کمپنی نے Scintrex کینیڈا سے جدید ترین میگنٹو میٹر اور گریو بیٹی میٹر خرید کر G&M سروے کی صلاحیت پیدا کی۔ سیمسک آپریشنز کے پی کے اور بلوچستان کے انتہائی حساس علاقوں میں واقع ہونے کی وجہ سے قانون نافذ کرنے والے اداروں کے ساتھ اچھی طرح سے مربوط اور منظم کئے گئے تھے۔ مزید برآں کمپنی نے اپنی ان-ہاؤس صلاحیت اور تھرڈ پارٹی کنٹریکٹرز کے ساتھ مل کر 768 مربع کلومیٹر 3D اور تقریباً 960 لائن کلومیٹر 2D سیمسک ڈیٹا کی پروسیسنگ / آری پروسیسنگ کر کے ڈرلنگ کے امکانات کو پختہ کیا گیا ہے۔ مزید برآں، مختلف بلاکس میں پٹرولیم سسٹم اور ہائیڈروکاربن کے امکانات کا جائزہ لینے کے لیے مختلف جیالوجیکل اور جیو فزیکل اسٹڈیز جاری ہیں۔ سیمسک ایکوزیشن کا عمل زرعی اور ولی ویسٹ بلاکس میں جاری ہے۔

قابل اطلاق تیل اور گیس کی قیمتوں اور ایکچینج ریٹ کی وجہ سے خالص فروخت کی آمدن میں اضافہ ہوا۔ علاوہ ازیں ایس جی پی سی کے سیلز حجم اور ردوبدل کے حجم سے منافع میں اضافہ ہوا اور اس میں منافع کی بنیادی سطح نے اہم کردار ادا کیا۔ جس کا ایک حصہ ایس جی پی سی کے ذریعے طے شدہ حجم سے اوپر ہے۔ حجم میں اس اضافہ میں بھی قیمتوں کی پُرکشش ترغیبات کا نمایاں حصہ ہے۔

منافع کی تخصیص (30 جون 2023 کو ختم ہونے والا سال)

روپے ملین میں	
113,813	غیر تقسیم شدہ منافع آگے لایا گیا
56,201	سال کے دوران مجموعی آمدن
170,014	شیئر ہولڈرز میں تقسیم:
(8,271)	30 جون 2022 کو ختم ہونے والے سال کے لیے حتمی نقد منافع @ 62.00 روپے فی شیئر
(11,873)	30 جون 2023 کو ختم ہونے والے سال کے لیے عبوری نقد منافع @ 89.00 روپے فی شیئر
149,870	غیر تقسیم شدہ منافع آگے لے جایا گیا

ایکسپلوریشن، ڈویلپمنٹ اور آپریشنل سرگرمیاں

سال کے دوران دریافتیں

جنوری 2023 میں ماری فیلڈ میں ڈرل کیے گئے Mari Ghazij-1 ایکسپلوریشن ویل میں گیس کی تاریخی دریافت حاصل ہوئی۔ ویل کو 24 نومبر 2022 کو Spud کیا گیا اور 1,015 میٹر کی گہرائی تک کامیابی سے ڈرل کرتے ہوئے 6 دسمبر 2022 کو مطلوبہ گہرائی تک ہدف حاصل کر لیا گیا۔ اس کی پیداواری صلاحیت کو جانچنے کے لیے ویل کا 64/128 انچ چوک سائز پریٹیسٹ کیا گیا اور اس سے Psi 292 کے WHFP کے ساتھ 9.6MMSCFD پر گیس کا بہاؤ فلو ہوا۔

2005 کے بعد ماری فیلڈ میں یہ اپنی نوعیت کی پہلی اور انوکھی دریافت ہے، جس کے تحت پاکستان میں غازیج فارمیشن کے لائٹ اسٹون کے یونٹس کو نشانہ بنایا گیا ہے۔ اس دریافت سے پہلے غازیج فارمیشن کو بیسن میں تیل اور گیس کے بڑے ذخائر کے لیے صرف ایک Cap کے طور پر ہی سمجھا جاتا تھا۔ غازیج فارمیشن کو جانچنے کا خیال ماری فیلڈ کے Iqbal-1 ویل کی ٹیسٹنگ کے دوران سامنے آیا جس میں غازیج فارمیشن میں موجود لائٹ اسٹون کے ایک چھوٹے سے حصہ میں ڈرل کیا گیا، جس نے بہاؤ کی شرح کو معمولی سا متاثر کیا۔ ان نتائج کی بنیاد پر، غازیج فارمیشن کے اندر موجود لائٹ اسٹون کی یونٹس کا ان کے ذخائر کی صلاحیت اور ڈیلوریبلٹی کو جانچنے کے لیے اچھی طرح سے مطالعہ کیا گیا، جو Mari Ghazij-1 کی دریافت کے ذریعے کامیابی سے ثابت ہوا ہے۔

یہ دریافت کمپنی کے لیے ایک قابل ذکر کامیابی ہے جو انفراسٹرکچر کے حوالے سے ایکسپلوریشن کے تناظر میں کی جانے والی انتھک کوششوں کو ظاہر کرتی ہے۔ اس دریافت نے دیگر E&P کمپنیاں جو اس بیسن میں ایکسپلوریشن سرگرمیاں شروع کرنے کی خواہاں ہیں، کے لئے نئے دور کا آغاز کیا ہے۔ Mari Ghazij-1 فی الحال EWT پر ہے۔ ایم پی سی ایل اس دریافت پر بہت خوش ہے کیونکہ وہ اس کے ذخائر کو ثابت کرنے اور متوازی طور پر اس کی ترقی کے لیے تمام ممکنہ اختیارات کا جائزہ لے سکے گی۔

ڈائریکٹرز رپورٹ

تک کمپنی نہیں ہے، بلکہ ان تمام عوامل کی بڑی وجہ غیر معمولی حالات ہیں جیسا کہ بڑی تعداد میں منصوبہ بندی کے بغیر ٹرن اراؤنڈ اور بڑی تعداد میں ایمر جنسی شٹ ڈاؤن ہونا، سینٹرل پاور جزیشن کمپنی لمیٹڈ کو گیس کی فراہمی کی معطلی SNGPL کی طلب میں کمی، سیلاب کی وجہ سے بولان اور زرغون فیلڈز کی عارضی بندش اور سیکیورٹی صورتحال کی وجہ سے بولان ایسٹ میں متعدد بار قلیل مدتی پیداوار میں رکاوٹ پیدا ہوئی۔ ان تمام عوامل نے مجموعی طور پر ہائیڈرو کاربن کی فروخت کے حجم پر منفی اثر ڈالا ہے، لیکن اس کی بڑی حد تک تلافی SGPC اور سونگ والیوم پراجیکٹ سے زیادہ پیداوار حاصل کر کے کی گئی ہے۔ ایس جی پی سی آن لائن نہ ہونے کی صورت میں اور سونگ والیوم کی صلاحیت تیار نہ ہونے کی وجہ سے سیلز والیوم میں کمی اس سے بھی زیادہ ہو سکتی تھی۔

ماری فیلڈ میں آپریشنز

کمپنی کو اگرچہ مذکورہ بالا چیلنجز کا سامنا رہا ہے، تاہم بہتر پیداواری منصوبہ بندی اور صارفین کے ساتھ فعال ہم آہنگی اور صارفین کی انفرادی ضرورت کے مطابق undrawn والیوم کو ان کی جانب منتقل کرتے ہوئے سال کے بڑے حصے کے دوران HRL ذخائر سے فروخت کو 577.5MMSCFD کی ترقیبی حد سے اوپر برقرار رکھنے میں کامیاب رہی ہے۔ سنٹرل مینی فولڈ میں نصب شدہ سونگ گیس کمپر یسر نے بھی اس میں معاونت فراہم کی جس کی وجہ سے HRL گیس والیم کو SNGPL کی جانب موڑا جا سکا۔ سال کے دوران دو اضافی کمپر یسرز نصب کئے گئے جنہوں نے سونگ گیس کی صلاحیت کو 68MMSCFD تک بڑھا دیا۔

ایس جی پی سی کے آن لائن آنے کے ساتھ کمپنی اب GoruB ریزروائر سے بیٹھ مارک والیومز کے اضافی حجم کی حد تک پیداوار کے لیے مراعاتی قیمت کے لیے بھی اہل ہو گئی ہے، جبکہ نیشنل گرڈ کو پائپ لائن کو الٹی سپیسٹیکیشن گیس کی فراہمی یقینی بنائی جا رہی ہے۔

دیگر فیلڈز پر آپریشنز

کمپنی نے اپنی پائیدار پیداواری حکمت عملیوں پر عمل درآمد اور موثر پیداواری انتظام کو یقین بناتے ہوئے دور دراز علاقوں میں موجود چھوٹی فیلڈز سے زیادہ سے زیادہ پیداوار حاصل کرنے کے لئے اپنی کوششیں جاری رکھیں۔ مالی سال کی تیسری سہ ماہی کے دوران بحالی کے کاموں کے بعد دونوں فیلڈز سے پیداوار دوبارہ شروع ہونے کے بعد سیلاب زدہ بولان اور زرغون فیلڈز میں پیداواری آپریشنز کو بہترین سطح پر برقرار رکھا گیا۔ بولان فیلڈ کے اردگرد سیکیورٹی کی صورتحال کی وجہ سے پیدا ہونے والی پیچیدگیوں، متعدد بار پیداواری آپریشنز کو متاثر کرنے اور سیکیورٹی وجوہات کی بنا پر کئی بار آپریشنز کو شٹ ڈاؤن کرنے کے باوجود کمپنی کی بہترین منصوبہ بندی اور غیر متزلزل عزم نے سال کے دوران زیادہ سے زیادہ عرصہ تک پیداوار کو برقرار رکھنے کے قابل بنایا۔

مالیاتی کارکردگی

اضافہ	سال کا اختتام 30 جون		تفصیل
	2022	2023	
	(رقم تین روپے)		
53%	95,134	145,770	نیٹ سیلز
65%	52,116	85,847	قبل از ٹیکس منافع
53%	(13,845)	(21,134)	انکم ٹیکس بغیر سپر ٹیکس
70%	38,271	64,713	بعد از ٹیکس منافع بغیر سپر ٹیکس
65%	(5,208)	(8,584)	سپر ٹیکس
70%	33,063	56,129	سال کے لئے خالص منافع
70%	247.84	420.75	EPS (روپے فی شیئر)

معیار	ہدف	حاصل کردہ
مہلک حادثے کی شرح (FAR)	0.00	0.00
لاست ٹائم انجری ریٹ (LTIR)	0.22	0.00
ٹوٹل قابل ریکارڈ انجری ریٹ (TRIR)	0.43	0.06
پروسیس سیفٹی ایونٹ ریٹ (PSER) - TIER-I	0.12	0.19
پروسیس سیفٹی ایونٹ ریٹ (PSER) - TIER-II	0.35	0.00
موٹروہیکل کریش ریٹ (MVCR)	0.12	0.07

پورے ادارے میں HSE کلچر کو مثبت انداز میں فروغ دینے کے لیے متعدد اقدامات کیے گئے ہیں۔ ایچ ایس ای مینجمنٹ سسٹم کو 14 کلیدی عناصر کے ساتھ نافذ العمل کیا گیا۔ زیادہ تر توجہ ایچ ایس ای کیپیسٹی بلڈنگ اور عملے کی مہارت میں اضافہ پر مرکوز رکھی گئی ہے۔ اس سلسلے میں 3,080 HSEQ تربیت 81,850 ٹریننگ مین آؤرز کے ساتھ فراہم کی گئی۔ ایمر جنسی اور کرائسز مینجمنٹ کو سب سے زیادہ ترجیح دی گئی ہے، جبکہ سال کے دوران کمپنی کے زیر انتظام مختلف مقامات پر تقریباً 700 HSEQ کرائسز اینڈ ایمر جنسی ڈرلز کا انعقاد کیا گیا۔

موجودہ سال کے دوران ISO کی زیر نگرانی آڈٹ کیا گیا، جس کے تحت متعلقہ ISO سرٹیفیکیشنز جون 2025 تک کامیابی کے ساتھ کارآمد رہیں گی۔

ہائیڈروکاربن کی فروخت

سال کے دوران ہائیڈروکاربن کی فروخت کا خلاصہ ذیل میں دیا گیا ہے:

سال کا اختتام 30 جون					
اضافہ / (کمی) مجموعی	2022		2023		گیس (MMSCF)
	روزانہ	مجموعی	روزانہ	مجموعی	
(1%)	741	270,452	735	268,117	ماری فیلڈ
(28%)	27	9,913	19	7,097	دیگر فیلڈز
(2%)	768	280,365	754	275,214	
					خام تیل (بیرلز)
76%	64	23,217	112	40,871	ماری فیلڈ
(20%)	1,189	433,884	950	346,585	دیگر فیلڈز
(15%)	1,252	457,101	1,062	387,456	
(1%)	101,109	36.9 ملین	99,600	36.4 ملین	BOEs میں ٹوٹل ٹیٹ سیل

کمپنی نے ماضی قریب میں سچل گیس پروسیسنگ کمپلیکس (SGPC) اور سوئنگ والیوم پروڈیویشن کے ذریعے اپنی پیداواری صلاحیت کو بڑھانے میں خاطر خواہ کامیابی حاصل کی ہے۔ گزشتہ سال کے مقابلے میں مالی سال 2022-23 کے دوران فروخت کا زیادہ تر غیر تبدیل شدہ حجم کی ذمہ دار کسی حد

ڈائریکٹرز رپورٹ

• مضبوط اور ٹارگٹڈ CSR اقدامات کے ذریعے کمیونٹی کے ساتھ اہم شراکت۔

اہم چیلنجز:

مجموعی طور پر ملکی معیشت کو متاثر کرنے والے مخصوص چیلنجز سے نمٹنے کے علاوہ، جن علاقوں میں ہماری کمپنی بڑے پیمانے پر کام کر رہی ہے ان علاقوں میں حفاظتی چیلنجز سے نمٹنے کے لیے فعال اقدامات کیے ہیں۔ ملک و قوم کے بہترین مفاد کو مد نظر رکھتے ہوئے اپنے آپریشنز کے تسلسل کو محفوظ بنانے، سیکورٹی اور استحکام کو یقینی بنانے کی غرض سے اخراجات میں خاطر خواہ اضافہ کیا گیا ہے۔ ہم اپنے عملے کی حفاظت پر کوئی سمجھوتہ کیے بغیر اخراجات میں کمی لانے کے لیے مزید اقدامات اٹھا رہے ہیں۔

جون 2023 تک آن بیلنس شیٹ گردش قرضے 50 بلین روپے سے تجاوز کر چکے ہیں اور اس کا اثر ہماری ایکپلوریشن اور پیداواری سرگرمیوں پر بھی پڑ سکتا ہے۔

کمپنی متعلقہ اسٹیک ہولڈرز کے ساتھ مسلسل مصروف عمل ہے تاکہ چیلنجز کے حوالے سے ان کے خدشات کو دور کرتے ہوئے اس کے مطابق اپنے منصوبوں کو ایڈجسٹ کر سکیں۔

کمپنی کے مستقبل پر طائرانہ نظر:

کمپنی اپنے بنیادی کاروبار کی ترقی کو ترجیح دیتے ہوئے ایک جامع ESG فریم ورک کو نافذ کرنے اور تنوع کے مواقع کو آگے بڑھانے کے لیے ایک مستحکم عزم کو برقرار رکھے ہوئے ہے۔ ان کوششوں کے ذریعے کمپنی طویل مدتی اور پائیدار ترقی کو فروغ دینے کی غرض سے توانائی کی منتقلی کے سفر میں اپنا فعال کردار ادا کرنے کا ارادہ رکھتی ہے۔

بورڈ نے کمپنی کے وژن 2030 اور ترقی کی حکمت عملی کی منظوری دی ہے، جس کے 3 اہم ستون ہیں:

- بنیادی کاروبار کو مضبوط بنانا
- بنیادی شعبوں سے ہٹ کر کان کنی اور کلین انرجی (H2) میں سرمایہ کاری
- قومی سطح پر ESG لیڈر بنانا

قانون نافذ کرنے والے اداروں کو خراج تحسین:

ہم اپنے بنیادی ڈھانچے، عملے اور آپریشنز کی حفاظت میں LEAs کی جانب سے غیر متوازن لگن اور غیر معمولی پیشہ ورانہ مہارت فراہم کرنے پر ان کے تہہ دل سے مشکور اور ممنون ہیں۔ ہماری حفاظت کو یقینی بنانے کے لیے ہمارے بہادر جوانوں کا عزم و استقلال واقعی قابل تعریف ہے۔ ان کی ہمہ وقت نگرانی توانائی کے شعبے کے مجموعی استحکام اور قومی معیشت کی ترقی میں اہم کردار ادا کرتی ہے۔

تفصیلی رپورٹ

صحت، تحفظ اور ماحولیاتی کارکردگی

کمپنی نے ZERO Lost Time Injury (LTI) کا ایک قابل ذکر سنگ میل 17 ملین مین آؤرز کے ساتھ حاصل کیا جو کہ HSE کے حفاظتی اقدامات کے ساتھ ہماری وابستگی کی عکاسی کرتا ہے۔ حاصل کیے گئے مقررہ ٹارگٹس کا اہداف درج ذیل جدول میں بیان کیا گیا ہے:

ڈائریکٹرز رپورٹ

ماری پٹرولیم کمپنی لمیٹڈ (MPCL) کے ڈائریکٹرز 30 جون، 2023 کو ختم ہونے والے سال کے لیے ڈائریکٹرز رپورٹ، آڈیٹرز رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کر رہے ہیں۔

ایگزیکٹو سمری

پاکستان کو اس وقت سنگین اقتصادی، مالیاتی، سیاسی اور سیکورٹی چیلنجز کا سامنا ہے۔ مالی سال 2022-23 کے دوران ہونے والی شدید اور غیر متوقع بارشوں اور سیلاب نے اس صورتحال کو مزید ابتر کیا ہے۔ حالانکہ ملک کو پہلے بھی ایسی صورتحال کا سامنا رہا ہے، لیکن شاید یہ اپنی نوعیت کا پہلا موقع ہے کہ دونوں چیلنجز کا سامنا ایک ساتھ کرنا پڑا ہے۔

تاہم تمام تر مشکل صورتحال کے باوجود کمپنی نے بروقت فیصلہ سازی اور حالات سے نمٹنے کی اپنی صلاحیت کا مظاہرہ کیا، جس کے نتیجے میں درپیش چیلنجز کے باوجود کمپنی کے شیئرز ہولڈرز کی قدر میں اضافہ ہوا ہے۔ مالی سال 2022-23 کے دوران کمپنی نے اپنی بہترین صلاحیتوں کا مظاہرہ کیا، جس کی عکاسی آپریشنز کے تمام شعبوں میں اس کی بے مثال کامیابیوں سے کی جاسکتی ہے۔

کمپنی کا ٹرانسپارٹیشن پروگرام جو 2020 کے وسط میں شروع ہوا، بنیادی کاروبار، نظم و ضبط کے ساتھ سرمائے کی تقسیم، آپریشنل ایکسیلنس، نئی ٹیکنالوجیز کے استعمال، ایکسپلوریشن اور ترقیاتی منصوبوں میں ہونے والی سرمایہ کاری پر توجہ مرکوز کرنے سے ممکن ہوا ہے جس کی وجہ سے تمام اسٹیک ہولڈرز کی قدر میں اضافہ ہوا۔ اللہ تعالیٰ کے فضل و کرم سے کمپنی نے اپنی پیداواری صلاحیت میں اضافہ کیا، کم آپریٹنگ لاگت کو برقرار رکھتے ہوئے اپنے بنیادی وسائل اور پورٹ فولیو کو بڑھانے میں کامیاب رہی۔

کمپنی نے اپنی تاریخ میں مالی سال 2022-23 کو بہترین مالیاتی نتائج کے ساتھ اہتمام پذیر کیا ہے۔ کمپنی کی نیٹ سیلز 145.8 بلین روپے رہی۔ جس کے نتیجے میں بعد از ٹیکس منافع 56.1 بلین روپے رہا (یعنی 64.7 بلین روپے بغیر سپر ٹیکس @10%)، جس کے نتیجے میں فی شیئر آمدن 420.75 روپے رہی۔

نمایاں کامیابیاں:

- HSE کی مضبوط کارکردگی اور ESG فریم ورک کے نفاذ کی جانب آغاز۔
- اضافی پیداواری صلاحیت (اپریل 2023 میں 117k boepd کی سب سے بلند فروخت حاصل ہوئی)
- صارفین کی جانب سے کم طلب کے باوجود 36.4MMBOE کی خالص فروخت ہوئی، SGPC اور سوئنگ والیم پروجیکٹس کے ذریعے تقریباً تمام شارٹ فالز پر قابو پایا گیا ہے۔
- تقریباً US \$2/BOE کی کم آپریٹنگ لاگت کو برقرار رکھا۔
- ماری فیلڈ میں Ghaziji-1 کی دریافت۔
- ریزرو ریپلیسمنٹ ریشو (RRR) 114 فیصد (2P) حاصل کیا گیا اور کسٹنٹ ذخائر میں 48 فیصد (2C) کا اضافہ ہوا۔
- NWD میں Shewa-1 ڈیسکوری ویل کے لیے ابتدائی پیداواری سہولت (EPF) کے لیے پروجیکٹ کی منظوری جو 40 فیصد سے زائد مجموعی پیشرفت کے ساتھ زیر تکمیل ہے۔
- شیوا-2 اپریل ویل میں ڈرننگ کا عمل جاری ہے جس کی کامیابی کی صورت میں اسے EPF Shewa-1 کے ساتھ منسلک کر دیا جائے گا۔
- ماری فیلڈ ایچ آر ایل ریزروائر میں دوسرے افقی ویل کی کھدائی کے بعد اس کو 20MMSCFD پر ٹیسٹ کیا گیا۔
- بلاک-28 میں Maiwand X-1 ایکسپلوریشن ویل میں ڈرننگ کا عمل جاری ہے۔ یہ ایک ہائی پروفائل ویل ہے اور اس کی کامیابی کی صورت میں اس بلاک میں مزید تلاش کے مواقعوں کے لیے نئے دور کا آغاز ثابت ہو سکتا ہے۔
- طویل مدتی ترقی کے لیے پورٹ فولیو میں 5 نئے بلاکس کا اضافہ۔
- سرکاری خزانے میں 73.75 بلین روپے کی خطیر رقم جمع کرائی گئی اس کے علاوہ LNG درآمد کے متبادل کے طور پر 3.2 بلین امریکی ڈالر سے زائد زرمبادلہ کی بچت کی گئی۔

پراکسی فارم

برائے انٹالیسٹوں سالانہ اجلاس عام
ماری پٹرولیم کمپنی لمیٹڈ

Tel: 051-111-410-410, Fax: 051-2352859 اسلام آباد، سیکٹر 4/10-G، اسلام آباد، تھرڈ روڈ، سیکٹر 4/10-G، اسلام آباد



میں / ہم _____ ساکن _____ بطور ممبر (ز) ماری پٹرولیم کمپنی لمیٹڈ حامل
_____ عام حصص، رجسٹرڈ فولیو / سی ڈی سی اکاؤنٹ نمبر _____ محترم _____ ساکن _____
یا ان کے حاضر نہ ہونے کی صورت میں محترم _____ ساکن _____
یا ان کے حاضر نہ ہونے کی صورت میں محترم _____ ساکن _____
کو اپنے / ہمارے ایماہ پر کمپنی کے بروز منگل مورخہ 26 ستمبر 2023 کو ہونے والے انٹالیسٹوں (39) اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کے لیے یا کسی بھی التواء کی صورت میں
اپنا / ہمارا نمائندہ (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

براہ کرم مناسب ریونیو
اسٹیپ لگائیں۔

شکیر ہولڈر کے دستخط

نمائندے (پراکسی) کے دستخط

گواہان

_____ (1) دستخط	_____ (2) دستخط
نام _____	نام _____
پتہ _____	پتہ _____
شناختی کارڈ نمبر _____	شناختی کارڈ نمبر _____
پاسپورٹ نمبر _____	پاسپورٹ نمبر _____

نوٹ:

- 1- اجلاس ہذا میں شرکت اور ووٹ دینے کا مستحق ممبر ووٹ اور شرکت کے لیے اپنے بجائے کسی دوسرے شخص کو اپنا نمائندہ (Proxy) مقرر کر سکتا ہے۔ پراکسی تقرری کی دستاویز کمپنی کے رجسٹرڈ دفتر واقع 21 ماڈو ایریا تھرڈ روڈ سیکٹر 4/10-G، اسلام آباد میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً موصول ہو جانی چاہیے۔
- 2- ممبران، جن کے حصص سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں موجود ہیں، ان کو ہدایت کی جاتی ہے کہ اجلاس میں شرکت کے لیے اپنے اصلی قومی شناختی کارڈ بمعہ سی ڈی سی میں موجود شرکت دار ID اور اکاؤنٹ نمبر ہمراہ لائیں۔
- 3- کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد / مختار نامہ یا دیگر اتھارٹی نمائندے (پراکسی) کے دستخط کے ساتھ کمپنی کو جمع کرانا ہوگا۔

ویڈیو کانفرنس کی سہولت کے لیے فارم

میں / ہم _____ ساکن _____ بطور ممبر (ز) ماری پٹرولیم کمپنی لمیٹڈ، حامل _____ عام حصص، رجسٹرڈ فولیو /
_____ سی ڈی سی اکاؤنٹ نمبر _____ ویڈیو کانفرنس کی سہولت بمقام _____ چاہیں گے۔

ممبر (ز) کے دستخط

AFFIX
CORRECT
POSTAGE

The Company Secretary
MARI PETROLEUM COMPANY LIMITED
21-Mauve Area, 3rd Road,
Sector G-10/4,
ISLAMABAD.

PROXY FORM

Mari Petroleum Company Limited
 21 – Mauve Area, 3rd Road, G-10/4, Islamabad
 Tel: 051-111-410-410, Fax: 051-2352859

I/We _____ of _____, being a member(s) of Mari Petroleum Company Limited and holder of _____ Ordinary Shares as per the Share Register Folio / CDC Account No. _____ hereby appoint
 Mr. _____ of _____ or failing him
 Mr. _____ of _____ or failing him
 Mr. _____ of _____ as my / our Proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the 39th Annual General Meeting of the Company to be held on Tuesday, September 26, 2023 at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad and at any adjournment thereof.

Signed under my / our hand(s) this _____ day of _____ 2023.

Please affix appropriate Revenue Stamp

 Signature of Member

Signature of Proxy: _____ Name: _____
 Folio/CDC A/c No. _____

WITNESSES:

1. Signature: _____ Name: _____ Address: _____ _____ CNIC or Passport No. _____	2. Signature: _____ Name: _____ Address: _____ _____ CNIC or Passport No. _____
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NOTE:

1. A Member entitled to attend and vote at the above meeting may appoint a person/representative as Proxy to attend and vote on his behalf at the Meeting. The instrument of Proxy in order must be received at the Registered Office of the Company at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad not less than 48 hours before the time of holding of the meeting.
2. The Company shareholders in Central Depository Company of Pakistan are requested to attach an attested photocopy of their National Identity Card or Passport with this Proxy Form before submission to the Company.
3. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted with this Proxy Form before submission to the Company.

FORM FOR VIDEO CONFERENCE FACILITY

I/We _____ of _____, being member(s) of Mari Petroleum Company Limited and holder of _____ Share(s) as per Registered Folio/CDC Account No. _____, hereby opt for Video Conference facility at _____.

 Signature of member(s)

AFFIX
CORRECT
POSTAGE

The Company Secretary
MARI PETROLEUM COMPANY LIMITED
21-Mauve Area, 3rd Road,
Sector G-10/4,
ISLAMABAD.



www.mpcl.com.pk



M P C L

HEAD OFFICE:

21-Mauve Area, 3rd Road,
Sector G-10/4, Islamabad-44000

UAN: +92 51 111 410 410 | **Fax:** +92 51 2352859