

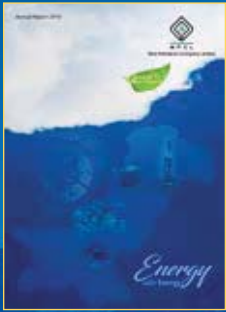


M P C L

Mari Petroleum Company Limited



Energy
with Energy



About the Report

Our Cover Page is a striking visualisation of our multifarious engagements.

The OPEN SKY represents the possibilities that Mari Petroleum is willing to explore and expand into.

The MAP of Pakistan symbolises our ongoing nation-wide operational activities including seismic data acquisition and the hard core drilling of wells as well as related social responsibility schemes as part of our CSR culture.

The Company's 360 degree focus on diversification is depicted by the presence of a COMPASS, highlighting the diverse opportunities being explored.

The BLUE SEA-SPACE shows the Company's desire of exploring our offshore waters in search of oil and gas.

The GREEN LEAF indicates our environment friendly approach and our commitment to minimising any negative effects of our operations on the Mother Nature.

All in all, the Cover Page of our Annual Report 2019 depicts our culture and the manner in which we do business now and will continue to do in the future.

MARI
PETROLEUM

Energy
with Energy

Contents

Company Information **04**
 Notice of Annual General Meeting **06**



Company Profile **12**
 Our History **14**
 Key Financials **16**



Our Vision & Mission **18**
 Our Commitments **20**
 Quality Policy **20**
 Integrated Management System Policy **20**
 Significant Changes from Prior Year **20**



Code of Conduct **22**
 Corporate Culture and Our Core Values **23**
 Profile: Board of Directors **24**
 Organogram **29**
 Chairman's Review **30**



Managing Director's Outlook **32**
 Calendar of Major Events **40**
 Risks and Opportunities Report **42**
 Strategic Business Plan and Resource Allocation **48**
 Organisational Overview - Forward Looking Statements **53**
 Segmental Review of Business Performance **58**
 Success Stories **60**
 Opening up of Bannu West and Block-28 **62**
 Mari's Contribution to Food Security of the Country **64**
 Sustainability and CSR Initiatives **66**
 Health Safety and Environment **68**
 Human Resource - Management and Development **73**
 Value Added to the Shareholders' Net Worth **77**
 Supply Chain Management **77**
 Contribution to National Economy **77**



Corporate Social Responsibility **78**
 Information Technology **82**
 Major Social Events **84**
 Awards and Recognitions **86**
 Corporate Governance **88**
 MPCL's Operated Blocks and Development & Production (D&P) Leases **102**
 MPCL's Non-Operated Blocks and D&P Leases **103**
 Performance Indicators **104**
 Variation in Results of Interim Reports with the Final Accounts **106**
 Return on Equity (Dupont Analysis) **107**
 Summary of the Statement of Cash Flows **108**
 Direct Method Cash Flow **108**
 Related Parties **109**



Management's Responsibility towards the Preparation and Presentation of the Financial Statements **110**
 Compliance of International Financial Reporting Standards (IFRS) **110**
 Cash Flows & Financing Arrangements **112**
 Contribution to National Exchequer **112**
 Significant Changes in Financial Position **113**
 Horizontal Analysis - Statement of Financial Position **114**
 Vertical Analysis - Statement of Financial Position **116**
 Horizontal Analysis - Statement of Profit or Loss **118**
 Vertical Analysis - Statement of Profit or Loss **120**



Ten Years at a Glance **122**
 Free Cash Flow **123**
 Composition of Local vs Imported Material and Sensitivity Analysis **123**
 Statement of Value Added **124**
 Statement of Charity Account **124**
 Economic Value Added **124**
 Pattern of Shareholding **125**



Directors' Report **130**
 Events after the Statement of Financial Position Date **158**
 Geographical Presence **159**
 Statement of Compliance with the Listed Companies
 (Code of Corporate Governance) Regulations, 2017 **161**
 Independent Auditors' Review Report
 on Statement of Compliance **164**



Financial Statements **165**
 Independent Auditors' Report on Financial Statements **167**
 Statement of Financial Position **172**
 Statement of Profit or Loss **174**
 Statement of Other Comprehensive Income **175**
 Statement of Cash Flows **176**
 Statement of Changes in Equity **177**
 Notes to and Forming Part of the Financial Statements **178**
 Definitions and Glossary of Terms **226**
 Directors' Report (Urdu) **248**
 Proxy Form (Urdu) **249**
 Form of Proxy **251**



Company Information

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 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

Auditors

Deloitte Yousuf Adil
Chartered Accountants
18-B/1, Chohan Mansion
G-8 Markaz, Islamabad – 44000
Tel: +92 51 8734400-3
Fax: +92 51 8350602
Email: aashah@deloitte.com
shah@deloitte.com
Web: www.deloitte.com

Shares Registrar

Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial
Model Town, Lahore
Tel: +92 42 35916714, 35916719
Email: shares@corplink.com.pk

Legal Advisor

Ali Shah Associates
Advocates High Court
1-All Plaza, 4th Floor
1-E, Jinnah Avenue
Blue Area, Islamabad
Tel: +92 51 2825632

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Meezan Bank Limited
National Bank of Pakistan
JS Bank Limited
Standard Chartered Bank
United Bank Limited

Registration,

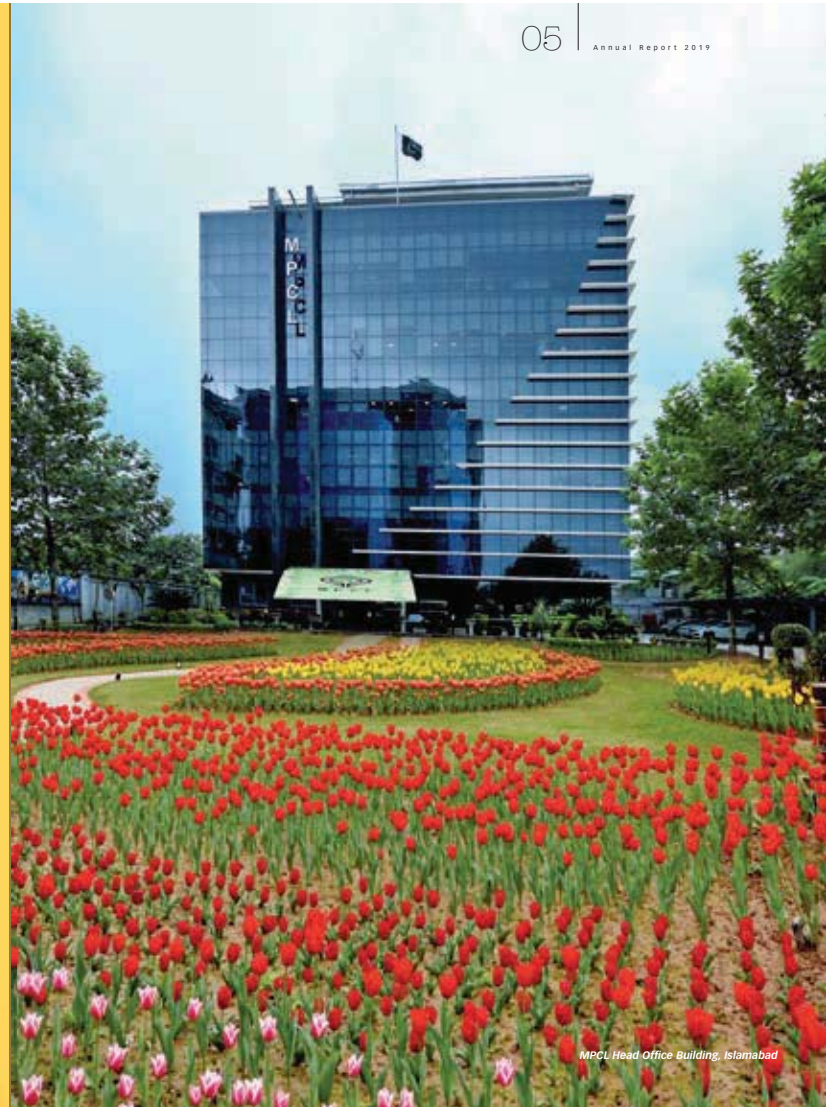
NTN and GST Numbers

Registration Number:
00012471

National Tax Number:
1414673-8

GST Number:
07-01-2710-039-73

Symbol on PSX:
Mari



MPCL Head Office Building, Islamabad

Notice of Annual General Meeting



Notice is hereby given that the 35th Annual General Meeting (AGM) of the Shareholders of Mari Petroleum Company Limited will be held on Tuesday, October 22, 2019 at 10:00 a.m. at the Registered Office of the Company situated at 21 -Maue Area, 3rd Road, Sector G-10/4, Islamabad to transact the following business:

Ordinary Business

- To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' reports thereon.
- To approve, as recommended by the Board of Directors, the payment of final dividend @ Rs.2/- per share (20%) for the financial year ended June 30, 2019. This is in addition to interim dividend @ Rs.4/- per share (40%) already paid.
- To appoint Auditors for the year 2019-20 and fix their remuneration.
- Any other business with the permission of the Chair.

Special Business

- To approve the issue of bonus shares in the ratio of one share for every ten shares held (i.e. 10%) as recommended by the Board of Directors in their meeting held on July 30, 2019 and if thought fit, pass the following Resolution as Ordinary Resolution.

RESOLUTION

"RESOLVED THAT a sum of Rs. 121,275,000/- (One Hundred Twenty One Million Two Hundred Seventy Five Thousand Only) out of the Reserves of the Company available for appropriation as at June 30, 2019, be capitalised and applied for the issue of 12,127,500 (Twelve Million One Hundred Twenty Seven Thousand Five Hundred) ordinary shares of Rs.10/- each as fully paid bonus shares to the members of the Company whose names will appear on the Register of Members as at the close of business on October 15, 2019 in proportion of one share for every ten shares held (i.e. 10%), and that such shares shall rank pari passu in every respect with the existing ordinary shares of the Company. The proposed issue of this 10% Bonus Shares shall not be eligible to the final dividend declared for the year ended June 30, 2019.

FURTHER RESOLVED that the fractional entitlement of the Members shall be consolidated into whole shares and sold in the Stock Exchange. The sale proceeds thereof shall be donated as deemed appropriate by the Board.

FURTHER RESOLVED that the Share Transfer Books of the Company be closed from October 16, 2019 to October 22, 2019 (both days inclusive) for the purpose of determining the entitlement for the bonus shares.



FURTHER RESOLVED that the bonus shares to be issued against 5% Bonus Shares which are *sub judice* before the Sindh High Court be withheld by the Company till the final decision of SHC in the matter.

FURTHER RESOLVED that the Company Secretary be and is hereby authorised to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for the issue, allotment and distribution of bonus shares."

Statement under section 134(3) of the Companies Act, 2017, pertaining to the Special Business referred to above is annexed to this Notice.

By order of the Board

Assad Rabbani
Company Secretary

Islamabad:
September 30, 2019

1. Book Closure

The Share Transfer Books of the Company will remain closed from October 16, 2019 to October 22, 2019 (both days inclusive). Transfers, in order, received at the Company's Shares Registrar, M/s Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore, at the close of business on October 15, 2019 will be treated as in time for the purpose of determining the entitlement for the payment of Final Dividend, issue of Bonus Shares and to attend the AGM.

2. Attending AGM in person or through Proxy

A member entitled to attend and vote at the AGM may appoint a person/representative as proxy to attend and vote on his behalf at the meeting. The instrument of proxy must be received at the Registered Office of the Company not less than 48 hours before the time of holding of the AGM.

In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the AGM. The individual members or representatives of corporate members of MPCL in CDC must bring original CNICs or Passport and CDC Account and Participant ID Numbers to prove identity and verification at the time of meeting.

Notice of Annual General Meeting



3. 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, to comply with the provisions of the law, all those physical shareholders who have not yet submitted their International Bank Account Number (IBAN) 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>. 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 bank account details are updated. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

4. Deduction of Income Tax from Dividend and Exemption 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 Federal Board of Revenue (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 clarification received from 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 No.	Total Holding	Principal Shareholder		Joint Shareholders		Signatures
		Name of Principal Shareholder and CNIC No.	Shareholding Proportion (No. of Shares)	Name 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 Certificates with their Folio Numbers mentioned thereon to the Company or its Shares Registrar.

As per FBR Circulars C.No. 1(29)WHT/2006 dated 30 June 2010 and C.No. 1 (43) DG (WHT)/2008-Vol.II-66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption from withholding tax u/s 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance 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.

5. Consent for Video Conference Facility

Pursuant to Section 132 (2) of the Companies Act, 2017, Members may avail video conference facility for this AGM 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 forms for availing the facility are available in the proxy form attached with this Annual Report-2019.

6. Transmission of Annual Audited Accounts and Notice of Annual General Meeting

The Company will place the financial statements and reports on the Company's website: <http://mpcl.com.pk/> at least twenty one (21) days prior to the date of the AGM.

Further, in accordance with SRO 470(I)/2016 dated 31 May 2016, the Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate the annual audited accounts to their members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses. Therefore, in accordance with the SECP permission and the shareholders' approval at the AGM dated September 27, 2016, the annual audited accounts of the Company for the year ended June 30, 2019 are being

dispatched to the shareholders in CDs. In accordance with section 235 (1) of the Companies Act, 2017 the shareholders may request for a hard copy of the annual audited accounts, which shall be provided within seven days of receipt of such request. Further, in terms of SRO No 787(I)/2014 dated September 8, 2014, the shareholders can also opt to obtain annual balance sheet and profit and loss account, auditors' report and directors' report etc. along with the Notice of the AGM through email. For this purpose, we hereby give you an opportunity to send us written request alongwith valid email ID to provide you the same via email.

For the convenience of the shareholders, a Standard Request Form for the provision of a hard copy of the annual audited accounts has also been made available on the Company's website <http://mpcl.com.pk/>.

7. Change of address and Zakat Declaration Status

Members are requested to immediately notify the change, if any, in their mailing addresses and zakat declaration status to the Company's Shares Registrar.

8. Contact Details

For any query/information, the shareholders may contact Corporate Affairs Department, Phone: 051-111-410-410, Email: info@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: shares@corplink.com.pk, corplink786@gmail.com



Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business, given in Agenda Item No. 5 of the Notice to be transacted at the 35th Annual General Meeting of the Company.

Issue of Bonus Shares

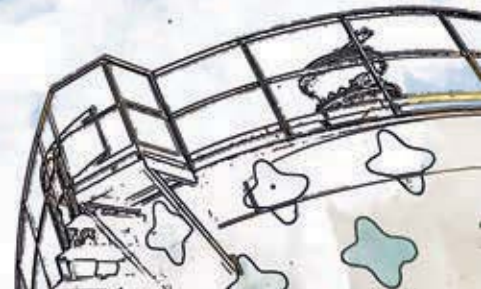
The Directors are of the view that the Company's financial position and its undistributed reserves justify the capitalisation of free reserves amounting to Rs. 121,275,000/- (One Hundred Twenty One Million Two Hundred Seventy Five Thousand Only) out of the Reserves of the Company available for appropriation as at June 30, 2019. This amount will be capitalised and applied for the issue of 12,127,500 (Twelve Million One Hundred Twenty Seven Thousand Five Hundred) ordinary shares of Rs.10/- each as fully paid bonus shares in the ratio of one bonus share for every ten ordinary shares held (i.e. 10%).

The Directors, directly or indirectly, are not personally interested in this issue except to the extent of their shareholding in the Company.

By order of the Board

Assad Rabbani
Company Secretary

Islamabad:
September 30, 2019



Company Profile

Mari Petroleum is an integrated exploration and production company, currently managing and operating Pakistan's largest gas reservoir at Mari Gas Field, Daharki, Sindh.

With 18% market share, Mari Petroleum is the third largest gas producer in the Country with cumulative daily production of around 100,000 barrels of oil equivalent.

The Company's exploration and production assets are spread across all the four provinces of Pakistan. The Company enjoys the highest exploration success rate of 70%, much higher than industry average of 33% (national) and 14% (international). At the same time, it is the most cost efficient E&P Company in the Country with lowest operating cost of under 10% of gross sales.

The Company plays a pivotal role in ensuring food security of Pakistan as around 87% urea production in the

Country is based on MPCL supplied gas. The Company also supplies gas for power generation and domestic consumers.

To its credit, Mari Petroleum has the unique record of maintaining uninterrupted gas supply to its customers from Mari Field for the last fifty two years without availing even the permitted outages.

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

Mari Petroleum is a blue-chip company and regularly wins awards and accolades from various independent bodies not only for its financial and operational performance and reporting but also for its management, HR, HSE, and CSR practices.

Principal Business Activities

Mari Petroleum 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, condensate and LPG) as well as provision of E&P related services on commercial basis.

Major Brands, Products and Services

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

Major Customers/Markets

The gas produced by the Company is supplied to fertiliser manufacturers, power generation and gas distribution companies, while crude oil and condensate are supplied to the refineries for further processing. The Company currently only caters to local customers but has plans to expand to international markets in the coming years.

Ownership, Operating Structure and relationship with Group Companies

Mari Petroleum 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 capitalisation of around Rs. 122 billion (on June 30, 2019). Major Shareholders of the Company include Fauji Foundation (40%), Government of Pakistan (18.39%), OGDCL (20%) and General Public (21.61%). All Fauji Foundation group companies as well as OGDCL are the associated companies of MPCL.



Market Share

Product	Total Output	MPCL's Output	MPCL's Share
Gas (MMCF)	1,436,542	260,007	18.1%
Oil & Condensate (BBLs)	32,495,148	603,332	1.9%

Source: Pakistan Petroleum Information Service by LMKR on behalf of DGPC. Based on the data for FY 2018-19.

Mari Seismic Unit Camp Site - Bannu West



Our History

Unlocking Opportunities Right from the Start

Mari Gas Field was originally owned by Pakistan Stanvac Petroleum Project, a joint venture formed in 1954 between Government of Pakistan and M/s 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, M/s 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 share 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 new fertiliser 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 2D/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 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 realise 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



Maj. Gen. Mahmood Aslam Hayat (Late) - First Managing Director of Mari Petroleum

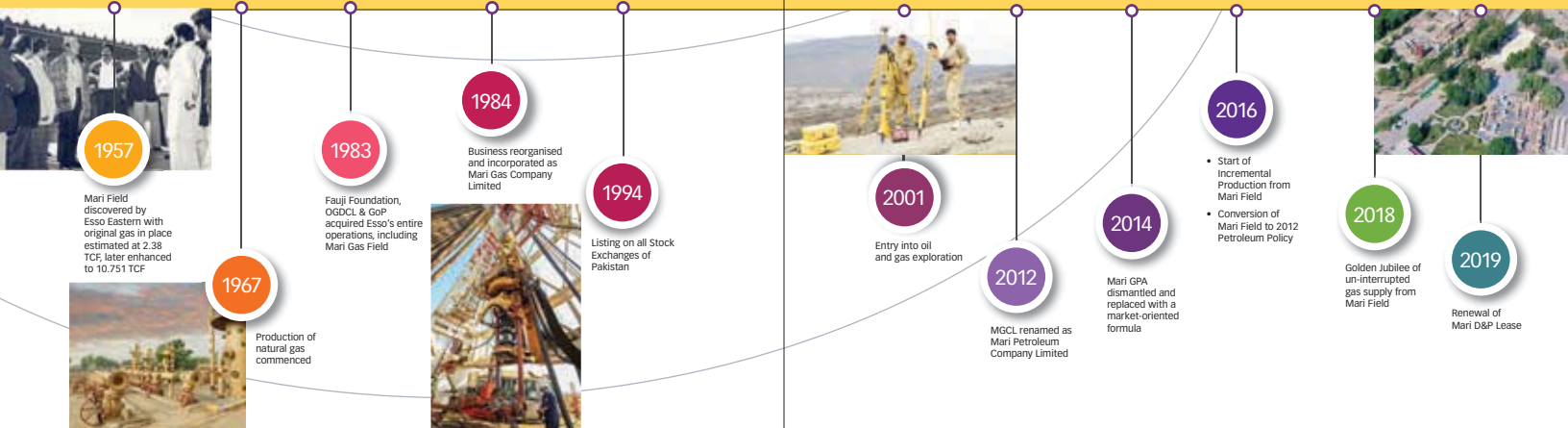
by the Government on production enhancement initiatives.

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 will help the Company to focus on enhancing recovery from the Field by implementing exploration plans and ramping-up existing production.



1957

Mari Field discovered by Esso Eastern with original gas in place estimated at 2.38 TCF, later enhanced to 10.751 TCF



1967

Production of natural gas commenced

1983

Fauji Foundation, OGDCL & GoP acquired Esso's entire operations, including Mari Gas Field

1984

Business reorganised and incorporated as Mari Gas Company Limited



1994

Listing on all Stock Exchanges of Pakistan

2001

Entry into oil and gas exploration



2012

MGCL renamed as Mari Petroleum Company Limited

2014

Mari GPA dismantled and replaced with a market-oriented formula

2016

- Start of Incremental Production from Mari Field
- Conversion of Mari Field to 2012 Petroleum Policy

2018

Golden Jubilee of un-interrupted gas supply from Mari Field



2019

Renewal of Mari D&P Lease

Key Financials

		2018-19	2017-18
Revenues	Rupees in million	119,635.50	100,226.61
Net sales	Rupees in million	59,448.01	40,676.37
Profit for the year	Rupees in million	24,327.09	15,374.34
Dividend	Percentage	60.00*	60.00
Property, plant and equipment - at cost	Rupees in million	27,648.46	22,345.12
Number of shares issued and subscribed	Shares in million	121.28	110.25

* This includes final dividend of 20% for the year ended June 30, 2019, proposed by the Board of Directors for approval of the members in the Annual General Meeting to be held on October 22, 2019.

Application of Revenue Earned 2018-19



- 36.40% Gas infrastructure development cess
- 12.60% General sales tax
- 12.30% Operating expenses
- 10.90% Taxation
- 9.70% Gas development surcharge
- 7.90% Royalty
- 4.50% Exploration and prospecting expenditure
- 2.60% Other charges
- 2.00% Excise duty
- 0.80% Finance cost
- 0.30% Other comprehensive loss

Equities and Liabilities 2018-19



- 63.78% Trade and other payables
- 22.09% Profit and loss account
- 5.99% Other reserves
- 4.58% Deferred liabilities
- 2.72% Provision for income tax
- 0.55% Issued, subscribed and paid up capital
- 0.27% Undistributed percentage return reserve
- 0.02% Unclaimed & unpaid dividend

Assets 2018-19



- 67.67% Trade debts
- 9.41% Short term investments
- 7.35% Property, plant and equipment
- 5.80% Development and production assets
- 3.02% Cash and bank balances
- 2.98% Exploration and evaluation assets
- 2.16% Loans and advances
- 1.06% Stores and spares
- 0.30% Deferred income tax asset
- 0.13% Short term prepayments, interest accrued & others
- 0.12% Long term loans, advances, deposits & prepayments

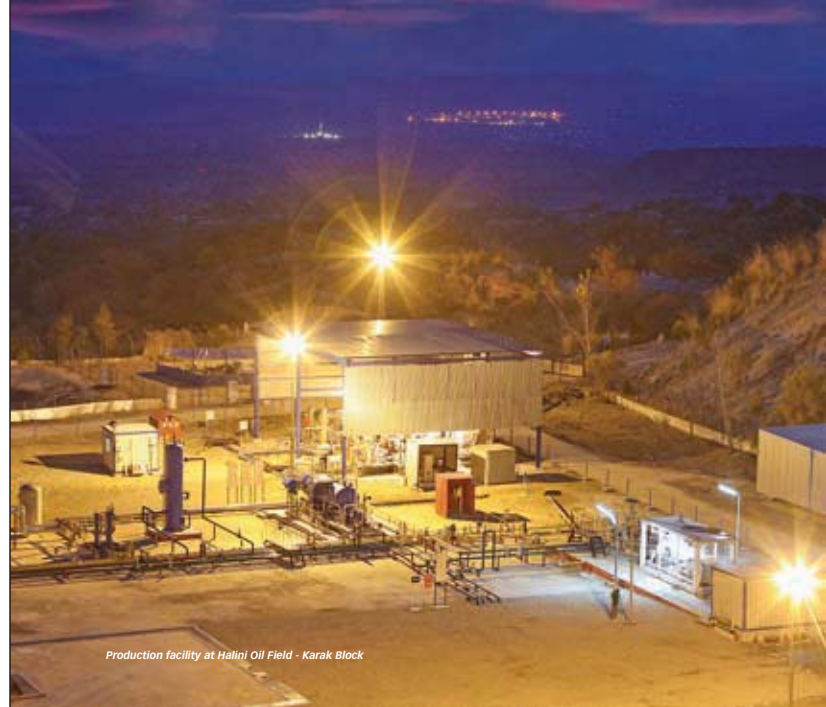
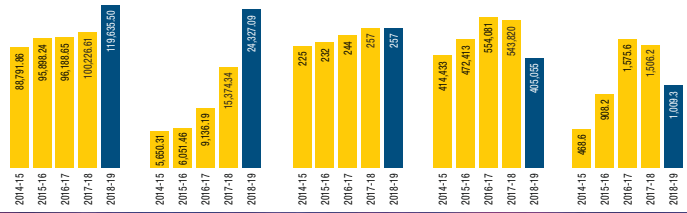
Human Resource 2018-19



- 518 Management
- 665 Non-Management
- 45 Trainees

The above manpower includes 50 female employees

Revenues (Rupees in million) Profit (Rupees in million) Gas (BSCF) Oil (Barrels) Share Price (Year end (Rupees))



Production facility at Halini Oil Field - Karak Block



Our 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.

Our 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 maximising revenues and return to the shareholders whilst maintaining the highest standards of HSE and CSR.



Laying of Pipeline at Mari Gas Field

Our Commitments

Providing uninterrupted petroleum products supply to customers



Maintaining the best and the safest operational practices



Adopting advanced technology, cost effective/efficient operations, increasing operating efficiency and adherence to the highest environmental standards



Exploring and enhancing the potential of our human resource



Aligning the interests of our shareholders, human resource, customers and other stakeholders to create significant business value characterised by excellent financial results, outstanding professional accomplishments and superior performance

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 9001:2008 (Quality Management System).

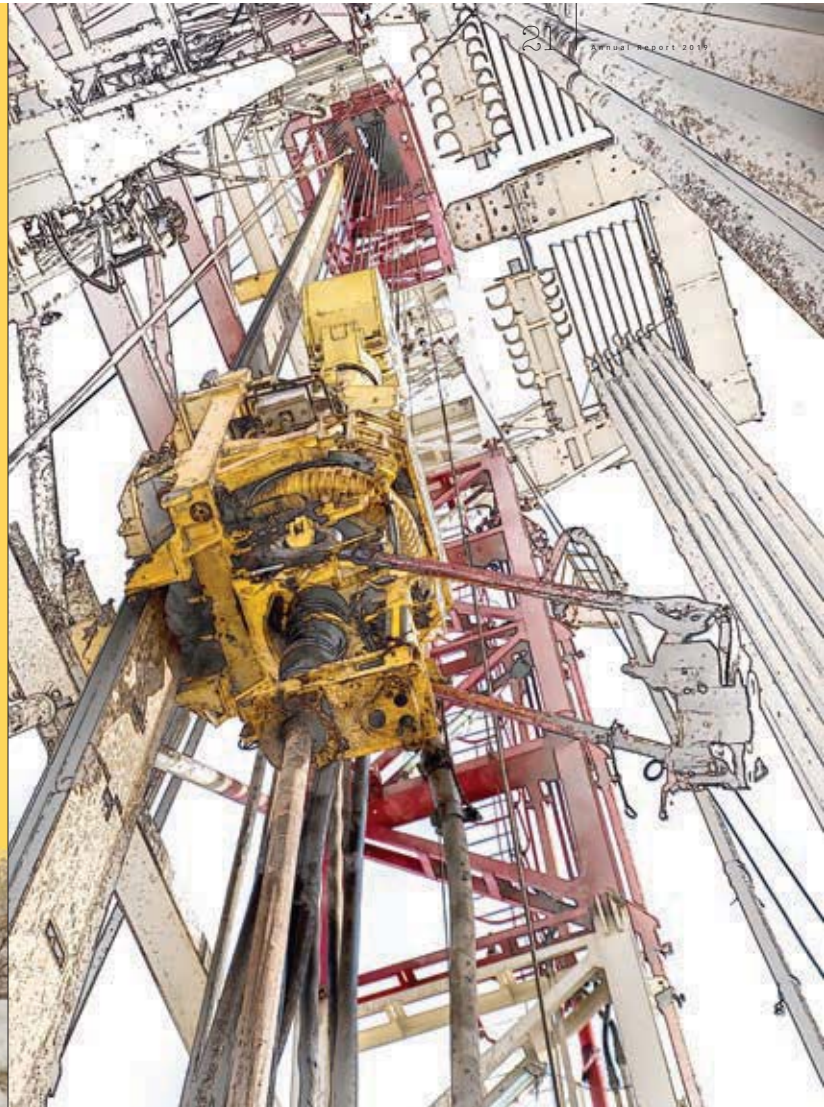
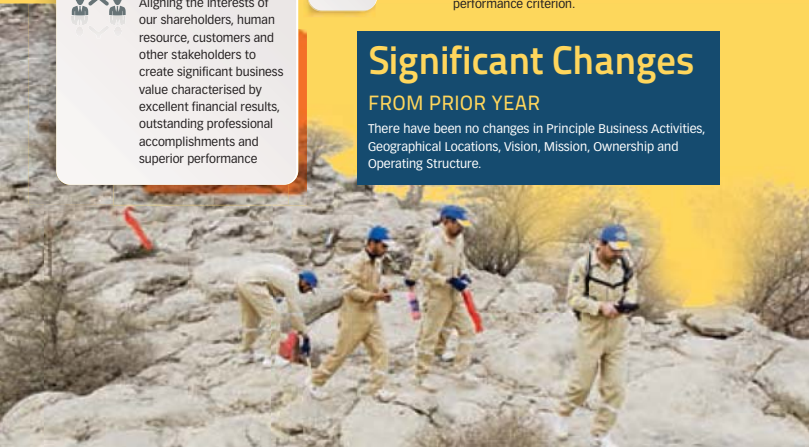
IMS Policy

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 recognised management system standards. We are devoted to maintaining 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.

Significant Changes

FROM PRIOR YEAR

There have been no changes in Principle Business Activities, Geographical Locations, Vision, Mission, Ownership and Operating Structure.



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 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.



Senior Management Celebrating Pakistan Day with MPCL Staff

PROFILE: Board of Directors



Lt Gen Syed Tariq Nadeem Gilani (Retd)
Managing Director, Fauji Foundation
Chairman MPCL Board



Lt Gen Ishfaq Nadeem Ahmad (Retd)
Managing Director/CEO
Mari Petroleum Company Limited



Dr Nadeem Inayat
Director Investment
Fauji Foundation

Lt Gen Syed Tariq Nadeem Gilani (Retd) joined MPCL Board on January 10, 2018 and was elected as its Chairman.

He is the Managing Director of Fauji Foundation, Fauji Oil Terminal & Distribution Company Ltd and the Chairman on the Boards of Fauji Fertilizer Bin Qasim Ltd, Fauji Fertilizer Company Ltd, Fauji Cement Company Ltd, Askari Cement Ltd, Askari Bank Ltd, Fauji Kabirwala Power Company Ltd, Fauji Trans Terminal Ltd, Foundation Power Company Daharki Ltd, Daharki Power Holdings Ltd, FFC Energy Ltd, Foundation Wind Energy-I Ltd, Foundation Wind Energy-II (Pvt) Ltd, Fauji Akbar Portia Marine Terminals (Pvt) Ltd, Fauji Meat Ltd, Fauji Foods Ltd, FFBL Foods Ltd, FFBL Power Company Ltd, Fauji Fresh n Freeze Ltd and Fauji Infrainvest Foods Ltd.

He was commissioned in Pakistan Army on 26 Oct 1979 with the coveted President's Gold Medal. During his illustrious career, he commanded a brigade, division and a Corps. He has also held the prestigious appointments of Commandant Armed Forces War College, NDU, Islamabad and Chief of Logistics Staff at General Headquarters. He also served in Saudi Arabian Armed Forces from 1983 to 1985 on secondment from Pakistan Army. He is a graduate of US Army Artillery School, Fort Sill Oklahoma, Command and Staff College Camberley (UK), Armed Forces War College NDU Islamabad and US Army War College, Carlisle Barracks, Pennsylvania. He holds Master's degrees in War Studies from Quaid-e-Azam University, Islamabad and Strategic Studies from US Army War College, USA.

In recognition of his meritorious services, he was awarded Hilal-e-Imtiaz (Military).

Lt Gen Ishfaq Nadeem Ahmad (Retd) is an accomplished professional with an illustrious career spanning over 40 years. He has held various prestigious positions within the Pakistan Army including, most notably, Chief of General Staff, Director General Military Operations and Commander of a Strike Corps.

Known for his candid opinions, he is a critical and creative thinker and capable of making strategic decisions in complex and uncertain environment for achieving sustainable results. He has been the architect of several critical assignments carried out by the Pakistan Army for securing the Country's defence.

Gen Ishfaq is well versed with energy security vis-à-vis conventional and alternate energy sources, management of national resources, management of change at strategic institutions and negotiations and contracting at the highest levels. He holds M.Sc. degree in National Resource Strategy from Industrial College of Armed Forces (USA) and M.Sc. degree in War and Strategic Studies from National Defence University Islamabad. He is also a graduate of Command and Staff College, Quetta and Joint Services Command and Staff College, UK.

He is an avid reader and a keen sportsman with special interest in hockey and tennis.

Gen Ishfaq assumed the charge of Managing Director/CEO of MPCL on January 26, 2017.

Dr Nadeem Inayat joined MPCL Board on September 18, 2006. He is a non-executive Director and President of Diversification & ERM 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 Infrainvest 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 28 years of diversified experience in corporate governance, policy formulation and deployment, project appraisal, implementation, monitoring & evaluation, restructuring and collaboration with donor agencies.



Maj Gen Javid Iqbal Nasar (Retd)
Director Welfare (Health)
Fauji Foundation

Maj Gen Javid Iqbal Nasar (Retd) joined MPCL Board on February 12, 2018. He is a non-executive Director and a Member of the HR&R Committee.

He is also on the Boards of Fauji Fertilizer Company Ltd, FFC Energy Limited, Fauji Fresh n Freeze Limited and Fauji Kabirwala Power Company.

He is a Graduate of Command and Staff College Quetta and National Defence University, Islamabad. He holds a Master's Degree in War Studies from Quaid-e-Azam University, Islamabad.

He was commissioned in the Army in October 1979 and held various prestigious command and staff positions. In recognition of his outstanding services, he was awarded Hilal-e-Imtiaz (Military).



Mr Rehan Laiq
Director Finance
Fauji Foundation

Mr Rehan Laiq joined MPCL Board on December 01, 2018. He is a non-executive Director and a Member of the Audit, Technical and Diversification & ERM Committees.

Mr Rehan Laiq is a qualified Chartered Accountant (FCA) with over 22 years of proven track record in developing business strategies, delivering results, developing organisational capability of infrastructure and acquisitions.

He brings in vast international experience of financial management at a senior level during his career with Schlumberger while working in multiple countries of Middle East, Asia, Russia and North America.

He has diverse experience of policy compliance, management reporting, external and internal transformation and analytical business support to ensure profit maximisation.

He is also on the Boards of Fauji Fertilizer Co Ltd, Fauji Fertilizer Bin Qasim Ltd, Fauji Cement Company Ltd, Fauji Kabirwala Power Company Ltd, Fauji Oil Terminal and Distribution Company Ltd, Foundation Power Company Daharki Ltd, Fauji Akbar Portia Marine Terminal Ltd, FFC Energy Ltd, Askari Bank Ltd, Askari Cement Ltd, Fauji Fresh n Freeze Ltd, Fauji Foods Ltd, Fauji Meat Ltd, FFBL Power Company Ltd, Foundation Wind Energy-I Ltd, Foundation Wind Energy-II (Pvt) Ltd, Daharki Power Holdings Limited, FFBL Foods Limited, Fauji Infrainvest Foods Limited, and Fauji Electric Power Company.



Syed Iqtidar Saeed
Director P&D
Fauji Foundation

Syed Iqtidar Saeed joined MPCL Board on May 15, 2019. He is a non-executive Director and President of the Technical Committee. He is also a Member of Diversification & ERM Committee.

He has over 42 years of experience in Fertilizer Industry. He graduated in Engineering with high honours from Engineering University, Peshawar and commenced his career in 1974 with EXXON Chemicals Pakistan. He joined Fauji Fertilizer Company in 1979 at its inception stage and served at all operational locations of the Company. He was member of FCC's core team which set up Urea and DAP Production facilities at Port Bin Qasim Karachi (FFBL) project from 1993 till 2002.

In 2007, he was moved to FCC's corporate office as Head of Company's Engineering & Technology Division which also included Business Development. He led the company's strategies for business diversification and globalisation including investments in renewable energy projects, off-shore fertilizer production and evaluation of investment in Thar coal projects. In 2013, he was appointed as Group General Manager and subsequently as Chief Technical Officer of the Company till his retirement in 2016.

He is also on the Boards of Fauji Fertilizer Company Ltd, Fauji Cement Company Ltd, Askari Cement Company Ltd, Fauji Akbar Portia Marine Terminal Ltd, Fauji Fertilizer Company Energy Ltd, Foundation Wind Energy-I Ltd, FFBL Power Company Ltd, Fauji Fertilizer Bin Qasim Ltd, Foundation Power Company Daharki Ltd, Fauji Trans Terminal Ltd, Foundation Wind Energy-I Ltd, Fauji Foods Ltd and Fauji Electric Power Company Ltd.

Profile of Board of Directors



Mian Asad Hayaud Din
Secretary Petroleum
Ministry of Energy



Mr Sajid Mehmood Qazi
Joint Secretary
Ministry of Energy



Mr Shahid Yousaf
Director General (Gas)
Ministry of Energy

Mian Asad Hayaud Din joined MPCL Board on June 25, 2019 as a non-executive, nominee Director representing Government of Pakistan.

He is a senior CSP Officer of District Management Group and is presently serving as Secretary for Ministry of Energy (Petroleum Division).

He earned a PhD from Fletcher School of Law and Diplomacy, USA in 1997 and an MPhil in International Relations with first position from Quaid-e-Azam University, Islamabad in 1992. He obtained two master's degrees, one in Law and Diplomacy from Fletcher School of Law and Diplomacy, USA in 1996 and another in International Relations from Quaid-e-Azam University, Islamabad in 1987 with a gold medal. He did his bachelors in Political Science and Soviet/ Russian Studies with distinction (magna cum laude) from Amherst College, Massachusetts, USA in 1985. Besides, he has attended several international and national training courses in trade, law, jurisprudence and public administration.

During his illustrious career, Mian Asad has served at various positions at Federal as well as Provincial levels, including Deputy Secretary, World Trade Organisation Wing, Ministry of Commerce, Director (Administration), Islamabad Capital Territory Administration, Consul (Trade and Commerce), Consulate of Pakistan in Chicago, USA and Additional Secretary (Incharge) Establishment as well as Industries and Production divisions.

Mian Asad is also on the board of Pak-Arab Refinery Limited (PARC) and Oil and Gas Development Company Limited (OGDCL).

Mr Sajid Mehmood Qazi joined MPCL Board on March 26, 2018 representing Government of Pakistan. He is a non-executive Director and Member of the Technical and Diversification & ERM Committees.

He joined civil service of Pakistan in 1995. He was exposed to the working of Ministries of Economic Affairs, Commerce & Textile and Narcotics Control and has since then served at crucial positions in Supreme Court of Pakistan and National Accountability Bureau. Mr Qazi contributed in formulating and implementing the national anticorruption strategy during his stint at the premier accountability body from 1999 to 2005. He has also performed the duties of a diplomat at Pakistan's Consulate in Manchester, UK, as Counsellor Community Affairs. Before joining the Ministry of Petroleum, he was working as Director General in the Overseas Pakistanis Foundation.

Mr Qazi has strong interest in Economics, Public Administration and Law. He earned LLM from Warwick University, UK as Chevening Scholar. He is an avid reader of contemporary history and also follows his passion of hiking and landscape photography in his leisure time.

Mr Shahid Yousaf joined MPCL Board on September 10, 2015 representing Government of Pakistan. He is a non-executive Director and member of the Audit and Technical Committees.

He possesses around 27 years of professional experience and has remained involved in new refineries and oil infrastructure projects and has overseen the execution of more than one thousand gas expansion projects in the Country. At present, he is looking after policy related work pertaining to the natural gas in the country.

Mr Shahid Yousaf holds a Master's Degree in Geology with specialisation in Petroleum Infrastructure. In addition, he has attended numerous local and foreign courses and trainings pertaining to petroleum projects and management, gas pipelines and LNG projects.



Dr Naseem Ahmad
Managing Director
Oil & Gas Development Company Limited



Mr Ahmed Hayat Lak
GM (Legal Services)
Oil & Gas Development Company Limited



Ms Ayla Majid
Managing Director – Financial Advisory Services
Khalid Majid Rehman – Chartered Accountants

Dr. Naseem Ahmad joined MPCL Board on August 09, 2019 as a nominee director representing OGDCL. He is a non-executive Director and a member of the Technical Committee and Diversification & ERM Committee.

Dr. Naseem Ahmad assumed the acting charge of MD/CEO OGDCL on August 01, 2019 prior to which he was serving as Executive Director (Production) since June 2016. He holds a Ph.D in Petroleum Engineering from Imperial College, London, an M.Sc. in Petroleum Engineering from the University of Texas at Austin and a B.Sc. in Petroleum Engineering from University of Engineering & Technology Lahore. He is a veteran Petroleum Engineer who has a rich experience in domestic oil/gas exploration and production operations, management, well testing, well completions and surface facilities. He is also an author/co-author of four publications.

He has attended a number of courses on Management, Production and Project Development. Dr. Naseem won Pakistan Petroleum Limited competitive scholarship (1983) and also held office of Councilor Petroleum Engineering Student Association (1982-83). He is also a member of Pakistan Engineering Council and Society of Petroleum Engineers.

Mr Ahmed Hayat Lak joined MPCL Board on June 26, 2014 representing OGDCL. He is a non-executive Director and member of the Audit and HR&R Committees.

He holds a Master's Degree in Law from University of Wolver Hampton and Bachelor Degree in Law (Honours) from University of London, United Kingdom.

He previously served in Pakistan Oilfields Limited as Head of Corporate and Legal Services Department. He also worked in the National Accountability Bureau as Advisor to the Chairman and as Consultant in the Office of the Prosecutor General.

Ms Ayla Majid joined MPCL Board on June 24, 2019 representing shareholding interest of General Public (Minority Shareholders). She is an independent Non-Executive Director, President of the Audit Committee and a Member of Human Resource and Remuneration Committee.

She is a renowned name in the finance industry with over 20 years of M&A, project advisory and policy experience. Ms. Ayla heads the Financial Advisory Services at Khalid Majid Rehman Chartered Accountants.

Ms Ayla is a member of the Global Future Council on Energy of the World Economic Forum for the term 2019-20. She is a Young Global Leader (YGL) of the World Economic Forum honoured in 2015 and is currently serving as Advisory Group Member of the YGLs.

She is the first Pakistani elected on the Global Council of Association of Chartered Certified Accountants (serving since 2014).

With significant governance experience Ms. Ayla was appointed by the Ministry of Finance, Government of Pakistan to draft the first Code of Governance for Public Sector entities in 2013. Currently Ms. Ayla serves on the boards of Government Holdings (Pvt) Limited, Central Power Procurement Authority, Intellectual Property Rights Organisation and The Helppcare Society (a non-profit running "Teach a Child Schools" for under-privileged children).

Previously she served on the boards of ISE-Real Estate Investment Trust, Islamabad Electric Supply Company and the Islamabad Stock Exchange.

Academically, Ms. Ayla holds MBA from Lahore University of Management Sciences, LLB from University of London and ACCA. She has attended the "Enhancing Board Effectiveness – Directors Training" from Lahore University of Management Sciences, "National Security Workshop" at the National Defence University Pakistan, "Global Policy and Leadership" at Harvard Kennedy School, "Transformational Leadership module" at the University of Oxford and most recently "International Workshop on Leadership and Security" at the National Defence University Pakistan.

Profile of Board of Directors



Mr Adnan Afridi
Managing Director
National Investment Trust Limited



Mr Muhammad Asif
GM Finance/Chief Financial Officer
Mari Petroleum Company Limited



Mr Assad Rabbani
GM Corporate Affairs/Company Secretary
Mari Petroleum Company 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 President of HR&R Committee and Member of Audit Committee.

Mr Afridi assumed the position of Managing Director NITL on February 21, 2019. He has 24 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 Managing Director of the Karachi Stock Exchange, CEO, Overseas Chamber of Commerce and Industry, Chairman of National Clearing Corporation of Pakistan and Member of Board of Directors of Central Depository Company. Mr Afridi has also served on the Board of Silk Bank Limited and Gul Ahmed Textile Mills Limited.

Mr Adnan 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.

Currently, he is also on the Boards of Bank Al-Habib Limited, International industries Limited, Bulk Transport Company (PVT) Limited, The Kidney Centre Institute and a Member of SECP Policy Board.

Mr Muhammad Asif is a Fellow Member of the Institute of Chartered Accountants of Pakistan with over 28 years of professional experience with reputable organisations in Pakistan and abroad.

He is a Certified Internal Auditor from the Institute of Internal Auditors, USA and a Diploma Associate of the Institute of Bankers in Pakistan. He has attended numerous courses and trainings on Financial Management, Audit & Risk Management and Leadership & Business Strategy from renowned institutes in Pakistan and abroad, including Harvard Business School.

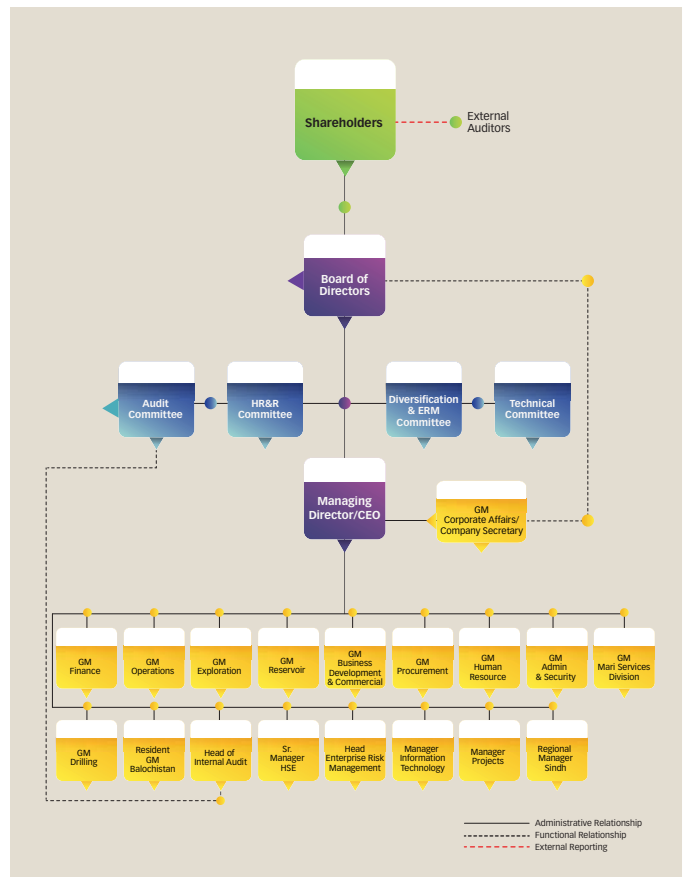
Mr Assad Rabbani is a Fellow Member of the Institute of Chartered Accountants of Pakistan with over 21 years of professional experience with reputable national and international organisations.

He joined MPCL in 2003 and was appointed Company Secretary in 2005. Previously, he worked in Hydro Power and Textile sector. He has attended numerous courses and trainings in Pakistan and abroad on Corporate Governance, Leadership and Strategy, Upstream Economics & Risk Analysis and Infrastructure Regulations & Reforms.



MPCL Board Members visit Miraj-1 Drilling Site in Ghauri block near Gujjar Khan

Organogram



Chairman's Review



Financial year 2018-19 was yet another fruitful year for the Company, marked with exceptional performance in all areas of operations. As you will read through the report, the Company posted exceptional financial and operational results with revenues, profitability, return to the shareholders, and contribution to the government exchequer all reaching historic levels. The Company's HSE and CSR performance was also unparalleled. The Management deserves all the praise for their dedication and efforts for exceeding the stakeholders' expectations.

In particular, I want to highlight the successful implementation of HRL Phase-X Development Project in Mari Field which will ensure stable supply of gas to fertiliser industry till 2023. This is a great initiative to help out fertiliser industry which is in crisis for the past several years. I also want to commend the Management's efforts to start on-ground exploration activities in highly prospective but security sensitive Bannu West and Block-28 in the best national interest. Successful hydrocarbon discoveries in these blocks will change the fortune of these underdeveloped areas and the Country.

We have a diverse, competent and highly potent Board which holds to the Company's vision, mission and core values with the ultimate goal of serving the interests of stakeholders. The Board leads and guides the Company through strategic planning with a focus on the future. Without indulging in micromanagement of the affairs, the Board is ever ready to guide and support the Management in its endeavours in core operations and diversification projects, ensuring optimal allocation of resources.

Special emphasis is placed on continuous learning and development of the Board Members. In this

regard, Directors' mandatory training was arranged at MPCL Head Office in August 2018. The training was conducted by Pakistan Institute of Corporate Governance. All directors on MPCL Board along with two HODs and two executives including one female executive acquired certification under directors' mandatory training programme. Moreover, an orientation session for the Directors on the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 was also held in August 2018 to apprise the Board Members about the latest changes in corporate regulatory and governance regime in the Country. Further, three of the Board Members were sent on foreign trainings to acquaint them with the latest developments and trends in the areas of governance, management and leadership.

Governance of risk is the Board's primary responsibility and hence a priority area. To effectively discharge this duty, the Board has constituted a Diversification & Enterprise Risk Management Committee, which will assist the Board by reviewing, *inter alia*, all enterprise risk management (ERM) related matters and will present its recommendations to the Board for consideration and final decision. The Board has also approved establishment of a dedicated ERM Department to carryout risk management functions in line with international best practices and regulatory requirements.

As required under the Regulations, a formal and effective mechanism is in place for annual evaluation of the Board, its Committees and Individual Directors. The evaluations for the year 2018-19 revealed that the Board Members were satisfied with the performance of the Board, Committees and Individual Directors. There were some valuable suggestions

for further improvement of Board's operations. These suggestions have been noted for implementation. We have plans to further strengthen the evaluation mechanism to make it more objective and meaningful.

Both our Audit Committee and HR&R Committee are now chaired by independent directors, indicating highest level of governance and transparency.

I am also pleased to report that Ms. Ayla Majid has been elected on the Board as our first female director, in compliance with the gender diversity requirements of the Regulations.

There were other changes on the Board as several new directors joined against casual vacancies occurring during the year.

I am grateful to all the outgoing directors for their efforts and contributions to the Board's activities during their respective tenures and wish them well on their future endeavours. I welcome the newly joined directors and hope that the Board will greatly benefit from their rich and diversified experience, leading to outstanding governance of the Company.

In the end, I want to thank you all for your continued support and placing your confidence in the Board to lead the Company to greater heights of corporate performance in the coming years.

Lt Gen Syed Tariq Nadeem Gilani
HI (M), (Retd)
 Chairman
 MPCL Board of Directors

Dear Stakeholders,

Managing Director's Outlook



Mr Omar Ayub Khan, Minister for Energy, visits MPCL Head Office, Islamabad

Dear Readers,

Closing the last year on a high note of corporate achievements, we started this year with both a degree of encouragement and an element of challenge. The encouragement stemmed from the performance of the last year and the challenge appeared from the need of doing better than the last year. Corporate achievements like human ingenuity know no bounds. Our performance in

FY 2018-19 set new records in terms of revenues and profitability, with our Net Profit reaching an all-time high of Rs. 24.3 billion, soaring 58% from the last year's Rs. 15.3 billion. Other key financial indicators also set the highest benchmarks in any year of the Company' history.

The outstanding financial results were achieved on the back of better

crude price, efficient production management, maximum availability of production and process facility, fiscal tightening and higher exchange rate.

We are facing several challenges with regard to enhancement of production. These challenges mainly include: natural depletion of fields, which need to be managed without damaging the reservoirs, non-availability of downstream customers owing to emergency shutdowns, non-availability of new prospective blocks, terrain and security related challenges in awarded blocks hampering the exploration activities, reluctance of service providers to work in less secure areas, delays in allocation of discovered hydrocarbons especially in case of less than ideal composition such as heavy oil and low BTU gas, time required to drill deeper wells especially in lithologically difficult area and fiscal and regulatory challenges associated with acquisition of foreign blocks.

Realising the aforesaid challenges associated with production enhancement, we have been continuously re-aligning our strategies to adequately compensate for these challenges.

Energy Produced (MMBOE)



Earnings Per Share/Dividend

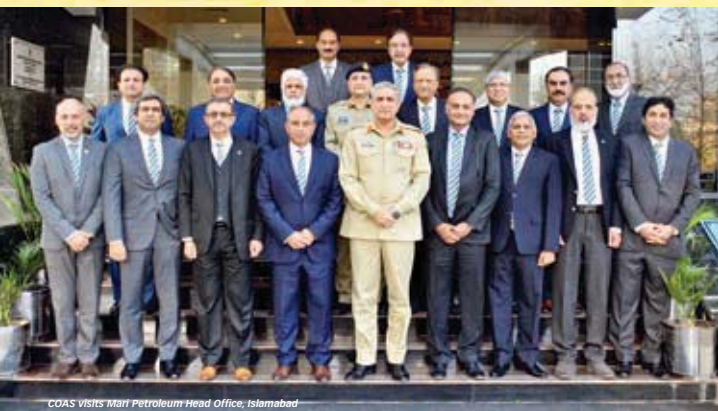


Net Sales/Net Profit (Rupees in million)



Lt Gen Ishfaq Nadeem Ahmad
HI (M), (Retd)
Managing Director/CEO

Managing Director's Outlook



COAS VISITS Mari Petroleum Head Office, Islamabad

Pursuant to these strategies, we maintained uninterrupted gas supplies from Mari Field without any outages even for a single day. Extensive coordination with downstream customers was done to bring down customers' ATA days to 104 in 2018-19 as compared to 149 days during 2017-18. Resultantly, despite producing at the same rate, company was able to produce 21% higher incremental volume, thus generating an additional Rs. 6 billion in incremental revenues compared with the last year. Despite rigorous follow-up and meticulous planning, we at times become helpless when a plant goes on emergency shutdown. In order to overcome this inherited issue, we have taken into consideration putting up a sweetening plant and laying of a pipeline to establish the connection with the National Gas Grid.

Demand-supply dynamics have shaped Pakistani gas market as

supplier-driven. Therefore, while devising the gas commercialisation strategy or selecting the field development options, our strategic focus is on maximising value for the Company besides seeking potential partnership arrangements with the customers. In order to encourage customers to ensure maximum utilisation of allocated gas volume, especially in fertiliser sector, the Company is in the process of negotiating necessary amendments in agreements with its existing customers.

In addition to re-alignment of strategies, we continued with our efforts to curtail non-essential expenses, generate negotiated savings in procurement of goods and services and utilise in-house resources wherever possible to maintain our distinction of being the most cost effective E&P Company in the Country by keeping its operating expenses under 10% of Gross Sales.

As our principal HRL reservoir of Mari Field has entered into natural depletion phase, our professionals working ingeniously and employing sophisticated simulation models identified 19 sites for new in-fill production wells to extend the production plateau up to June 2023. These wells were drilled in a record time of 9 months and connected to the production network through spur flow lines with a saving of USD 10 million from the estimated cost of USD 27 million. This extension in production plateau will serve the Company's strategic interest on one hand and contribute to national food security on the other. It is notable that the fertiliser industry in the Country has 87% dependence on HRL gas. As another landmark achievement, the Company has secured the extension of the Mari Field lease for another five years up to November 2024. This will facilitate planning and execution of mid-term programmes without any uncertainty of the lease.

Another achievement that we are really proud of is the opening up of highly prospective but security sensitive blocks for exploration. These blocks include: which straddles Hangu, Bannu, North Waziristan and Kurram districts of KPK and Sibi and Loralai districts of Balochistan. Despite their hydrocarbon potential, these blocks remained stranded for decades as previous Operators could not undertake exploration activities due to security situation. However, as soon as we took over Operatorships of these blocks, we adopted an aggressive strategy to start on-ground activities with the assistance of security agencies. Despite all challenges, MSU Alpha Crew has successfully completed Zipper-I comprising of 640 sq km 3D seismic data covering 2 important leads of hydrocarbons in Bannu West Block.

MSU Beta Crew has moved to Block-28 for seismic data acquisition after successful completion of



Nigerian Ambassador meets MD MPCL

seismic campaign in Zarghun South D&P lease area. MPCL Board of Directors has approved capacity enhancement of MSU Beta Crew after which seismic acquisition from Kohlu side of Block-28 will also be initiated to expedite the project.

Keeping in view the length of exploration and production cycle, the benefits of these projects will

only be visible gradually. Opening up of these prospective blocks for exploration activities will help bring these areas in the mainstream and expected discoveries of hydrocarbon will secure the Country's energy future.

Discovery of new deposits of oil and gas is the primary pursuit of the E&P business and is crucial for long



Seismic activities in Bannu West Block

Managing Director's Outlook



Chemical Injection Skid at Bolan East-1 - Ziarat Block



term stability and growth. During the year we made an important crude oil discovery at exploratory well Bolan East-1 in Ziarat Block, Balochistan. It is a ground breaking oil discovery in Chiltan and Moro/MughalKot formations in Balochistan Province, which has opened up new prospects of oil in the Province. The crude has been allocated to BYCO Refinery at Karachi and a purchase agreement is being finalised with them.

We also made a crude oil discovery at exploratory well Dharian-1, in Ghauri Block, Punjab, which was the 2nd consecutive oil discovery in Ghauri Block. Early Production Facilities were installed, tested and commissioned within a record time of 15 days from

Rig demobilisation and well was put on EWT production within one month of Discovery Notice. This was an unprecedented feat.

In addition, we also made a gas discovery at exploratory well Parwaaz and completed appraisal well Tipu-2 and development well Shaheen-2 as gas producers, adding to the existing production potential of the Company.

Currently, drilling of exploratory well Miraj-1 in Ghauri Block is in progress. This is another deep well in lithologically challenging Potwar region. However, within a short span of four months, the well has been drilled down to 4,455 meters.

Two discoveries were made in non-operated blocks. PPL made a gas discovery at exploratory well Benari X-1 in Shah Bandar Block, while subsequent to close of the year, OGDCL made a gas and condensate discovery at exploratory well Togh-1 in Kohat Block. MPCL has 32% and 33.33% working interest in these blocks, respectively. Currently, drilling of exploratory well Bela West X-1 in PPL operated Bela West Block is in progress.

In total, an unprecedented 38,681 meters were drilled in operated and non-operated blocks, which were 61% higher than 24,096 meters drilled during the last year, indicating an aggressive drilling campaign.

We are fully cognisant that it is highly imperative for the Company to have a sizeable inventory of prospective blocks to implement its aggressive exploration programme to arrest depleting reserves base and achieve long term sustainability. We are taking all measures to expand exploration acreage to add prospective blocks to our exploration portfolio. As part of our block acquisition campaign, we won Wail West and Taung Blocks in



Free Medical Camp at Halini Field - Karak Block

2018 Bidding Round arranged by the Government. We also acquired PEL's entire working interest in Sukkur Block to become 100% interest owner in the Block.

All E&P companies are facing a challenge of finding larger deposits of oil and gas in the Country and adding enough new reserves to arrest the general decline of remaining reserves. The situation may change when some frontier areas with possibilities of larger finds open up in due course. Under the prevailing scenario, it could be strategically prudent to farm-in some interesting opportunities abroad to compensate for lack of larger finds of oil and gas within the Country. We continue to scout and evaluate opportunities in shortlisted countries of Iraq, Nigeria and North Africa.

HSE is one of our top priorities to ensure no harm to people, assets or the surrounding environment while continuously improving our performance indicators.

I take pride in reporting that during FY 2018-2019, the Company achieved historically lowest TRCF

of 0.09 against maximum target of 0.40. This is a distinguished accomplishment in a hazard prone industry and was made possible by adherence to HSE standards and practices by the employees at all levels and locations. It shall also be appreciated that since dismantling of Mari GPA in 2014, the Company has significantly expanded its activities particularly in the challenging environment of Baluchistan and KPK, where seismic crews and operational staff are exposed to a number of HSE as well as security challenges. Despite all odds, our workforce's resolve and determination ensured highest standards of HSE performance.

CSR is another integral part of the Company's culture and reflects continuing commitment of our business to the society. Our CSR programmes are anchored in a tripartite approach of development that involves the community, local government and MPCL Management. The Company's CSR activities cover education, health, water supply schemes, sports, philanthropic donations and communication infrastructure.

I want to highlight in particular that we are building a school for children with special needs that will be able to cater for 200-300 children who will be offered free daily transport to and from home. Once completed, this will be the best school for special children in Pakistan.

We are also in talks with the concerned authorities in Islamabad for launching a tree plantation drive and installation of water filtration plants at selected locations.

Going a step further in CSR, we have embarked upon a voluntary community service programme: all management employees based at Head Office Islamabad, Daharki and Karachi would participate in community service for at least 15 hours every year. In this regard, MOUs for employee attachments have been signed with 08 social sector, non-profit organisations. Our employees have been forthcoming in making financial donations for important causes and to assist the needy but spending time on community service will give them first-hand understanding of community needs.

For the past few years, the Company has been going through transformation to change to better in every aspect and to develop agility in order to capture opportunities and ward off risks. In view of our current and future requirements, we have established a dedicated, independent and state-of-the-art Drilling Department. The Department will help manage drilling projects in a timely and cost effective manner, develop better expertise for increasing drilling efficiency, cut down costs and reduce drilling related downtime.

In September 2018, we launched an ERM Programme across MPCL. The Company has managed to set-up a robust enterprise risk management

Managing Director's Outlook



foundation at MPCL within a very short span of time. A dedicated ERM Department headed by the Head of Risk with two Risk Analysts, supported by Risk Champions from all departments and fields has been established. Activities as per improvement road map agreed with the Risk Consultants are in progress. Our initiative in the field of risk management has also been recognised by Continuity, Insurance and Risk (CIR) Journal, UK. MPCL's ERM Programme has been short-listed as a finalist for the prestigious 'International Risk Management Award' to be awarded at CIR's 10th Annual Risk Management Awards.

We have also established a Strategic Business Team which is dedicated to identifying new, feasible business opportunities particularly in non-core areas to fulfil our growth ambitions.

The above developments have also necessitated a systematic approach towards change management at MPCL to derive greater benefits from new business initiatives, address employee resistance and prepare them for change and

ensure organisational readiness for future challenges. Therefore, we have constituted a Change Management Team from amongst existing employees. Apart from conducting employee orientation sessions, the Team has carried out a review of successful case studies on change management and identified five key areas requiring change at MPCL. These areas include clarity of purpose, long-term thinking, employee empowerment, performance evaluation and loyalty.

The Company's change management strategy includes development of an implementation strategy for change initiatives, expansion of organisational focus to include cultural aspects in addition to measurable targets like financial performance, competency and requirements-based placement of human resource and ensuring employee engagement to identify areas requiring change and to seek potential solutions.

Various industry bodies have endorsed our accomplishments during the year. MPCL has emerged as a 'serial award winner' winning

accolades not just for its financial and operational performance but also for its governance, management, HR, HSE and CSR practices.

The achievements during the last year that I have briefly touched upon demonstrate Management's efforts to meet our stakeholders' expectations. However, we need to strive harder if we want Mari to be an integrated energy company with international presence.

We have brainstormed whether the Company's core business is at any risk. This question was necessitated due to geopolitics and associated oil price risks, fast emerging new technologies that may replace the use of fossil fuels in coming years, international agreements which have triggered an urgency to reduce dependence on fossil fuels and last but not the least limited remaining hydrocarbon reserves in the Country.

Several studies carried out by world's leading energy companies indicate that while renewable energy sources will take an increasing share of energy mix, oil and gas will remain the world's primary energy source towards 2050. Hence, there is no immediate threat to the global E&P industry.

Globally, natural gas is the fastest growing fuel and Pakistan is well placed with essentially a natural gas based energy economy. Countrywide gas infrastructure progressively developed over 60 years constitutes an important asset in the energy sector. The indigenous gas had historically maintained 3.5% yearly growth up to 2011; it then stagnated for a few years and has now begun to decline. The shortfall has reached about 4 BCFD, which is equal to our current production and effort is being made to meet the critical

deficiency through import of LNG. As the indigenous gas is much less pricey, it would continue to take precedence over the imported LNG, which is assuring to the local industry to continue to invest in finding more oil and gas.

In the coming year, we aim to continue running safe and sustainable operations focusing on generating additional revenues by selling un-utilised gas to swing customers, exploiting the advantage of higher crude price, strengthening fiscal tightening measures and enhancing finance income in view of higher interest rates.

Going forward, we will continue exploring farm-in and selected farm-out options, acquisition of international blocks and selected diversification projects.

More than anything, what gives me hope for the future is the amount of effort being put in by the employees to support growth and new initiatives. Employee awareness and the attitude have both transformed significantly since the dismantling of old GPA.

I want to assure our worthy shareholders that MPCL Management is resolutely committed to enlarge the envelope towards greater

achievements and benefits to them for their continued confidence and investment in the future of the Company.

Finally, I would like to thank our Board, employees, partners and all other stakeholders for their trust and continued support, as we look forward to another year of success.

Lt Gen Ishaq Nadeem Ahmad HI (M), (Retd)
Managing Director/CEO



Chairman MPCL Board along with the Managing Director witnessing drilling operations at Miraj-1 Well - Ghauri Block

Calendar of Major Events

SEPTEMBER 2019

1 Completion of Zipper-1 (650 sq. kms) of Bannu West 3D Project by MSU Alpha Crew



AUGUST 2019



2 Mr. Omar Ayub Khan, Minister for Energy, visits MPCL Head Office
 Gas and condensate discovery at exploratory well Togh-1 in OGDCL operated Kohat Block
 Commencement of 2D Seismic Data Acquisition Campaign in Block-28, Balochistan by MSU Beta Crew

JULY 2019

3 Renewal of Mari D&P Lease till November 10, 2024



MAY 2019



4 MPCL included in Top 25 Companies on Pakistan Stock Exchange for the Year 2017
 Completion of 2D Seismic Data Acquisition Campaign in Zarghun South D&P Lease Area by MSU Beta Crew

APRIL 2019



5 Crude oil discovery at exploratory well Dharian-1, Ghauri Block, Punjab
 Drilling of 19 development wells as part of HRL Phase-X Development Project completed in Mari Field

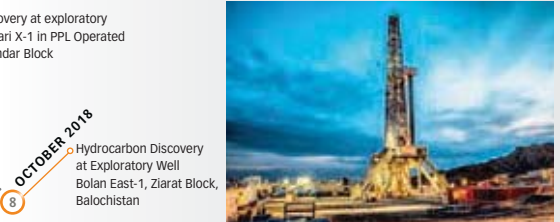
JANUARY 2019



6 Gen Qamar Javed Bajwa, Chief of Army Staff, visits MPCL Head Office

DECEMBER 2018

7 Gas discovery at exploratory well Benari X-1 in PPL Operated Shah Bandar Block



OCTOBER 2018
 8 Hydrocarbon Discovery at Exploratory Well Bolan East-1, Ziarat Block, Balochistan

Risks and Opportunities Report

STRENGTHENING RISK MANAGEMENT

As per Listed Companies (Code of Corporate Governance) Regulations 2017, the overall responsibility for governance of the Company's risks lies with the Board.

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

The Company's Board is responsible for providing strategic oversight and is also responsible for ensuring that a sound risk management and internal control system is in place. Listed Companies (Code of Corporate Governance) Regulations 2017 also reiterate this requirement and assign the overall responsibility for governance of the company's risk to the Board.

The newly established Board Diversification & Enterprise Risk Management Committee facilitates

the Board in discharging this responsibility. The setting up of a dedicated Enterprise Risk Management (ERM) Committee at the Board-level is not mandatory for a listed company. However, in its pursuit of continuous improvement and adherence to industry best practices, MPCL has setup a separate Committee.

The Committee ensures that an appropriate control environment is established and maintained covering the Company's operations, strategy, finances, reporting and compliance activities. This is further driven by identifying risks and aligning risks appetite and tolerance levels to strategic and departmental targets, bringing to view the essence of the applicability and benefits of formalised ERM processes.

The Committee further provides the necessary link between ERM, strategy and performance and further strengthens the integration of risk management within business functions.

ERM PROGRAMME

The concept of managing risks in the Company is not new, MPCL has always had risks to manage as part of maintaining safe and secure working conditions and conducting its business operations efficiently. Historically, MPCL was focused on managing key risk types like HSE, security, projects etc., however, there was a need for a holistic and integrated approach to enterprise risk management.

Acknowledging this need and to facilitate the Board's Risk Committee in having an efficient and effective

oversight of the Company's risk practices, the Company decided to introduce formal ERM.

In September 2018, MPCL launched ERM across the Company to develop and provide an approach for the implementation of ERM practices based on the international standard ISO 31000:2018. It is further built upon the 'Three Lines of Defence' structure, ensuring assurance at all levels of risk management. MPCL was supported in this endeavour by i-Risk Group, a UK based boutique enterprise risk management consultancy and provider of risk management solutions.

The Company approached adoption of better risk management by establishing a 'baseline of expected ERM practices' for managing risks. These strategies evolved MPCL's existing risk management practices to a higher level of maturity.



Training Sessions on Enterprise Risk Management by M/s i-Risk Group, UK

ERM POLICY

ERM Policy has further been strengthened with the inclusion of minimum expected standards and practices that the Company should have in place to manage enterprise risks within defined risk appetite. The Policy also recommends the risk appetite and tolerances for the Company, and the scope of risks covered.

The ERM Framework was also developed which outlines the processes, practices and structure that MPCL expects staff to adopt to meet the standards defined in the Policy.

MPCL's ERM Programme is designed to create a common understanding of risks throughout the Company by consolidating

Risks and Opportunities Report

various risk management methods being used for differing types of risks, and developing a more consistent approach, including philosophy, terminology and methodology.

ERM DEPARTMENT

The use of risk expertise across the organisation was promoted by the newly formed ERM Department and was further facilitated within each department by identifying and engaging Risk Champions (focal persons from each department) to support risk and control owner and to promote risk initiatives. ERM Department advises and partners with business functions' management and Risk Champions to provide leadership, guidance and support to ensure the effective implementation of the ERM Framework across the organisation.

With promotion of common and consistent risk language, clear communication of roles and responsibilities and targeted training, the Company has been able to become more risk aware and risk competent. With shared knowledge, siloed department-level risk management has been steered into coordinated efforts for an enterprise-level management of risks. The management has been able to evidence the benefits of risk management, which allows both informed decision-making and proactive leadership opportunities.

Periodic risk identification and assessment exercises are carried out at both departmental and enterprise level to identify principal risks faced by the company, including those that would threaten its business model, future operational and financial performance and its sustainability in the long run. Along with assessment and evaluation of identified risks, mitigation plans are also devised and agreed to bring the risk exposure to acceptable level.

KEY RISKS FACED BY MPCL

A brief account of key risks faced by the Company is presented below, along with an assessment of the likelihood that the risk will materialise, the possible magnitude/ impact of the risks, and action plans to mitigate or control these risks:

A. Strategic Risks

Internal

- High dependency on single Mari Field: Reservoir failure/security issues in 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.
- Inability to achieve reasonable Reserve Replacement Ratio.
- Delay in commercialisation of discoveries impacting achievement of organisational objectives.

External

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

Likelihood & Magnitude:

Strategic risks are both internal and external in nature with the potential of threatening our future business model and growth targets in the short, medium and long term. The magnitude and likelihood of each such risk is closely monitored and reviewed periodically by the Management and is reported to the Board. Appropriate mitigation plans are devised to keep the likelihood and magnitude within the agreed tolerance levels.

Mitigation Strategies:

- Aggressive Exploration Strategy to enhance reserve replacement ratio and attaining sustainable future growth in production and revenues.
- In the absence of fresh bidding round for new exploration blocks, the Company is actively pursuing 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 HRL Reservoir beyond 2023.
- Enhancing incremental production from HRL Reservoir for maximum exploitation of incremental gas pricing.
- Apart from efforts in core business, the Company is also actively seeking diversification opportunities outside of the E&P sector. Plans include setting up of power plant, investments in oil pipeline project and renewable energy projects etc.
- MPCL strives to hire the best human capital available in the industry and is continuously working towards the development of their technical skills set through extensive training and participation in international conferences. It

further encourages and facilitate them to utilise state-of-the-art technology. This allows development of intellectual capital within the company and ensures that the human capital remains abreast with and adopts state-of-the-art techniques and concepts in all aspects of the business.

B. Operational Risks

Internal

- Probability of major accidents due to natural causes, human error or negligence which can result in injuries, deaths, disruption of operations and associated losses.

External

- Challenges of difficult terrain, extreme weather conditions, lack of basic infrastructure in remote and frontier regions, precarious security situation and high security cost at places where the Company operates or holds working interests.
- 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.

Likelihood & Magnitude:

Operational risks are inherent to the E&P sector and can never be fully avoided. Due to the nature of such risks, the magnitude and likelihood varies and the

Management actively works on new and improved control and mitigations to maintain the likelihood and magnitude within the agreed tolerance levels. This is indicated by the impressive TRCF of 0.09 during the year, which is much lower than the industry average.

Mitigation Strategies:

- The Company follows best industry practices vis-à-vis use of technology, due diligence in decision making and strict compliance with HSE standards and practices.
- MPCL also collaborates with national security apparatus to ensure safety of personnel and assets in the security sensitive areas.
- Information Security Management System 27001:2013 certification and its strict compliance.



Risks and Opportunities Report

C. Regulatory & Compliance Risks

External

- Delay in requisite approvals from the government of allocation of oil and gas from new discoveries depriving the Company of sizeable revenues.
- Delay in fresh bidding round for new exploration licenses/blocks hampering the Company plans to expand its exploration portfolio for aggressive exploration to increase its reserves base, improve reserves replenishment ratio and increase production revenues.
- Current economic situation/strict foreign exchange regulations inhibiting the Company's financial performance and plans for diversification outside Pakistan.
- Long-term strategies and business performance may be impacted due to unfavourable/unanticipated changes in government regulations.

- Continuous follow-up with State Bank of Pakistan for approval for foreign investments.
- The Company actively proposes amendments in the Petroleum Policy to facilitate E&P industry and expand exploration activities in the Country.

D. Financial Risks

External

- Reduction in crude oil price may have an adverse effect on profitability and budgeted cash flows of the Company.
- Delay in settlement of company's dues by its customers due to circular debt issue (Power Sector) can negatively impact the Company's liquidity situation.

Likelihood & Magnitude:

The Company has a strong equity position with adequate equity capital for both medium and long term in the form of sufficient retained earnings after distribution of dividend to shareholders. This acts as a cushion to absorb any potential adverse impact in cash flows.

Mitigation Strategies:

- Active follow-ups at appropriate levels are kept to ensure timely payments of government



related dues and the Company's receivables.

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.

- The Regulator has announced a fresh bidding round with a sizeable inventory of blocks in previously unavailable but highly prospective areas. This presents the Company with the opportunity to further improve its prospect inventory for future growth.
- After the 2012 Petroleum Policy, the Regulator is working on a new policy to be announced with the fresh bidding round. This is to facilitate new investments in the frontier basins and to better align with the changing business environment and offers opportunity to the Company to improve its profitability considering its work programme targeting frontier areas.
- In-house seismic acquisition and drilling capacity in the form of Mari Services Department allows the Company an opportunity to explore security sensitive but high potential areas in the wider national interest.

Likelihood & Magnitude:

Regulatory and Compliance related risks are extraneous in nature and have the ability to significantly impact the Company's business model. Likelihood and magnitude of each risk is closely monitored due to its potential high impact on the Company. These are regularly reported to the Board for effective planning.

Mitigation Strategies:

- 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.



Mr Grant Griffins, Consultant, I-Risk Group, UK

- A strong equity and cash position for both medium and long term allows MPCL to enjoy a greater degree of operational freedom and flexibility in the pursuit of its diversification plan. The Company, having zero debt, can readily raise sufficient debt capital when needed at the most competitive terms.
- The growing domestic energy demand and presence of significant gap between the gas demand and its supply has transformed the domestic market into a seller's market. This allows domestic gas producers like MPCL to negotiate its contracts better, protecting the Company's commercial interests.
- Incremental pricing incentive for HRL gas presents the Company with an opportunity wherein profits can be maximised if the production volumes are enhanced, with no damage to the reservoir.

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.

ASSESSMENT OF THE PRINCIPAL RISKS FACING THE COMPANY

The Board carries out periodic assessment of the principal risks

faced by the Company, including those that would threaten its business model, future operational and financial performance, solvency and/or liquidity issues. The Board also reviews the risk mitigation strategies proposed/adopted by the Management, provides guidance and accords approval where required.

Executive Risk Profile of the Company consisting of various strategic, compliance and financial risks was presented to the Board in its 178th Meeting held on July 30, 2019.



Mr Alex Larsen, Renowned Risk Trainer, with Risk Champions of the Company

Strategic Business Plan and Resource Allocation



As Benjamin Franklin is reported to have said "failing to plan is planning to fail." Avoiding that pitfall, the Management puts special emphasis on and dedicates considerable amount of time and efforts for devising Annual Business Plan of the Company which then serves as a road map for the Company's activities in the coming year. The Plan aims to:

- provide a framework for setting strategic direction of the Company;
- serve as basis for more detailed planning (setting high level Corporate Objectives and Targets);
- align corporate resources and energies towards agreed objectives;
- assist benchmarking and performance monitoring;
- explain the business objectives to all tiers of management to involve and motivate them, and last but not the least;
- stimulate desired change and build on the past successes.

In view of changing internal and external business environment, the Plan is quarterly reviewed and monitored to keep it relevant,

strategically active and capable of channeling the corporate resources towards achievement of the set corporate objectives. The Plan is operationalised through successive annual Corporate Objectives and Targets (COTs). The allocation of resources for various activities is guided by the priority given in the Plan.

The Planning Process

The Management believes that "planning process is as important as the plan itself" and adopts a systematic and rational planning process. All possible efforts are made to keep the process open, iterative and flexible so that it is dynamically evolving over the time. While the overall direction is provided by the Managing Director, the strategies and COTs are evolved at the departmental level to ensure ownership and commitment of those responsible for implementing the plan.

Overall Strategic / Corporate Objectives

To ensure balanced growth of the Company, Annual Business Plan

focuses on the following strategic areas while setting Company's annual Corporate Objectives and Targets:

- Core Business/E&P:** The focus in this area is on core E&P activities such as seismic data acquisition and processing, drilling of wells, production of hydrocarbons, reserves enhancement and expansion of exploration acreage.
- Diversification:** The focus in this is on diversification of the Company's operations by entering into related businesses such as oil pipelines, petrochemical industry and power generation projects.
- Financial:** The targets in this area include enhancing net profit by increasing sales, increasing return to the shareholders, fiscal tightening measures, early recovery of receivables, and achieving financial self-sufficiency for all segments of Mari Services Division.
- Internal Processes:** The focus in this area is on refining internal processes, use of modern technology and innovative techniques to increase efficiency in all areas of the Company's operation.

Effect of seasonality on business in terms of production and sales

Oil and gas worldwide generally follow a seasonal trend as demand increases in winter mainly due to heating requirements. The same is mostly true in case of Pakistan where demand for natural gas peaks in winter. However, Pakistan is an energy deficient Country and domestic and commercial demand for natural gas in winters is replaced by demand for power generation in summer. Therefore, demand-supply gap remains present throughout the year. Seasonality has limited impact on MPCL as most of the Company's customers are fertiliser manufacturers and only 15-20% of the gas is supplied to power and domestic sectors where demand is more seasonal in nature. The Company faces pressure issues in winter due to low temperatures. On the other hand, withdrawals by customer are impacted in summers as their plants' operational capacity is lower due to higher temperatures. The Company's production and sales are also impacted due to planned and unplanned turnarounds/shutdowns by the customers. The Company mitigates these factors by employing different strategies such as maintaining a close liaison with all its customers for minimising the shutdowns/turnarounds, adjusting the output and using swing customers for unutilised gas.

- Stakeholders:** The emphasis is on meeting the expectations of the Company's stakeholders including shareholders, local communities in the areas of the Company's operations, customers, employees and JV partners.

Short, Medium and Long Term Objectives

Despite relatively stable oil prices during the last year, the Management is continuously reviewing and adjusting its strategic focus to optimise its revenue streams. Diversification shall remain an important part of business strategy in the coming years, besides serious efforts to expand the Company's reach to E&P sector outside Pakistan. The Management has outlined the following strategic parameters for its business strategy.

- Short-Term (1-2 Years):** The Company will remain focused on the core business with the aim to expand its exploration portfolio and to increase its revenue streams by enhancing production through optimisation of existing fields, bringing on production new discoveries and reduction in operating cost.
- Medium-Term (3-5 Years):** By venturing into untapped frontier regions of Pakistan, the Company plans to focus on investments aimed at adding high potential blocks in its portfolio to achieve positive reserves replacement ratio and sustainable production growth. The Company also plans to add producing assets or near-field development projects in its portfolio to sustain growth. Similarly, the Company plans to actively pursue oil and gas interests outside Pakistan. Diversification shall also remain the corner stone of the Company's strategy in medium term.

- Long-Term (6-8 Years):** Keeping in view the constantly changing environment of the global energy sector, MPCL plans to respond to the expected shift in the global energy sector by transforming its business model. In the long term, the Company plans to significantly modify its existing business model by focusing on renewable and alternate energy projects.

Monitoring of Performance

- To ensure achievement of corporate goals within the stipulated time period a Management Control System (MCS) has been instituted for close monitoring and reporting of the progress and for mid-course corrections in case of slippages from the planned course.
- Quarterly review meetings of the Senior Management are held to make adjustments or alterations in course of actions to achieve the targets within the specified time.
- Besides monitoring corporate performance under each COT, a set of Key Performance

Indicators (KPIs) covering a larger spectrum of performance indices are calculated bi-annually to monitor and compare the overall performance of the Company.

Management Strategies to meet the Objectives

Production Enhancement
The Company ensured uninterrupted gas supplies from Mari and other fields through:

- Extensive coordination with the customers to reduce annual turnaround/shutdowns
- Upward revision of "take-or-pay" clauses with the customers
- Re-allocation of unutilised gas
- Use of "swing-customers"
- Successful implementation of HRL Phase-X Development Project to enhance HRL plateau period

Revenue Enhancement

- Incremental production from HRL reservoir
- Better funds management to enhance finance income

Strategic Business Plan and Resource Allocation



Production & Processing facilities at Zarghun Gas Field - Balochistan

Exploration Strategy

8. Aggressive exploration and drilling campaign in operated blocks
9. Opening up of security sensitive but highly prospective blocks
10. Expansion of exploration acreage

Cost Cutting/Budgetary Controls

11. Utilisation of in-house resources, wherever possible
12. Fiscal tightening measures
13. Negotiated savings in procurement of goods and services

Operational Strategy

14. Effective collaboration with national security agencies to ensure safety of personnel and assets in the security sensitive areas.
15. Adherence to highest HSE standards and practices by the employees at all levels and locations.
16. High impact Social Welfare Projects

These strategies are elaborated in the Managing Directors' Outlook and the section on Success Stories.

Key Performance Indicators

MPCL's business planning system is based on key performance indicators. The Company has implemented specialised management control systems for reviewing its past performance vis-à-vis a set of 'look-behind' key performance indicators (KPIs). The formulation of following year's business plan draws input from the preceding year's performance on the KPIs listed below:

1. Finding and Development Cost per BOE of new reserves added
2. Reserves Replacement Ratio (%)
3. Exploration success rate
4. Drilling cost per meter
5. Production cost per BOE produced
6. Production growth (%)
7. EBITDA per BOE production
8. EBITDA per employee
9. Petro-technical professionals per MMBOE production
10. Reserve growth rate (%)
11. Reserve to production rate

Since there has been no change in the core objectives and targets, the KPIs identified above will continue to be relevant in the future.

Significant Changes in Objectives and Strategies from the Previous Year

There has been no change in the Company's focus areas from those reported in the previous year. However, actual measureable targets are revised each year taking into consideration different internal and external factors.

The Company has decided to shelve Carbon Capture Project as it has become economically unfeasible due to changed market dynamics.

Relationship between the Company's Results and Management's Objectives

Actual financial and operational results during the year are directly linked with the Management's objectives for the year. The actions defined in Business Plan 2018-19 have led the Company to post exceptional financial and operational results with revenues, profitability, return to the shareholders, and contribution to the government exchequer all reaching historic levels. The Company's performance in the areas of HSE and CSR was also exceptional.

Major Plans and Decisions

a. Corporate Restructuring

Since dismantling of Mari GPA, the Company has been posting exceptional performance in all areas of its operations. The Company is supported by a robust balance sheet and strong operational cash flows. Hence, there are no plans for financial or organisational restructuring.

The Government has initiated the process for divestment of its residual shareholding in MPCL. However, considering the current stock market situation and the procedural requirements involved, it is envisaged that the proposed transaction will take some time to complete. Hence, the ownership structure of the Company is expected to remain unchanged in foreseeable future.

In view of the changed business requirements and to bring-in operational efficiency, the Company has established dedicated Drilling Department, Enterprise Risk Management

Department and a Strategic Business Team.

b. Business Expansion

Core Operations:

- The Company has been substantially enhancing its exploration and development budget since dismantling of Mari GPA. The budget for FY 2019-20 has been increased to US\$ 334 million (firm and contingent) from US\$ 317 million kept for 2018-19.
- The Company plans to drill 09 wells in the coming year.
- Currently, Seismic data acquisition is in progress in Bannu West, Block-28, Ghauri, Sukkur and Kalchas blocks.
- During the year the Company has won two blocks in the bidding held by the Government and acquired additional working interest in Sukkur block. The Company will also actively participate in the upcoming bidding round planned in Oct-Nov 2019.
- In addition, the Company is continuously evaluating farm-

in opportunities abroad and will pursue them subject to their prospectivity, economic feasibility, and approval by MPCL Board.

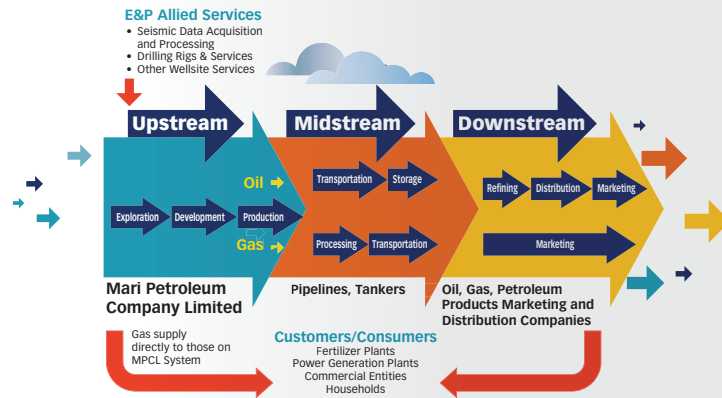
- Seismic data acquisition capacity of MSU Bet Crew is currently being enhanced which may be converted into a full-fledged Third Crew depending upon future projects availability.
- Proposal for purchase of another 2500HP Rig is also under consideration.

Diversification: Diversification is now an integral part of the Management's strategy for long-term sustainability and growth of the Company. The Management is exploring several opportunities to diversify business to complement core operations as well as secure other sources of revenues. Opportunities being pursued include oil pipeline, refinery, methanol project, and power project.

c. Discontinuation of Operations

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

MPCL'S POSITION IN PETROLEUM VALUE CHAIN



Strategic Business Plan and Resource Allocation



in the coming years, to ensure long term viability of the Company's operations.

Company's Most Significant Resources

The Company's most significant resources include the following:

Human Capital: The Company considers human capital as its most valuable resource. The Company has an appropriate mix of highly talented young as well experienced professionals providing simultaneously the right amount of energy and business acumen for optimal performance and growth of the Company. In view of the Company's growing operations, its workforce has been gradually expanding in recent years. Further details on the Company's human resource can be found in the HR section of the report.

Hydrocarbon Reserves: The Company has substantial recoverable hydrocarbon reserves to meet its long term supply commitments. As on June 30, 2019, the Company had recoverable reserves of 597.5 MMBOE. Concerted efforts are being made to enhance the reserves replenishment ratio to at least 100%

Financial Resources: The Company had Rs. 63.61 billion in shareholders' funds at its disposal as of June 30, 2019, allowing it greater flexibility for pursuing growth and diversification opportunities.

E&P Allied Capabilities: In-house seismic data acquisition, processing and drilling capabilities at par with international standards provide the Company with greater flexibility and surety of required services especially in security sensitive areas. These capabilities have been pivotal in carrying out seismic data acquisition projects in challenging areas of Bannu West, Block-28 and Zarghun South.

Reputational Resources: The Company's corporate image and market reputation, reliability, relationship with customers, suppliers and JV partners etc. are also quite valuable for its corporate success.

Resource Allocation and Capital Structure

Resource allocation is an important management activity that allows for effective execution of corporate

strategies. The primary tool for making resource allocation is the budgeting process. At MPCL, strategic planning and budgeting are interlinked and integrated. The allocation of resources for various activities is guided by the priority given under the Strategic Business Plan of the Company.

Apart from financial capital, other resources, in particular human resource are also allocated in line with corporate objectives and targets for short, medium and long term. Most of the expansion in the Company's human capital has been in Exploration, Operations, Business Development and Mari Services Departments in line with growth of the Company's core operations, while proportionate increase in human capital in finance, procurement and administration departments to provide expedient support to the core functions.

Inadequacy in the Capital Structure and plans to address such inadequacies:

Total equity on June 30, 2019 was Rs. 63.61 billion, an increase of 58% over Rs. 40.19 billion at the end of the last year. The equity comprised of issued, subscribed and paid up capital, undistributed percentage return reserve, profit & loss account and other reserves. The Company's capital structure was 100% equity financed on June 30, 2019.

The financial projections indicate adequacy of the capital structure for the foreseeable future. The Company plans to meet all of its financing requirements during the next year through available reserves. Borrowing from banks will only be used as a fall-back option. In view of robust balance sheet and strong operational cash flows, the Management envisages no problem in securing debt financing in future, if needed.

Organisational Overview
FORWARD LOOKING STATEMENTS

Significant factors affecting the external environment and organisational response

- a. **Political Environment:** The Company is playing a pivotal role in ensuring food security of the Country and making significant contributions to the national economy in different areas. The Company operates in the best national interest without any political affiliation. However, its operations are not immune to the political environment. Any change in the Government policies pertaining to E&P, fertiliser and power sector has an impact on the Company's operations. Therefore, the Company remains on the lookout for new challenges or opportunities arising from change in national political regimes leading to introduction of new policies. By maintaining professional liaison and working closely with all stakeholders that create political impact for the Company, efforts are made to make optimal use of opportunities and manage risks.
- b. **Economic Environment:** Oil and gas are extremely volatile commodities. Any change in economic environment has the potential to impact the Company's financial performance and stability. The Company is fully cognisant of the volatility of oil and gas sector and regularly evaluates potential measures and approaches to mitigate negative developments in the economic environment while taking advantage of available opportunities. In this regard, the Company has already undertaken reorientation of its growth strategy by focusing on production enhancement. The Company is also pursuing diversification
- c. **Social Environment:** The Company is directly affected by the social environment with regards to the local inhabitants of the areas where Company undertakes its E&P activities. Therefore, the Company takes all measures to exhibit respect towards local norms and customs and brings local community on board before commencement of operations to ensure conducive social environment and minimum resistance from the local communities. The Company outlines its CSR targets for different blocks depending on the specific needs of the people of the area, thus not only fulfilling its CSR obligations in a fruitful manner but also putting effective controls on factors related to social environment.
- d. **Technological Environment:** E&P is a technology driven industry. New technologies can enhance chances of success, reservoir recovery, and can help unlock the potential of unconventional resources. Efficient use of technology can help reduce the costs and bring in more efficiency in operations. The Company has a dedicated team of IT professionals responsible for maintaining and providing state-of-the-art software



technologies for optimisation of operations. Likewise, the most modern equipment is used for conducting seismic activities, drilling operations and production and processing of hydrocarbons. To this end, each year the Company sets specific targets to improve the way it operates including but not limited to internal processes, technologies and manpower, and invests heavily to remain abreast with the rapidly changing modern world.

e. **Environmental Factors:** Finding and producing oil and gas have several ecological effects which include air and water pollution, damage to the land and even loss of life due to oil spills, gas leakages, accidents and fires etc. These environmental impacts need to be meticulously



Organisational Overview and Forward Looking Statements

Identified, managed and mitigated. HSE Department at MPCL preemptively addresses all environmental matters by undertaking requisite studies, coordinating with government agencies over policies and approvals and maintaining liaison with JV partners for environment related matters.

f. Legal Environment: The Company maintains numerous agreements of diverse nature having government, JV partners and other companies (buyers, contractors, service providers etc.) as parties to these agreements. The Company limits its legal exposure by carefully deliberating upon terms and conditions of such agreements from legal, technical and commercial aspects using expertise of officers from each area before execution.

KEY SOURCES OF UNCERTAINTY
The uncertainty in E&P operations emanates from multiple sources. Key sources of uncertainty for MPCL are as follows:

Geological: inherent uncertainties in E&P business pertaining to structure; reservoir seal; and hydrocarbon charge etc.

Economic: probability of finding and producing from economically viable reservoirs; exploration and development costs; availability and cost of required technology; oil price volatility.

Engineering: availability of requisite infrastructure; production rate; quality/specification of oil and gas; operational costs; reservoir characteristics and behavior etc.

Operational: security situation in areas of operations; natural disasters; extreme weather conditions; human errors and negligence.

Political: geopolitics and unpredictable oil price swings; international agreements to cut on the use of fossil fuels; changes in government policies concerning energy, petroleum and fertiliser sectors; regulatory issues; and local politics.

ANALYSIS OF THE COMPANY'S CURRENT PERFORMANCE VIS-A-VIS TARGETS

Financial year 2018-19 was the best ever in the history of the Company in terms of revenues and profitability. The Company posted strong financial and operational performance with all major performance parameters following a positive trajectory.

Core Activities

Drilling Campaign: For FY 2018-19, a record number of 30 wells (including 18 HRL wells) were planned in operated and non-operated blocks, out of which 25 wells (including 18 HRL wells) were drilled during the year, while drilling of 03 wells was in progress at the close of the year. One well was deferred because its associated risks

were not mitigated while another well got delayed due to difficult terrain which hampered civil works at wellsite and preparation of access road.

New Hydrocarbon Discoveries and Reserves Addition: The Company made three new hydrocarbon discoveries in its operated blocks and also drilled two appraisal/development wells during the year. One discovery was made in a non-operated block. The new discoveries resulted in expected reserves addition of 324 BCF gas equivalent against a target of 318 BCF.

Production of Hydrocarbons: The Company produced a total of 33.64 million barrels of oil equivalent (MMBOE) which was slightly lower than 34.02 MMBOE produced in the last year. Despite that, the Company was able to further enhance incremental production from HRL Reservoir as planned. Total incremental production of gas reached 33,533 MMCF which was 21% higher than 27,797 MMCF produced in the last year.

Expansion of Exploration Acreage: The Company won Wali West and Taung Blocks in the block bidding round held in 2018. The Company also acquired 41.1765% working interest in Sukkur Block from Petroleum Exploration Limited to become 100% working interest owner in the block.

Diversification

MPCL Proposed Power Plant: As per BOD directive, MPCL has completed



a Bankable Feasibility Study carried out by M/s Fichtner Gmbh for a Combined Cycle Gas Turbine based Power Project. The feasibility has been carried out for both 280MW power plant based on 110 MMSCFD gas volume and for a 180 MW power plant based on 66 MMSCFD gas volume, scalable up to 280 MW upon availability of 44 MMSCFD gas.

The Feasibility study concludes that MCPL power project is viable under both gas scenarios with a very competitive/attractive levelized tariff ranging between 6-7 US cents/kWh, placing it high on the merit order of dispatch. The feasibility study has also identified a suitable land, which is close to the Mari Gas Field, and the requisite infrastructure/facilities including water source, disposal of waste water, highway connectivity, power evacuation etc.

Based on the 66 MMSCFD firm gas volume available presently, Company plans to set-up 180 MW plant, scalable up to 280 MW, upon availability of 44 MMSCFD gas. The Govt. is in the process of formulating a new energy policy and therefore issuance of Letters of Intent (LOIs) to new power projects has been temporarily put on hold. MPCL is continuously following up at the highest levels to obtain LOI from PPIB for its 180 MW Combined Cycle Power Plant. At the same time, the Company is also pursuing the early resolution of the 44 MMSCFD gas allocation for its own power project. On receipt of LOI, MPCL will proceed

to NEPRA for Tariff determination and Project Development phase after getting necessary approvals from BOD.

Carbon Capture Plant: As previously informed, a pilot project for production of food grade liquid CO2 was evaluated as a standalone pilot project to see its potential as an opportunity for value addition. However, changed market dynamics fueled by significant increase of project capex in dollar terms and the adverse PKR-US\$ exchange rate have made the project financially unfeasible. Therefore, the Management has decided to shelve the project for the time being.

Financial: Gross Sales reached the highest ever level of Rs. 117,542 billion from Rs. 100,043 billion of the last year. Similarly, Net Sales reached unprecedented level of Rs. 59.45 billion from Rs. 40.68 billion of the last year. The impact of increase in Net Sales was reflected in Net Profit which jumped by 58% to reach Rs. 24.33 billion compared with Rs. 15.38 billion of the last year. Earnings Per Share also increased to Rs. 200.59 from Rs. 126.77. After payment of final dividend, total dividend to the shareholders will amount to 60% (Rs. 6 per share) for the year in addition to 10% bonus shares recommended by the Board. The Company maintained its distinction of being the most cost effective E&P Company in the Country with operating expenses under 10% of the gross sales.

Internal Processes: The Company continuously improved its internal business processes and successfully implemented:

- ERM system and procedures
- Competency Management System for non-technical stream. The Phase-1 of the project i.e. CMS for technical stream was successfully completed in 2017-18
- Implementation of SCADA at TIPU Wells, SML/SUL Wells, Shaheen-1 and Shahbaz-1 at Central Manifold-II
- SAP Online Employee Appraisal System
- Virtual Desktop Infrastructure
- SAP Cross Application Timesheet
- SAP Online Travel Request System
- SAP Fiori for Mobile Apps, and
- Business Intelligence System

Stakeholders

HSE: The Company managed to bring down Total Recordable Case Frequency (TRCF) to 0.09 against the maximum target of 0.40. It was the lowest-ever TRCF in the history of the MPCL.

CSR: The Company spent Rs. 447.4 million on different CSR Projects in Mari and other operated Fields/Blocks.

Contribution to Government Exchequer: The Company contributed highest ever Rs. 77.05 billion to the Government exchequer on account of different levies and taxes.



FORWARD-LOOKING STATEMENTS

ANALYSIS OF PRIOR PERIOD FORWARD-LOOKING DISCLOSURES

Last year, it was informed that the Company would (i) pursue aggressive exploration and drilling for achieving a higher reserves replenishment ratio (ii) keep looking for avenues to hedge itself from the oil price risk faced by the E&P sector as a whole and (iii) explore avenues in the energy sector that can add value to the bottom line. 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 performance was on target in all areas.

FORWARD-LOOKING STATEMENT

The Company is going from strengths to strengths every year, building its human, financial, and technical capitals to fuel and sustain its growth in the coming years.

The Government has approved renewal of Mari D&P lease till November 10, 2024. The renewal will help the Company to focus on enhancing recovery from the Field by

implementing exploration plans and ramp-up existing production to ensure long term strategic growth of the Company, thereby contributing towards socio-economic development of the Country.

The Company is now going beyond the proven petroleum locations, to least explored frontier areas of high risk and high reward categories.

The Company has started on-ground exploration activities in highly prospective Bannu West and Block-28, which have the potential for discoveries the size of Sui and Mari. The Company has won Wali West and Taung Blocks in the block bidding round held in 2018. Wali West and Bannu West are contiguous and thus would have an excellent synergy in terms of geological, operational and commercial aspects. Similarly, Taung Block is adjoining to Badhra Gas Field and in close vicinity of gas infrastructure network, which in case of success would facilitate early gas production. The Company hopes to win few more prospective blocks in the upcoming bidding round planned in Oct-Nov 2019.

In addition, the Company is evaluating farm-in opportunities in overseas exploration and producing assets (with upside potential) to augment its reserve led growth strategy.

Seismic data acquisition capacity of MSU is being enhanced and more E&P allied services are being added to Mari Services Division's portfolio.

The proposal to purchase another 2500HP land drilling rig is also being deliberated upon.

The Company is at an advanced stage of diversifying into low BTU gas-based power generation. Opportunities in mid-and-downstream petroleum sectors are also being explored. In this regard, the Company has submitted two expressions of interest, one for a white oil pipeline and the other for a refinery, as part of Fauji Foundation Consortium.

Going forward, the Company will continue aggressive exploratory efforts in existing blocks, maintain uninterrupted supply of hydrocarbons to its downstream customers, while at the same time explore farm-in and

selected farm-out options, acquisition of international blocks, and selected diversification projects.

ANALYSIS OF THE PROSPECTS OF THE COMPANY

According to the studies carried out by leading energy companies, it has been concluded that while renewable energy sources will take an increasing share of energy mix however, oil and gas will remain the world's primary energy source towards 2050. Hence, there is no immediate threat to the global E&P industry.

Pakistan has witnessed net depletion of reserves at an average of 150 MMBOE per year during the last 7 years. By 2030, gas shortfall is projected to reach 6-7 BCF/D, while more than 80% demand for oil will be met through imports. These scenarios indicate that E&P companies operating in Pakistan will have a major role to play in securing the energy security of the Country in the coming years and as such there is no threat to local E&P industry as far as demand for hydrocarbons is concerned.

There is no escaping the fact that Pakistan is facing an energy security crisis within the next decade, and MPCL, being the custodian of the largest gas reservoir and the third largest gas producer, is determined to play its due role.

The Company's exploration efforts are focused on enhancing its reserves base through reserve-led growth strategy. The exploration budget has been enhanced and drilling activity has been ramped up. Some of the most prepositive but unexplored areas have been opened up for exploration. In the long run, the Company is set to benefit from its reinvigorated exploration and drilling activities. More drilling will result in more discoveries which, on one hand will enhance the Company's reserve replenishment ratio to ensure its long term viability, and on the other hand will allow it to produce more and thereby earn more revenues.

HRL Phase-X Development Project will help to extend the production plateau period of HRL Reservoir of Mari Field up to 2023. The Project will help the

Company avoid estimated revenue losses of Rs. 88 billion over the next 4 years.

In the long run, diversification projects will provide the much needed synergy to the Company's core business.

SOURCE OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS/FORECASTS IN FORWARD LOOKING STATEMENTS

The information and assumptions used for projections and forecasts are sourced from PPIS, PPEPCA, Economic Survey of Pakistan and a number of international oil & gas industry specific sources such as IEA. The data from external sources is combined with in-house exploration, production and financial data. After extensive examination and deliberations by the area-experts, the Company's business plan is developed to set the objectives and targets for coming year(s), providing a foundation for developing forward looking statements.



Production & Processing facilities at Sujawal Gas Field

Segmental Review OF BUSINESS PERFORMANCE



Based on the different type of activities, the Company has three strategic divisions, which are considered its reportable segments. The following summary describes the operations of each reportable segment:

Reportable Segments Operations

Exploration and Production includes all upstream business activities
 Mari Seismic Unit includes 2D/3D seismic data acquisition services
 Mari Drilling Unit includes onshore drilling services



Net Sales of Exploration and Production segment increased by Rs. 18,772 million during the year as compared to the last year mainly due to increase in sale prices, which primarily resulted in an increased profit before taxation.

Mari Seismic Unit and Mari Drilling Unit earned profits of Rs. 105 million and Rs. 704 million respectively, primarily due to increase in revenues and efficient use of resources.



Profit / (Loss) before taxation

	Exploration and Production	Mari Seismic Unit	Mari Drilling Unit
2018-19	34,729,220	104,677	703,535
2017-18	20,983,406	53,768	(29,661)

(Rupees in million)

Seismic activity in Bannu West Block - North Waziristan

BUSINESS RATIONALE OF MAJOR CAPITAL EXPENDITURES/ PROJECTS DURING THE YEAR AND FOR THOSE PLANNED FOR NEXT YEAR

All major capital expenditure/projects during the year were in line with the Company's strategic objective of reserves enhancement, increase in production and expansion of exploration acreage and growth in allied businesses.

Major capital expenditures and projects planned for next years are to meet both the objectives of growth led by focusing on core business as well through diversification. Focus on core business requires capital expenditure and projects focused on enhancing its reserves base, through reserve-led growth strategy. Diversification will require

entering into related businesses such as power generation projects in mid and down stream sectors. The Company plans to set up a gas fired combined cycle power generation unit, based on low BTU gas from Mari Lower Goru-B reservoir, which will provide the much needed synergy to MPCL's upstream business.





OPENING UP OF BANNU WEST AND BLOCK-28 FOR HYDROCARBON EXPLORATION ACTIVITIES

Success Stories

MPCL is currently managing and operating Pakistan's largest gas reservoir i.e. Habib Rahi Limestone (HRL) at Mari Gas Field, Daharki, Sindh and also has achieved a significant milestone by opening up highly prospective Bannu West and Block 28 for exploration activities.


MARI's
CONTRIBUTION
TO FOOD SECURITY
OF THE COUNTRY

Opening up of Bannu West and Block-28 FOR HYDROCARBON EXPLORATION ACTIVITIES



MPCPL has achieved a significant milestone by opening up highly prospective Bannu West and Block 28 for exploration activities. These blocks were laying dormant for decades due to inability of their operators to work in security sensitive and challenging areas. The achievement was made possible only due to Senior Management's consistent, dedicated and unwavering commitment towards tapping indigenous resource potential to increase energy supply to bridge the gap between energy demand and supply in the Country.

Bannu West Block, straddling Hangu, Bannu, North Waziristan and Kurram

districts of KPK, was granted to Tullow Development Pakistan Limited on April 27, 2005. The Operator was unable to commence fast-track exploration activities due to challenging security situation in the area. MPCL, in the best national interest, 45% working interest in the block and took over the block's operatorship. Thereafter, MPCL commenced fast track exploration activities and successfully completed 1st year PCA work commitment within a period of 3½ months including first on-ground geological field activity since the grant date. Based on the results of geological field studies and reprocessing of 425 L.km 2D vintage seismic data, 3D

seismic survey design was carried out at M/s KL Geophysics (UK). Maintaining the fast pace of work, acquisition of 99 line km 2D seismic data was completed during April 2018 despite security challenges.

MPCL then planned to acquire mega 3D seismic data of 850 sq.km in two zippers (Zipper-I-640 & Zipper-II-210 sq.km) through the Company's own Mari Seismic Unit. Zipper-I seismic data has been successfully completed despite enormous security challenges/incidents coupled with rough, rugged and mountainous terrain; demonstrating MPCL's steadfast and untiring commitment towards exploration/exploitation of



indigenous resources. Acquisition of Zipper-II seismic data is in progress. Currently, Zipper-I 3D seismic is being processed at GRI Centre China which will be followed by interpretation and firming up of prospect to spud-in first exploratory well by June 2020 on fast-track basis.

Block-28 is located in Kohlu, Sibi and Loralai districts of Balochistan and has an area of about 6,000 sq.km. The Block was granted to Tullow Oil on January 15, 1991 as an operator; however, it couldn't commence exploration activities in the area due to unfavorable security situation.

The operatorship of the block was transferred to OGDCL on July 19, 2016, in a bid to open up the area for exploration activities, but this move also remained unsuccessful. In view of the prospectivity of the block and its potential significance in the Country's energy security, MPCL acquired 95% working interest from Tullow on April 26, 2018 and subsequently requested OGDCL to transfer the operatorship to MPCL with an objective of opening the block for exploration activities on fast track basis. The operatorship was transferred to MPCL on July 31, 2018. Since then, MPCL has tagged the block as a project of national importance

and worked on a war-footing. The Company has raised 2nd Mari Seismic Unit (Beta Crew) for a mega seismic campaign in the area. The campaign for acquisition of 1,487 Line Km 2D seismic data has been executed over a number of large surface structures with the objective to place 1st exploratory well during the year 2020-21, subject to conducive security environment and timely completion of Phase-I seismic acquisition programme.

Field testing has been completed to finalise seismic parameters. The project is expected to be completed within 18-20 months subject to smooth seismic operations.

Mari's Contribution TO FOOD SECURITY OF THE COUNTRY

MPCL is currently managing and operating Pakistan's largest gas reservoir i.e. Habib Rahi Limestone (HRL) at Mari Gas Field, Daharki in Sindh. Around 87% urea production in the Country is based on gas supplied from the HRL Reservoir.

The HRL Reservoir was discovered in 1957 and has been in production since 1967. It has been developed in different phases over the years. It was forecasted that HRL production plateau of 630 MMscfd will start

declining by the end of 2019. Accordingly, Reservoir Engineering Department conducted an extensive in-house simulation study to enhance HRL plateau period. The study concluded that a total of 19 in-fill development wells alongwith de-bottlenecking of surface gathering network would be required to enhance HRL production plateau from 630 MMscfd to 650 MMscfd and to extend it till mid-2023.

Additional development wells along with debottlenecking of

surface gathering network set the foundation of HRL Phase-X Development Project, which commenced after approval from the Board with drilling of the first well Mari 102 in June 2018.

Drilling of 19 development wells was completed on April 21, 2019 - two months ahead of June 2019 deadline, without any HSE incident. USD 10 million were saved by reducing rig move and drilling timings, use of old inventories and innovative application of drill

bits and mud chemicals. All the planned data have been acquired successfully.

The Company achieved a difficult milestone by extracting about 100 meters core of HRL formation from Mari 102. This was the Country's first ever longest core extraction job with 100% recovery. Extensive studies of the acquired core have been commenced to gather useful data which will help in better understanding and managing the reservoir in future.

The results of the logging and production tests are in line with the expectations. All of the wells are being hooked up into the main gas gathering system. Eleven wells have so far been stimulated while stimulation of remaining wells is in progress. Significant increase in the terminal pressure of about 30 psi at delivery point with 650 MMscfd production rate has been achieved with the addition of these wells into the system. This gain in delivery-point pressure will further improve once the stimulation of the remaining wells

and de-bottlenecking of the surface network is completed.

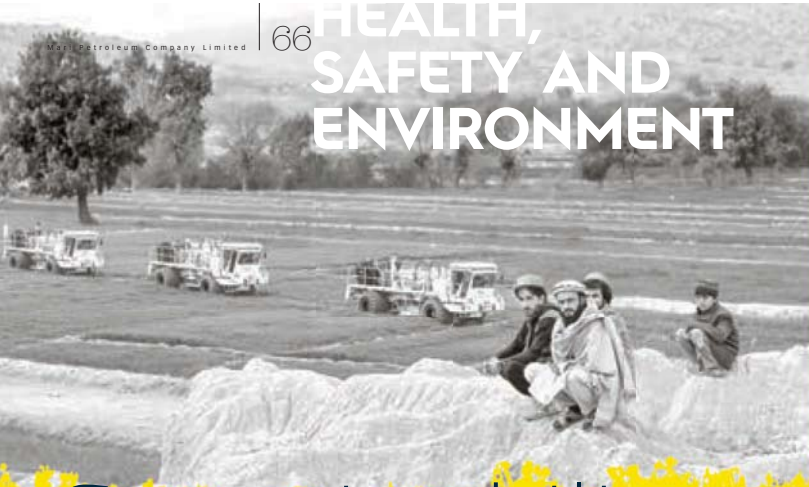
This project will help the Company avoid revenue loss of around Rs. 88 billion over the next four years, while foreign exchange around US\$ 945 million will be saved, which would have been needed for import of equivalent quantity of RLNG.

Most importantly, this will ensure sustainable gas supply to fertiliser sector, thus contributing to the food security of the Country.



Central Manifold at Mari Gas Field, Daharki

HEALTH, SAFETY AND ENVIRONMENT



Sustainability and CSR

**HUMAN
RESOURCE**

VALUE ADDITION TO SHAREHOLDERS

Initiatives

Mari Petroleum Company Limited aims to create long term value for its stakeholders by taking into consideration how its operations impact the ecological, social and economic environment.

**CORPORATE SOCIAL
RESPONSIBILITY**

Health Safety and Environment

HSE AND SUSTAINABLE DEVELOPMENT

A robust HSE management system is vital to improving HSE related goals, objectives and performance. At MPCL, devoted leadership, management commitment and participation by all employees to implement HSE management systems across the organisation were carried through 2018-19 to achieve the HSE objectives of "no harm to people and environment".

LOWEST TRCF IN THE HISTORY OF THE COMPANY

The number of injurious incidents significantly reduced in 2018-19 and the Company recorded the best-ever combined (employee and contractor workforce) Total Recordable Case Frequency (TRCF) of 0.09 against the maximum target TRCF of 0.40.

This is a distinguished accomplishment in a hazard-prone industry and was made possible by adherence to the HSE standards and practices by the employees at all levels and locations.

CERTIFICATION AUDIT

In order to achieve excellence in HSE performance, HSEQ Management System was included in the core management systems of MPCL. In 2007, business processes were streamlined by fulfilling the requirements of ISO standards as the Company achieved international certifications.

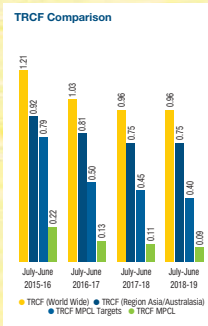
During the year 2018-19, certification audit for IMS/ISMS International Standards ISO 9001 (Quality Management System), 14001 (Environmental Management System), 18001 (Occupational Health Safety Assessment Series) and 27001 (Information Security Management System) was successfully carried out by external auditors without any major non-compliance.

OVERALL PLATINUM AWARD FOR OCCUPATIONAL SAFETY AND HEALTH

MPCL won "Overall Platinum Award" at "14th EFP Best Practices Awards on Occupational Safety and Health" ceremony, organised by the Employers' Federation of Pakistan on April 26, 2019 in Karachi.

The Company has won several sector specific awards in the past for its HSE practices. However, this year, the Company bagged the Overall Platinum Award which was the highest award in the overall category.

MPCL was declared winner on the basis of a transparent evaluation



of nomination papers submitted by all the participating companies. The evaluation was carried out by an independent jury consisting of experts in the field of OSHE.

The Award acknowledges MPCL's commitment to comply with all applicable HSEQ laws and regulations. The Company ensures that every employee and contractor works under the safest possible conditions to avoid accidents, injury to people and damage to property and the environment.

HSE TRAININGS AND WORKSHOPS

At MPCL, we believe that HSE requirements can be easily implemented through effective

Training on National Examination Board in Occupational Safety and Health (NEBOSH)



team work for reducing HSE related incidents and for bringing risks to as low as reasonably practicable. Audio and video aids, interactive awareness sessions and team building exercises conducted for all levels of employees gave outstanding results in terms of HSE management.

The initiative of HSE workshops to promote team-work and HSE culture has been very successful. The workshops consist of interactive activities related to HSE including presentations as well as outdoor activities to develop communication, cooperation, goal setting, leadership, planning and problem solving skills to achieve HSE objectives.



Session on Defensive Driving by Islamabad Traffic Police for MPCL employees

Occupational Health & Safety Management

A number of risk assessment techniques and conformance to ISO standards 9001, 14001 & 18001 enabled MPCL to establish priorities for eliminating hazards and reduce risks related to occupational issues and safety management. Our Safety Performance TRCF of 0.09 is reflective of the following initiatives that we

undertook during our operational activities:

- Development of Objectives & Targets
- HAZOP & Operational Studies
- Fire Management at all sites
- Incident Investigation & Reporting
- Air Emission Monitoring
- Job Safety Analysis

- Establishment of Clinics at all sites
- No Smoking campaign
- Health Risk Assessments for Operational sites
- Malaria & Dengue prevention campaign at all locations
- HSE Plans for Operational Activities

During 2018-19, more than 100 HSE trainings were organised for employees at all locations on following topics:

- Permit to work system
- HSE Risk Identification, Assessment & Controls
- Behavior-Based Safety
- General HSE awareness
- IEE/EIA awareness session
- Stress Management
- Job Safety Analysis
- Crisis & Emergency Management
- Fire Fighting
- Incident Investigation & Reporting
- Safe food handling
- HSE Laws & Regulations
- Housekeeping
- Defensive driving
- Chemical handling
- Waste Management
- Process Safety Management

Health Safety and Environment

- Project Risk Assessments & Task Risk assessments
- Road Safety Management
- Water Quality Monitoring
- Noise & Ambient Air Monitoring
- HSE Audits & Inspections
- Medical screening of catering crew
- Heat stress management centers at all locations
- Annual Medical Checkups of all Employees

Environmental Management & Compliance

The Company is committed to minimising impact of its activities on the surrounding environmental receptors in all its operational areas. During the planning and design phase, environmental risk assessment studies are conducted by engaging all stakeholders of the area. A team of experts visits the area and gather all the primary and secondary information regarding environmental, physical, biological and socio-economic components. Impacts on the environment are identified and their mitigation measures are suggested to minimise the short and long-term impacts.

The Company operates in all the provinces of Pakistan. Therefore, based on the classification of the area i.e. Protected (Wildlife Sanctuaries/National Parks/Game Reserves) or Non-protected, Initial Environmental Examination (IEE) or Environmental Impact Assessments (EIA) studies are conducted and submitted to the Provincial Environmental Protection Agencies for approval. These studies are done in collaboration with all the stakeholders of the area and at times public hearings are also held in the project area. Detailed Environmental Management Plans for the whole lifecycle of the project are strictly monitored by the Company to ensure that there are no residual impacts on the environment.

In addition, the Company has also acquired international certification ISO 14001 (Environmental Management System) to ensure that its E&P interventions follow the standard requirements.

Continued improvement is ensured through effective implementation and monitoring of environmental

systems and procedures. Employees are encouraged to become environmentally sensible resource. Awareness sessions and trainings are conducted to enhance their understanding of protection of environment.

Soil and Water Contamination is avoided during all Operations

- Sewage is disposed in septic tanks
- Grey water is directly disposed in soakage pits
- Soakage pits are constructed in absorbent soil and 300m away from surface water source and irrigation channels
- Wastes are disposed according to waste disposal procedures
- Vehicles and fuel tanks are checked for fuel or oil leaks
- Concrete pads, bunds are prepared and all fuel tanks are properly marked
- Spill prevention and contingency plan is prepared and implemented
- Used oil and vehicle related waste is recycled
- Final disposal of drilling fluids/solids is done in lined reserve pits
- Produced formation fluids during testing is flared along with the gas/collected inside the lined waste pit

Control of carbon emissions to maintain air quality

- Generators and vehicles are maintained in good condition
- Vehicles speed is monitored and regulated
- Access tracks are watered (where required)
- Open burning of wastes at any project site is not allowed

Minimised effect to landscape and soil erosion

In order to minimise change in landscape and soil erosion during our activities following are strictly followed:

- Disturbance to natural topography and soils is minimised
- Clearing of vegetation is minimised
- Cutting of trees is avoided as much as possible
- Land requirements are kept at minimum
- Off-road travel is avoided
- Vehicles speed is maintained

Avoid Loss of Vegetation and Tree Plantation

- Minimise land uptake
- Existing levelled land are used as base camp for drilling contractor
- Existing tracks are used
- Chopping of trees is avoided as much as possible
- Plantation of environment friendly trees at all locations

- Use of local firewood for cooking or heating purposes is prohibited
- Pits for disposal of drill cuttings and other wastes are located in an area where minimum vegetation clearing is involved
- Movement of project personnel is restricted to working areas only

Energy Efficiency

- In order to aid in reduction of global warming, we are recovering the flue gasses and using them as fuel gas in Amine Sweetening Unit
- Best possible use of natural light and reduction of electricity as and when practicable
- Measures for better efficiency of heaters and air conditioners with reduced use of high electricity consuming devices
- We keep track of our energy consumptions at all locations

Waste Management

- **Waste Segregation:** Different types of waste is collected from offices, colony and plant site for

eventual segregation and their dumping in designated pits. Food and other waste is used as feed for fish pond.

- **Medical Waste:** Incinerator is mounted for disposing toxic medical waste from MPCL hospital and dispensary. All medical waste is incinerated and record is kept and maintained for control purpose
- **Hazardous waste:** Services of an approved contractor are hired to dispose hazardous solid waste like batteries, tube lights, used filters and plant trash to comply with EPA rules and regulations
- **Use of plastic bags and pet bottles:** In line with the Government's Clean and Green Pakistan initiative, single-use plastic bags and plastic bottles have been banned by the Management at all Company premises and field locations

No Disturbance to Wildlife

- All mitigation measures listed in Environmental Management Plan to minimise noise levels, dust



Annual Medical Examination of Management Employees



HSE Workshop at Islamabad Sports Complex

Health Safety and Environment

- emissions, exhaust emissions and waste generation are adhered to.
- Food waste is not disposed of in the open
- Hunting, trapping, feeding, fishing or harassment of wildlife is strictly prohibited
- Vehicles and equipment are maintained in good condition and provided mufflers to reduce noise
- Lights used at the well site and campsite (all activities) are kept to the minimum required
- Vehicles speed is maintained on access roads to avoid incidental mortalities of reptiles and other animals

PLANTATION AT MPCL OPERATIONAL AREAS

MPCL continuously strives for improving climate by planting trees at field locations. Tree and plants help in reducing the temperature and are main source of improving oxygen levels and reducing carbon dioxide.

STACK EMISSION MONITORING
The Company vigorously monitors the stack and vehicular emissions to ensure that all the undesired gaseous emissions are well below prescribed limits set by National Environmental Quality Standards.

EFFLUENTS MONITORING
Frequent testing and monitoring of produced water and grey water is undertaken for keeping undesired impurities under set limits of NEQS.

Water Conservation/ Treatment Plant: Grey water treatment plant has been installed at Mari Field to recycle grey water and use it for irrigation purposes. Moreover, a grey water treatment plant has also been installed at Head Office premises to treat water before releasing it into CDA sewerage line.

Injection Well: Water injection well is used for reinjecting produced water during drilling of the wells and to avoid land contamination.

Lined Pits: Lined water pits for dumping and soaking of produced water at different wells to save and protect the land from contamination.

Water Conservation: A Reverse Osmosis (RO) plant has been installed at Mari Field to utilise the produced water, resulting in 30% reduction in the utility consumption.

Waste Recycling: Recycling of waste is done by using the packaging and other material for woodworks, horticulture etc.

Energy Saving Measures: Realizing the critical importance of energy conservation, the Management has issued detailed directions for saving energy including use of energy efficient equipment in operations, efficient use of air-conditioning and lighting, ECO driving, water conservation and reduction in use of paper.



Human Resource
MANAGEMENT & DEVELOPMENT



Employees are the heart and soul of our organisation. The unique set of skills, experiences and values brought-in by each employee is crucial for the success of the Company. We take pride in creating a work environment where management and development of talent are taken very seriously. All efforts are made to attract, develop and retain top-of-the-line professionals from the market.

Manpower as at June 30, 2019

Management	518
Non-Management	665
Trainees	45
Total	1,228
Average Employees	1,208
Male Employees	1,178
Female Employees	50
Interns	140

Learning and Development

MPCL learning and development programme aims at keeping the Company competitive by affording opportunities to its workforce to enhance their competencies and broaden their horizon by keeping abreast with the latest trends in their respective fields. This in turn improves their performance on present jobs and at the same time prepares them for higher positions in future.

Number of employees who attended different foreign/local courses, seminars, symposiums etc. during FY 2018-19 is as under:

	Technical Stream	Non-Technical Stream	Total
Foreign Courses	20	41	61
Foreign Conferences	24	44	68
Local Courses	36	51	87

Company Sponsored Post Graduate Foreign Degree Programme

The Company introduced a fully sponsored post graduate foreign degree programme in 2014 for the Management employees to ensure their long term retention and to encourage them to enhance their knowledge and skills set. The employees are eligible for one year degree programmes in top 500 universities of the world or two year degree programmes in top 50 universities of the world.

Human Resource Management & Development



International Women's Day celebration at MPCL Head Office

The Company bears all expenses of the degree programme including traveling, tuition fee and living expenses.

So far **eleven (11)** employees have been sent to pursue Masters/MS degree programmes in the fields of law, geoscience, engineering, finance and oil and gas management in reputable universities of USA, UK and Australia.

Collaboration with International Human Resource Development Corporation (IHRDC)

IHRDC has been a world leader in training and competency development for oil and gas industry for over 40 years. MPCL has acquired IHRDC's Competency Management System and E-Learning Module.

Competency Management System (CMS)

The CMS tool allowed MPCL to build a database of job roles, required competencies and skill levels. Using CMS, employees were allowed to evaluate their own performance as well as performance of other employees. They were given the opportunity to showcase their skills and certifications and compare their actual vs desired skill level. The gaps in employees' competencies were identified and learning plans

were proposed to fill those gaps. As a result of CMS, the trainings were more focused and productive.

- E-Learning Programme**
During the year, 146 employees from non-technical and 42 employees from technical streams benefitted from IHRDC's e-learning programme. This is a great initiative to enable employees remotely access valuable learning resources to improve their knowledge and enhance their skill sets to perform their jobs more efficiently.

Management Development Programme

An extensive two weeks Management Development Programme was arranged for the middle management group to hone their management and leadership skills. The Programme comprised 10 sessions on important themes such as becoming an effective supervisor, developing leadership skills, building high performance teams, re-visiting delegation skills, stress management, time management and goal setting, problem solving and decision making, communication skills, emotional intelligence and work life balance.

Dr. Neil's Leadership and Management Workshop

Renowned leadership trainer Dr. Neil Gordon Carrington was invited to conduct a 3-day leadership and management workshop at MPCL Head Office for the senior and middle management employees. Dr. Neil Carrington is a Ph.D. from University of New England and currently serving as CEO of Act for Kids, Australia. He is an internationally renowned leadership expert and executive coach.

The workshop helped the participants gain insight into modern leadership practices, organisational culture, understanding the difference between agreement and alignment and how to leverage success from a deep, authentic and continuous feedback culture. Overall, the workshop was a great success and helped the participants to discover their strengths and weaknesses as leaders.

In-house Sessions/Talks

In order to create a learning friendly and knowledge sharing corporate environment, the Company regularly arranges innovative and interactive in-house sessions for the employees. During the year, 23 such sessions were conducted. The sessions and talks focused on the development of certain technical and soft skills

such as enterprise risk management, stress management, and growing opportunities for women in the corporate world.

Improvement in HR Policies and Procedures

The Company has prepared competitive HR policies after thorough deliberations, industry benchmarking and striking a balance between the interests of the Company and its employees. The policies are periodically reviewed and improved in line with changed requirements. During the year, objective revisions were made in travel and transfer policy, compensation and benefits policy and promotion policy to make the processes more efficient and comprehensive.

New policies were also introduced such as Mari Youth Training Programme and Education Enhancement Programme. HR Department conducted several workshops at Head Office and field locations to create awareness of newly introduced policies and procedures.

Introduction of Online Appraisal System

In line with Company's yearly objectives, SAP Online Employee Appraisal System has been successfully implemented. The initiative is aligned with Company's continuous endeavor to optimise business processes for improving operational efficiency. With automated workflows and approvals, appraisal process has been made simpler and quicker for employees and managers to complete. With more

visibility on the workflows, this helped HR Department to complete the appraisal cycle on time.

With improved data collection, HR Department can now easily identify high-performers and underperformers, development and training needs, progress on goals, and employee ratings by department.

Psychometric Testing

Psychometric Testing was introduced for the first time in 2017 to enhance the effectiveness of recruitment, selection and promotion process. The results from these tests reflect the ability, aptitude and potential of the candidates to perform the jobs they are being considered for. So far, the tool has been applied on 164 candidates for hiring in the management cadre. During the year, 21 candidates for promotions to MPCL Grade 24 and above were exposed to psychometric tests to facilitate the Promotion Board in decision making.

Encouraged by the experience, the management has decided to apply psychometric tests for succession planning, promotion of non-management staff to management cadres and absorption of trainees as officers.

Industry Academia Cooperation

Collaboration between industry and the academia has always been an important but complex subject. By being out of touch with the universities, students and young

professionals, companies become less attractive as prospective employers and often find it challenging to recruit high caliber graduates. To bridge this gap, MPCL has promoted cooperation with academic institutions for two-way benefit. HR Officers of the Company actively participate in job fairs and open houses organised at the campuses. Students from top universities also visit the Head Office to converse with our management employees to learn about corporate environment, recruitment procedures, new HR trends and so on. Moreover, our General Managers visit various universities as guest speakers to directly interact with the students and guide them about the prevailing trends in the industry.

Mari Internship Programme-2018

A total of 141 interns attended Mari Internship Programme during 2018-19 for six weeks. The students were selected from top HEC recognised universities of Pakistan for providing them a platform for relating their academic learning to practical situations in the field. The interns were assigned to mentors in each department and their performance was monitored against pre-designed internship plan. They were required to submit comprehensive internship reports on completion of their internships. A graceful passing out ceremony was arranged for the internees wherein they were given Certificates and Best Intern of the Year Award.



Gym facility for MPCL employees

Human Resource Management & Development



In recognition of overall performance, the Best Intern Award of the Year 2018 was awarded to Mr. Muhammad Hamza Mutahir, a Graduate from the Institute of Business Administration.

“When I joined Mari’s internship programme, I had no idea that I was in for one of the best experiences of my life. The level of professionalism and competence at MPCL is exceptional and my internship experience at the Company has helped me a lot in growing as an individual, landing a job four months prior to graduation.”

Muhammad Hamza Mutahir,
IBA-Karachi

HR & Sustainability

Sustainability has become a critical issue for the businesses today. In essence, sustainability is concerned with meeting the needs of society today without compromising the ability of future generations to meet their needs. Alongside growth and profit, organisations are increasingly being held accountable for impact of their activities on society and environment.

HR can play an active role in formalising the informal learning and knowledge sharing in order to create an organisation that is responsive to internal and external factors.

At MPCL, HR Department performs several roles to ensure sustainable operations, but the most important one is embedding sustainability into the Company’s culture in order to align the leadership and employees’ efforts with the Company’s long term vision of sustainable business. The Department plays a key role in hiring and developing talent that can deal with both present and future sustainability challenges facing the Company by adopting a holistic and integrated approach to overcoming these challenges.

HR policies and procedures of the Company are aimed at attracting and retaining the right set of talent and aligning them with the sustainability framework of the Company.

Discouraging child and compulsory labor is a fundamental concern of the Company.

Succession and Career Planning

For continuous development of employees who have the potential to fill key leadership positions in the Company, a comprehensive Succession Plan has been crafted, which ensures that experienced and capable employees are prepared to assume these roles as they become available due to separation of key personnel. The Plan is also instrumental in safeguarding the Company against Key Personnel Risk, which arises from unplanned and unexpected change at senior management levels.

Community Service Programme for MPCL Employees

The Company has embarked upon a community service programme whereby all management employees based at HO Islamabad, Daharki and Karachi would participate in community service. The employees are required to complete 15 hours of community service per year (on weekends, evenings or annual holidays) as per their convenience. In this regard, MOUs for employees attachments have been signed with 08 not-for-profit organisations working in different sectors. MPCL employees have been forthcoming in making financial donations for important causes and to assist the needy in their personal capacity as well as part of Mari, but spending time on community service will give them a new perspective and broaden their vision.

Signing of Union Agreement-2018

The Company respects the lawful rights of the labor and unions. The union agreement with MPCL non-management regular employees expired on June 30, 2018. In order to settle a new union agreement, sessions of negotiations were held between the Management Team and Union Representatives (CBA) at Mari Field Daharki and Head Office, Islamabad. The negotiations were concluded amicably and consequently Union Agreement-2018 was finalised. The signing ceremony took place on October 08, 2018 at Head Office, Islamabad. The agreement is effective from July 01, 2018 for 2 years.

Equal Employment Opportunities

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

VALUE ADDED TO THE Shareholders’ Net Worth

One of the Company’s greatest achievement over the years has been to maintain a balance among the varying and often competing expectations of its different stakeholders. The Company has consistently delivered long term value to its shareholders without compromising on sustainability practices.

	Sponsor Shareholders	General Public
Total Holding (Shares)	94.5 million	26.8 million
Total Investment (Rs)	294 million	134 million
Current Worth of Holding (Rs)	95 billion	27 billion
Total Value Addition		
Actual Investment	428 million	
Current Worth	122 billion	

In addition, the shareholders are paid guaranteed dividends. During FY 2018-19, dividend amount was Rs. 728 million (approx.).

Supply Chain Management

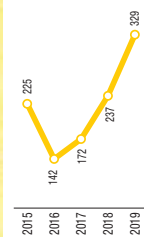
MPCL is involved in a global supply-chain that includes procurement from domestic and international supplier base, transportation, and inventory control/ materials management. Our goal is to develop mutually beneficial relationships with all the stakeholders in our value chain particularly our suppliers, which will help us build a world-class supply chain focused on delivering greater value and enabling continued growth.

We aim to build long-term collaborative partnerships with our suppliers who share our values and who are willing and capable of helping us achieve our business aspirations. We expect our suppliers to share our commitment to sustainability and to be able to demonstrate how they fulfil this commitment, consistent with our policies. We engage our suppliers by using a variety of different sourcing strategies and recognise the need of a fine balance between having a consistent approach across our supply chain and retaining flexibility that supports creative solutions. Our materials management procedures ensure that the best inventory practices are employed and are aligned with operational needs and overall financial objectives of the Company.

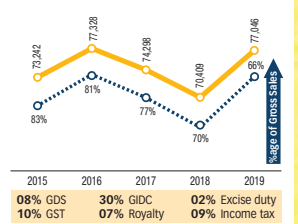
Contribution to National Economy

- Ensuring Country’s food security: Around 87% urea production based on MPCL supplied gas.
- Providing gas to WAPDA for power generation.
- Providing gas to distribution companies for domestic consumers.
- Highest contributor to Government exchequer on account of various taxes and levies (as a percentage of Gross Sales).
- MPCL produced hydrocarbons helped save foreign exchange equivalent to Rs. 1.1 Trillion during the last five years.

Foreign Exchange Saving



Contribution to Government Exchequer (Rupees in million)



08% GDS	30% GIDC	02% Excise duty
10% GST	07% Royalty	09% Income tax

Corporate Social Responsibility



OUR CSR PHILOSOPHY

CSR is an integral part of the Company's culture and reflects continuing commitment of our business to the society. Our CSR programmes are anchored in a tripartite approach of development that involves the community, local government and MPCL Management. The Company's CSR activities cover education, health, water supply schemes, sports, philanthropic donations and communication infrastructure. In addition to our

communities, we ensure the well-being and safety of all the stakeholders in our value chain through continuous engagement with relevant stakeholders to uphold the best practices in social responsibility as laid down in the ISO 26000 Guidelines.

POLICY ON ENVIRONMENT AND SOCIAL RESPONSIBILITY

We conduct our business on a socially responsible manner. We strive to minimise environmental footprints of our operations by adhering to highest

HSE standard and practices. We are committed to making positive and sustainable contributions towards the society through our quality products and services, creation of employment opportunities, contribution to provincial and national exchequers and meaningful CSR interventions.

CSR activities at MPCL are governed by the Company's **Welfare Policy, Management System Procedure MSP-CSR-01** and are undertaken in line with **Social Welfare Guidelines**

issued by Directorate General of Petroleum Concessions, as revised from time to time.

Social Welfare Schemes against specified minimum financial obligations are identified and implemented by a "Social Welfare Committee" comprising of relevant MNA, MPA, DCO, Nazims of District, Tehsil and Union Councils and representatives of concerned E&P Company. The schemes are executed and monitored by concerned DCO through relevant agency under intimation to MNA and Union Council.

Major CSR Categories

Our CSR programme is divided into four major categories:

1. **Statutory Obligations:** As per Petroleum Concession Agreements, MPCL is under statutory obligation to spend US\$ 30,000 in each of its operated blocks on social uplift of the local communities.
2. **Voluntary Spendings** over and above the Statutory Obligations in JV blocks other than Mari Field.
3. **CSR activities** at Mari Field.
4. **Production Bonus** is paid on commencement of commercial production from a field and is deposited in the account of local administration for social welfare projects.

CSR INTERVENTIONS

The Company spent **Rs. 447.39 million** on numerous CSR Projects in its operational areas in all the four provinces of the Country.

An amount of Rs. 60.3 million was spent in JV Blocks on account of Statutory Obligations, Rs. 128 million was spent in Mari Field Daharki and Rs. 259.09 million was spent in JV



Blocks and Islamabad on various CSR Projects over and above the mandatory obligations.

Social welfare projects were undertaken mainly in the priority areas of health, education, water supply and drainage schemes.

Corporate Social Responsibility



Management employees visiting Armed Forces Institute of Rehabilitation Medicine (AFIRM)

MPCL LEADERSHIP SCHOOL FOR CHILDREN WITH DISABILITIES

The Company signed an MoU with Special Talent Exchange Programme (STEP) on March 15, 2018 for establishing "MPCL Leadership School for Children with Disabilities".

STEP is Islamabad based cross-disability organisation that aims at mainstreaming of disabled persons in the society through education and training.

The School is currently under construction with an estimated cost of Rs. 385 Million and is expected to be operational by December 2019.

The School will cater for between 200 and 300 children who will be offered free daily transport to and from home. Once completed, this will be the best school for special children in Pakistan.

Major Projects Over and Above Statutory Obligations (FY 2018-19)

All MPCL Fields

- Tree Plantation Campaign at MPCL Fields

ICT

- Defence/Martyrs Day of Pakistan 2018
- AIESEC Youth Speak Forum 2018, NUST Islamabad
- NUST – NIMUN 2019
- NFEH CSR Awards Ceremony 2019
- Donation for Diامر-Bhasha and Mohmand Dams Fund
- Donation for Cardiac Treatment of Deserving Patients at AFIC
- Sponsorship of Senior Amateur Goller to participate



in PAN-PACIFIC Amateur Golf Championship at Japan

- Provision of Furniture for Islamabad Model School
- Financial Assistance to SOS Children Village
- Financial Assistance to Autism Resource Centre

Balochistan

- Sponsorship for All Pakistan Chambers & Commerce Conference, Gwadar
- Donation to Umeed Special Education Centre, Quetta
- Adoption of Govt. Technical Institute, Quetta
- Donation for Construction of Futsal Ground at Mach
- Medical Treatment of a minor girl from Village Karkan

Punjab

- Sponsorship for Golf Match for Corporate Sector at Rawalpindi Golf Club
- Financial Assistance to Rawalpindi Eye Donors Organisation (REDO)
- Repair & Maintenance of Road from Kamarsar-Tola Bangi Khel
- Repair & Maintenance of Road from Kamarsar-Sabirabad Chowk
- Sweet drinking water for community around Halini Field
- Free Medical Camps & Dispensaries at Ghauri & Halini

Sindh

- Repair/Complete Overhaul of Bus for Special Education School, Ghotki
- Provision of Multimedia and Laptop to NH&MP Beat-25, Daharki

MPCL WINS THREE AWARDS AT 11TH ANNUAL CSR SUMMIT 2019
11th National Forum for Environment & Health CSR Awards 2019 were held at Serena Hotel Islamabad on January



24, 2019. The event was graced by the President of Pakistan, Dr. Arif Alvi as the Chief Guest and President AJK Sardar Masood Khan, as the Guest of Honor, who also distributed the Awards.

MPCL won three prestigious Awards at the event including:

- **Best CSR & Sustainability Award** for outstanding high-impact CSR initiatives/programmes
- **Sports & Recreational Activities Award** for sports initiatives
- **Best CSR Practices Award** for securing "Advance Level" in ISO 26000 CSR Assessment in 2017.

MPCL was the only organisation to secure these many awards at the event.

ADVANCED LEVEL IN ISO 26000 (SOCIAL RESPONSIBILITY GUIDELINES) ASSESSMENT

MPCL was placed at "Advanced" Level of performance against global guidelines of ISO 26000:2010 (Social Responsibility Guidelines), in the assessment conducted in November 2017 at MPCL Head Office, Mari Field Daharki, Sujawal and Ghauri.

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.



Mari's contribution towards local development

Information Technology



IT Governance Policy

MPCL's IT Governance Policy provides necessary guidelines to ensure effective input and decision-making pertaining to IT policies, standards, guidelines, 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 the Company's business objectives, and effective controls are in place to safeguard the Company's information assets. The Committee also ensures that the requirements of Information Security Management System (ISMS-27001:2013) are adequately met, identifies and oversees implementation of continual improvements in the ISMS systems.

Adoption of New Technologies

In line with its mission, Mari Petroleum exploits breakthroughs in knowledge and technological innovations to achieve sustainability and operational excellence.

Accurate and quality data availability is the life blood of E&P companies. Effective E&P data management plays a crucial role in handling large data volume for analysis, 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 standardised data management related workflows in the Company.

The Company strongly focuses on increased collaboration between its technical and other functional areas to help steer the selection and implementation of information systems, which in turn provide greater integration amongst cross-functional teams to promote effective planning, coordination and decision making during various E&P related activities.

MPCL's 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 exploration success rate which distinguishes MPCL from other E&P companies.

Mari Seismic Data Processing Center (MSPC) is playing a vital role by providing high quality and state of the art 2D and 3D data processing services that help the Company to take technically more cognisant decisions. MSPC's scalable infrastructure enables it to employ latest geophysical technology across the full spectrum of seismic imaging and reservoir characterisation. Recent expansion in MPCL's exploration activity demanded an increase in MSPC's computation capabilities. Accordingly, the system has been upgraded from 96 time core to 512 time cores. 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. The upgrade will enable MSPC to simultaneously handle multiple 2D and 3D time and depth projects.

Implantation of New Systems

a. **SAP Online Employee Appraisal System (Covered in detail in HR Section)**

b. **Virtual Desktop Infrastructure (VDI)**

VDI System was designed in-house and implemented for geological, geophysical and reservoir engineering applications. In-house development enabled MPCL to save capital investment in costly high-end workstations hardware. The system has boosted centralised processing capability for high performance demanding technical software application, and made MPCL a pioneer in local E&P industry for implementing VDI infrastructure.

c. **SAP Cross Application Time Sheet (CATS)**

SAP CATS has been implemented to replace paper-based timesheets with online submission/workflow approval of time-write by employees of concerned department who are working in various JV blocks. The key benefits of using CATS are:

- Single point entry for all work-time processes.
- Automated workflow approval process to efficiently enforce CATS process.
- Real-time access to the information and making reporting more accurate.
- Quicker follow-up on critical project activities and efficient billing process.

d. **SAP Online Travel Request System**

Paper-based Request for Travel Booking (RTB) has been replaced with a SAP based system. The automated process has reduced the time and efforts spent on preparation and approval of RTBs. The system also provides real time access to employees' traveling history and related reports.

e. **SAP Fiori for Mobile Apps**

SAP Fiori is a modern and intuitive mobile application interface. It provides a set of applications that are used in regular business functions like work approvals, financial and various self-service apps. SAP Fiori provides all business roles in real time on compatible hand devices. Customized Fiori mobile apps are being used by MPCL Management to perform system based approvals while travelling.

f. **Business Intelligence (BI) System**

BI refers to the tools, technologies, applications and processes that are used to collect, integrate, analyse, and present an organisation's raw data into meaningful and useful information. The Company has successfully implemented BI System to efficiently build KPI based online dashboards for the Senior Management. The System is very useful for operational insights and more effective, strategic/tactical decision-making.

Policy for Safety of Records

At MPCL, management of the Company's records is decentralised and decisions regarding 'retention period' and 'destruction' of records are made at departmental level keeping in view legal and business requirements. All efforts are made to ensure proper handling of business records to protect them from loss, misuse or

misappropriation. All confidential files, documents and records are kept in locked desks, file cabinets or offices except when in use; or are kept in office areas or secured facilities where access is granted only to the authorised individuals. Reasonable caution is exercised to avoid such files, documents and records being visible or accessible to unauthorised individuals.

MPCL has adopted 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. It provides an effective business productivity platform equipped with well-integrated set of technologies to bring information management, access, collaboration, people-driven processes and critical document management in a single environment.

The Company securely maintains soft copies of supporting financial documents and records in its SAP system, which is accessible only to authorised users. Regular backups of SAP System is also secured.

Disaster Recovery Plan (DRP)

MPCL's DRP provides a structured approach to respond to unexpected incidents that threaten the Company's IT infrastructure comprising hardware, software, networks, processes and people. Priorities and recovery time objectives for critical systems are developed in the light of business impact analysis. DRP is periodically tested and improved to help enhance the efficacy of recovery procedures, processes and ensure improvement of the Company's infrastructure readiness, to minimise system downtime in disaster situations. A state of the art remote Disaster Recovery Site has been established at one of the MPCL Fields.

Major Social Events

A tribute to Quaid-e-Azam Muhammad Ali Jinnah (R.A)

On 70th Death anniversary of Quaid-e-Azam Muhammad Ali Jinnah (R.A), Mari Petroleum composed an anthem to commemorate the charismatic leadership and untiring efforts of our beloved Quaid in carving out a separate homeland for the Muslims of Sub-continent. Similarly, on 142nd birthday of Quaid-e-Azam, Mari Petroleum released a song to pay tribute to our great leader, which was aired on different TV Channels.



Kashmir Solidarity Rally
Rally in support of Kashmiri Brethren held outside MPCL Head Office on 23rd August, 2019.



Independence Day Celebration

The Country's 71st Independence Day was celebrated with patriotic zeal and fervor at MPCL Head Office and field locations on August 14, 2019. Continuing with the past tradition, the Head Office building and adjoining areas were decorated with National and MPCL flags and illuminated with beautiful lights to commemorate the day.

Pakistan Day Celebration

The Company celebrated 80th Pakistan Day on 23rd March, 2019 with patriotic zeal and fervor at MPCL Head Office. Mr. Mohammad Aziz Khan Niazi* was invited to grace the occasion as Chief Guest. The Event started with the National Anthem, followed by:

- Tableau/Drama performed by the kids from Islamabad Model School
- National Songs by the kids from SOS Village
- National Songs by the kids from Autism Resource Centre



* Mohammad Aziz Khan Niazi, transported Quaid-e-Azam Muhammad Ali Jinnah (Rahmatullah Alaih) Airplane from Peshawar Airport to the Karachi Museum. When the plane was delivered at the desired location, Mohammad Aziz Khan Niazi got to know it belonged to the Father of the Nation, therefore, Aziz Sahib refused to accept the agreed transportation fee.

A Tribute to Allama Iqbal (R.A)

On 141st birth anniversary of Allama Muhammad Iqbal (R.A), Mari Petroleum released a song to pay homage to our national poet, philosopher and one of the most inspiring leaders of Pakistan Movement. The Song was played on different TV channels.



Annual Function 2018

The Company celebrated its Annual Function 2018 on Saturday, February 2, 2019 at Islamabad Serena Hotel. The honourable Federal Minister for Petroleum, Mr. Ghulam Sarwar Khan, graced the occasion as the Chief Guest. Apart from Management Employees and their families, previous Managing Directors of MPCL and a large number of distinguished guests from the Government of Pakistan, E&P sector along with local and foreign dignitaries were also in attendance.

The event started with National Anthem and recitation from the Holy Quran. In his opening address, Lt Gen Ishfaq Nadeem Ahmad (Retd), Managing Director MPCL accorded a warm welcome to all the guests and thanked the Petroleum Minister for

sparing time to attend the Function. The Managing Director apprised the audience about the Company's business strategy, operational and financial performance along with future plans. Subsequent to his address, Outstanding Performance Awards, Employee of the Company Awards, the Best Field Trophy and the Best Small Field trophy for the year 2018 were conferred upon selected employees by the Chief Guest.

The Petroleum Minister while addressing the gathering, lauded the role played by MPCL in the national economy and congratulated the Management on consistently outstanding performance.

The Chief Guest's speech was followed by sumptuous dinner. After the dinner, renowned singer Ms. Hadiqa Kiyani



enthralled the audience with her live musical performance followed by an energetic and thoroughly entertaining performance by Mr. Arif Lohar and his crew.



Celebration of International Women's Day-2019 at MPCL

International Women's Day (IWD) is a global day marked to celebrate the social, economic, cultural and political achievements of women. The day also marks a call to action for accelerating gender parity. Keeping in view the importance of this day and to give a flavour of empowerment to MPCL female employees, MPCL celebrated the Day on 08 March, 2019. International Women's Day theme for 2019 was "Balance For Better".

Awards and Recognitions

During the year, the Company won a number of awards from various independent bodies not only for its financial and operational performance and reporting but also for its management, HSE, and CSR practices. Major awards won by the Company included:

"Prime Minister's Award for Corporate Excellence" and "Fastest Growing Company of the Year Award"

Three prestigious awards, namely "RCCL Premier Award", "Company of the Year" and "Fastest Growing Company of the Year"

For the 3rd consecutive year, MPCL won 1st Prize for the Best Management Practices in Oil & Gas Sector

"Overall Platinum Award" at the "14th EFP Best Practices Awards on Occupational Safety and Health"

2nd Position for Annual Report 2017 in the sector of Fuel & Energy

1st Prize for Best Employment Practices and CEO of the Year Award in the category of Large National Companies

For the first time MPCL was included in the Top 25 Companies on Pakistan Stock Exchange for the Year 2017

Three prestigious awards, namely "RCCL Premier Award", "Company of the Year" and "Fastest Growing Company of the Year"

For the 3rd consecutive year, MPCL won 1st Prize for the Best Management Practices in Oil & Gas Sector

"Overall Platinum Award" at the "14th EFP Best Practices Awards on Occupational Safety and Health"

MPCL Annual Report 2018 was awarded 1st Position in Fuel & Energy sector

Corporate Governance



ROLE 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, 2017.

CHAIRMAN MPCL BOARD

Chairman is responsible for providing effective leadership to the Board particularly during Board and shareholders' meetings. He sets the agenda of the Board meetings and ensures that reasonable time is available for discussion of the same. 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 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 manage the affairs of the Company.

MANAGING DIRECTOR/CEO

The Managing Director is responsible for providing effective leadership to the management and employees and for overseeing the day-to-day operations and management of the Company's businesses 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. He ensures that operational plans and control systems are in place and he 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, and Diversification & Enterprise Risk Management Committee. Any agenda or matter that requires Board's approval is first presented to relevant Committee of the Board 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 detailed in Clause 100 of MPCL's Articles of Association and Managing Director's General Power of Attorney.

However, in line with the provisions of Section 183 of the Companies Act, 2017, Clause 10 of Listed Companies (Code of Corporate Governance) 2017, and Clause 73 of MPCL

Articles of Association, the Board has reserved following matters to itself to maintain control over certain matters of strategic, sensitive or extraordinary nature or which exceed the thresholds set in the authority delegated to the management.

Matters Reserved for the Board

- a) Appointment and removal of:
 - i) Members of the Board and its Committees including the Chairman
 - ii) CFO, Head Internal Audit and Company Secretary
 - iii) Senior Management Staff in MPCL Grade 26 and above, and
 - iv) External Auditors*
- b) Directors' remuneration
- c) Annual review of the performance of the Board, Committees and individual Directors
- d) 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, declaration of dividend and bonus shares*, diversification projects, acquisition and relinquishment of working interests and major capital expenditures
- e) Major transactions which exceed MD's authority or which are outside the ordinary course of business
- f) Delegation of authority to the Management

(*subject to approval by the shareholders)

Attendance at Board Meetings

Five Board meetings were held during the financial year 2018-19. The attendance of directors in the meetings was as under:

Name	Meetings Attended
Lt Gen Syed Tariq Nadeem Gilani (Retd)	05
Lt Gen Ishfaq Nadeem Ahmad (Retd)	05
Dr Nadeem Inayat	05
Mr. Rehan Laiq	03 ¹
Mr. Qaiser Javed	02
Major General Javaid Iqbal Nasar (Retd)	05
Syed Iqtidar Saeed	01 ²
Brig Raashid Wali Janjua (Retd)	04
Mr. Asad Hayaud Din	00 ³
Qazi Mohammad Saleem Siddiqui	02
Mr. Abdul Jabbar Memon	03 ⁴
Mr. Sajid Mehmood Qazi	05
Mr. Shahid Yousaf	05
Mr. Zahid Mir	05
Mr. Ahmed Hayat Lak	05
Mr. Adnan Afridi	02 ⁵
Mr. Manoor Ahmed	03
Ms. Ayla Majid	00 ⁶
Engr. S. H. Mehdi Jamal	05

1. Joined the Board in December 2018 in place of Mr. Qaiser Javed.
2. Joined the Board in May 2018 in place of Brig Raashid Wali Janjua (Retd).
3. Joined the Board in June 2019 in place of Mr. Abdul Jabbar Memon.
4. Joined the Board in November 2018 in place of Qazi Mohammad Saleem Siddiqui.
5. Joined the Board in March 2019 in place of Mr. Manoor Ahmed.
6. Joined the Board in June 2019 in place of Engr. S. H. Mehdi Jamal.

Other Directorships of the Executive Director

MD MPCL is the only executive director on the Company's Board. He does not hold non-executive directorship in any other company. However, he has served as Chairman PPEPCA (a not-for-profit organisation) from September 2017 to September 2018.

Policy for Retention of Fee by an Executive Director

As per Directors' Remuneration Policy, executive directors are not paid any fee for attending the board, committee or general meetings.

On the other hand, any person who is an executive director on the board of another public or private company may join MPCL Board as a non-executive director with the approval of the Board. Such a person is entitled to retain the fee and/or other emoluments received from MPCL against his/her services as a non-executive director.

Board's Policy on Diversity

MPCL has a diverse and balanced Board which not only represents the shareholders proportionately but also provides a mix of professional expertise in leadership, finance, economics, engineering, legal, corporate law, oil & gas exploration and production disciplines and business management skills and experiences covering adequately all areas of MPCL's business undertakings.

Corporate Governance

The Board follows the diversity targets set in the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Currently the Board comprises of one executive and thirteen non-executive directors, including two independent directors. Two of the directors represent shareholding interest of minority shareholders.

In compliance with regulatory requirements, a female director was elected on the Board in the elections held on June 14, 2019. The Company has obtained a relaxation from SECP regarding number of independent directors till reconstitution of the Board in 2022. Hence, the issue of independent directors will be duly addressed at that time.

Directors' Orientation and Trainings

A Directors' Training Programme was arranged at MPCL Head Office on August 28, 29 & 31, 2018. The programme was conducted by the Country's premier institute, Pakistan Institute of Corporate Governance. In addition to MPCL Directors, CFO, Company Secretary and two other executives including one female officer, several Directors and senior

executives of FF Group companies also attended the training.

An orientation session for the Directors on the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 was also arranged on August 30, 2018 to apprise the Board Members with the latest changes in corporate regulatory and governance regime in the Country.

Three Board Members were sent on foreign trainings to acquaint them with the latest developments and trends in the areas of governance, management and leadership.

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 required 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 Administration Department undertakes coordination with Ministry of Interior for all security related matters. Supporting documentation

is provided by the Corporate Affairs Department.

Conflict of Interest

The Directors and the employees of the Company must recognise that in the course of performing their duties there may be a situation where there is a conflict in the performance of such a duty and a personal associated interest they may have. Directors and employees are required to be aware of the conflict of interest provisions contained in the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2017, MPCL Articles of Association, and MPCL Code of Conduct. They are also required to disclose their interests beforehand and are not allowed to be involved in the decision making regarding any transaction or matter in which they are interested. It is overriding intention of the Company that all business transactions conducted by it are on an arm's length-basis.

MD/CEO Performance Review

MD/CEO's report on the Company's operations, major achievements, and progress of outstanding issues is presented to the Board of Directors as a regular agenda item in each meeting (at least once in each quarter) for review, discussion and decisions, all of which are duly recorded in the minutes. During the year 2018-19, five such reports were presented to the Board. The Board is extremely satisfied with the performance of the incumbent Managing Director. Financial year 2018-19 was the best ever in the history of the Company in terms of revenues and profitability. Further details of the Company's progress and achievements under the incumbent MD/CEO are provided in Managing Director's Outlook and other relevant sections of the Annual Report.



COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors oversees the operations and affairs of the Company in an efficient and effective manner. For the sake of smooth functioning, the Board has constituted three committees. These committees are entrusted with the task of ensuring speedy 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 and compliance with applicable laws, rules and regulations.

Terms of Reference

The Audit Committee is, among other things, responsible for recommending to the Board of Directors the appointment of external auditors by Company's shareholders and considers any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements.

Terms of reference of the Audit Committee are as follow:

- 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;
- c. compliance with applicable accounting standards;
- compliance with these regulations and other statutory and regulatory requirements;
- All related party transactions.
- c. Review of preliminary announcements of results prior to external communication and publication;
- d. 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);
- e. Review of management letter issued by external auditors and management's response thereto;
- f. Ensuring coordination between the internal and external auditors of the Company;
- g. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h. Consideration of major findings of internal investigations of activities



- i. 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;
- j. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k. 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;
- l. Determination of compliance with relevant statutory requirements;
- m. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

characterised by fraud, corruption and abuse of power and management's response thereto;

Corporate Governance

- n. Review of arrangement for staff and management 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;
- o. 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. 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;
- p. Consideration of any other issue or matter as may be assigned by the Board of Directors;
- q. 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).

Attendance in the Audit Committee Meetings

Five meetings of the Audit Committee were held during the financial year 2018-19. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Ms. Ayla Majid	00
Mr. Adnan Afridi	02
Mr. Rehan Laiq	03
Mr. Qaiser Javed	02
Mr. Shahid Yousaf	05
Mr. Ahmed Hayat Lak	05
Mr. Manzoor Ahmed	03

HR and Remuneration Committee:

Role

The primary role of the Committee is to review major HR related matters of the Company and present its recommendations to the Board for consideration and approval.

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 selection, evaluation, compensation (including retirement benefits), and succession planning of the CEO;
- e. Recommending to the Board of Directors the selection, evaluation, development, compensation (including retirement benefits) of the Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

- 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 senior staff in accordance with Article 100-c of the Articles of Association and make recommendations for consideration of the Board of Directors;
- i. Review management's proposals for changes in personnel compensation policy and salary structure of employees and make recommendations for consideration of the Board. President of the Audit Committee, if not already a member, will be the co-opted member of the Human Resource Committee for this function;
- j. Review management's proposals for changes in the Company's organogram and make recommendation for consideration of the Board;
- k. Evaluate the candidates and make recommendation for the appointment of senior staff in Group 26 and above. 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

Two meetings of the HR&R Committee were held during the financial year 2018-19. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Mr. Adnan Afridi	00
Dr. Nadeem Inayat	02
Mr. Zahid Mir	02
Engr. S.H. Mehdi Jamal	02

Technical Committee:

Role

The primary role of the Committee is to review the technical and operational matters of the Company and present its recommendations to the Board for consideration and approval.

Terms of Reference

The Technical Committee is responsible for evaluating technical aspects of all projects/matters pertaining to the Company's core businesses i.e. exploration & production and allied services and make recommendations for consideration of the Board.

The projects/matters may, inter alia, include the following:

- a. Annual Exploration, Appraisal and Development work programme and its Budget.
- b. 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.
- c. Relinquishment/surrender of working interest in an existing block.
- d. Acquisition or disposal of plant, machinery and equipment pertaining to the Company's core

operations and allied services, which exceed MD's authorized limit.

- e. 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. Committee's annual self-evaluation as per Listed Companies (Code of Corporate Governance) Regulations, 2017.
- g. Any other matter that may be referred by the Board to the Committee.

Attendance in the Technical Committee Meetings

Four meetings of the Technical Committee were held during the financial year 2018-19. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Syed Iqtidar Saeed	02
Brig Raashid Wali Janjau (Retd)	02
Maj Gen Javaid Iqbal Nasar (Retd)	04
Mr. Sajid Mehmood Qazi	04
Mr. Zahid Mir	03
Mr. Abdul Jabbar Memon	02
Qazi Mohammad Saleem Siddiqui	01

Diversification & Enterprise Risk Management Committee:

Role

The role of Diversification and Enterprise Risk Management Committee is to evaluate and discuss the feasibilities of new projects to ensure growth and diversification of the Company's business. The Committee also assists the Board in fulfilling Board's responsibilities with regard to the risk management and amongst other things, responsible for ensuring the adequacy, robustness and effectiveness of risk management policies and processes.

Terms of Reference

The Committee has the following specific responsibilities:

A. Diversification:

- a. The Committee will review and recommend investment strategy relating to diversification projects, which shall be approved by the Board. The Committee shall ensure that such investments are made in accordance with the approved strategy.
- b. Review external growth opportunities, potential diversification projects, acquisitions, or divestment of existing projects/ventures, as proposed by the Management. The Committee shall evaluate performance of investments made in diversification projects over the period.
- c. Review Management's proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company.

B. Enterprise Risk Management:

The responsibilities of Committee with regard to Enterprise Risk Management, inter alia, include the following:

- a. Ensure that the Company implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of risks.
- b. Delineate Company's overall risk appetite and tolerance level in relation to risks.
- c. Ensure that Company's overall risk exposure is maintained at prudent levels and consistent with the Company's strategy.
- d. Evaluate annually the adequacy of the risk management function, including the background and experience of key senior risk officers, staffing adequacy, and

Corporate Governance

- e. 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.
- f. Review the Company's ERM Strategy and ERM Policy to ensure their suitability, including adherence to relevant legislation and regulations.
- g. Ensure that the risk management function has adequate resources and has a well-defined Annual Risk Management Plan.
- h. Review key projects of strategic nature from risk perspective.
- i. Review Audit or other findings relating to management of the Company's risks and that follow-up actions are undertaken by the Management.
- j. Evaluate special cases where a risk (or risks) fall outside published guidelines and thresholds and make recommendations on appropriate action to the Board.

Attendance in the Diversification & Enterprise Risk Management Committee Meetings
The Committee was constituted in July 2019.

Reports of the Audit Committee
in accordance with its TORs, the Audit Committee reviewed the

Company's Annual and Interim Financial Statements, including non-financial information, prior to publication. Audit Committee periodically reviewed the adequacy and appropriateness of internal control, matters relating to accounting policies, financial risks and compliance with accounting standards, statutory and legal requirements and regulations. The Audit Committee discussed with external auditors the issues arising from interim and annual audits along with the Management Letter issued by External Auditors and management responses thereof. Important findings, risks identified and follow-up actions were examined thoroughly in order to allow appropriate measures to be taken.

Composition

Director	Designation
Ms. Ayla Majid ^{1, 2}	President
Mr. Rehan Laiq ²	Member
Mr. Shahid Yousaf	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

1. Ms. Ayla Majid is an independent, non-executive director.
2. Ms. Ayla Majid and Mr. Rehan Laiq both qualify as financially literate.

Audit Committee Views on Financial Statements

The financial statements of the Company for FY 2018-19 were presented to the Audit Committee in its meeting held on July 25, 2019. The Audit Committee reported to the Board that the statements are fair, balanced and understandable. The statements provide the shareholders and other readers with detailed qualitative and quantitative information which they can use to assess the Company's current position and performance, business model and strategies as well as the Company's future prospects.

Audit Committee on Appointment of External Auditors

Every year, the Audit Committee makes its recommendations to the Board regarding the appointment of external auditors and their fee. The recommendations are based on performance of the Auditor, satisfactory rating under QCR programme of ICAP, and their eligibility to be re-appointed (including length of their term with the Company).

The Audit Committee in its meeting held on July 25, 2019, recommended M/s A.F Ferguson & Co., for appointment as external auditors of the Company for FY 2019-20 in place of M/s Deloitte Yousuf Adil, Chartered Accountants who will be retiring at the conclusion of the upcoming Annual General Meeting, after completing three terms as auditors of the Company. M/s A.F Ferguson & Co. have been recommended based on their market reputation, professional excellence and competitive fee quote.

Presence of President Audit Committee in AGM

The President Audit Committee remains 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.

Internal Control Framework and Role of Internal Audit

In Compliance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017, the Board of Directors has set up Internal Audit function, which is headed by Head Internal Audit who reports to the Audit Committee of the Board.

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, disciplined

approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

Objectives of 'Internal Control Framework' are:

- a. Effectiveness and efficiency of operations;
- b. Reliability of internal/external reporting;
- c. Compliance with laws, rules and regulations; and
- d. Safeguarding of the Company's assets.

To achieve Internal Control Framework objectives, following Internal Control components are assessed and evaluated by the Internal Audit Department:

- a. **Control Environment:** It sets the audit control tone of the Company and influences the control consciousness of personnel. It is the foundation of all other components of Internal Control providing discipline and structure.
- b. **Risk Assessment:** Management of Company is responsible for ensuring adequate risk identification and analysis of relevant risks to achieve Internal Control Framework objectives.
- c. **Control Activities:** These are the policies and procedures that help ensure that 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 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 implementation of effective controls needed to strengthen the overall control system.

Access of Head of Internal Audit to Audit Committee

Head of the Internal Audit has direct, unrestricted access to the President and other Members of the Audit Committee to discuss any matter related to internal audit function.

STAKEHOLDERS' ENGAGEMENT

Major stakeholders of the Company include Shareholders (Institutional and Minority), Customers, Suppliers, Banks and other Lenders, Media, Employees, 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, corporate image and profile. 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 Shareholders and Participation Agreement, applicable corporate laws/rules/regulations/notifications, notably the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2017, Listing Regulations of PSX, 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 in physical form.
- 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.

Corporate Governance



Corporate Briefing Session

- 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 conventional mail, fax, email or phone.
- Material Information pertaining to the Company's operations is circulated to PSX, SECP and the Shareholders as and when need arises.

Engagement with other Stakeholders

Customers: Our customers are mostly corporate entities in dedicated sectors of fertiliser, power and gas distribution with long term allocations. Our interaction with these customers is B2B in nature. The Company maintains constant contact with all of its customers through periodic meetings (TCMs/OCMs), official correspondences, and personal visits.

Suppliers: MPCL segments its suppliers, and then 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.

Corporate Briefing Session

A Corporate Briefing Session was arranged by the Company on June 11, 2019 at MPCL Head Office. The Briefing was attended by shareholders, analysts, fund managers and PSX officials. During the briefing, the participants were apprised about the Company's operational and financial performance and future plans. The briefing was followed by a Q&A session during which participants' queries were satisfactorily replied by the Management. The participants highly appreciated the content and conduct of the Briefing.

Briefing to the Shareholders

During the Annual General Meeting every year, a detailed presentation

is made by the Chairman on the Company's performance during the year 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.

Reaching out to Shareholders for Delivery of Unclaimed Dividends/ Shares

Pursuant to Section 244 of Companies Act, 2017, the Company is vigorously reaching out to its shareholders to deliver unclaimed shares/dividends that have been lying pending with the Company since inception. In addition to a number of attempts to contact concerned shareholders in person, five written reminders have been given since 2016. As a result, the Company has delivered about 32,619 unclaimed shares, and dividends amounting Rs. 32.8 million in the last three years.

Understanding of Major Shareholders' Views

Major shareholders of the Company are Fauji Foundation, OGDCL and Government of Pakistan who collectively hold 80% shares in the Company. Out of 13 non-executive directors on MPCL Board, 11 directors

are nominees of/represent 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 Board meetings.

Engagement with Regulators

- Relationship with SECP and PSX are managed as per applicable corporate laws/rules/regulations/notifications, notably the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2017, Listing Regulations of PSX, 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 SECP and are also circulated to PSX.
- Material Information pertaining to the Company's operations is circulated to the PSX and SECP as and when need arises.
- The Company also participates in trainings and awareness seminars arranged by PSX and SECP from time to time.

BUSINESS ETHICS

MPCL conducts its business in a socially responsible and ethical manner and in compliance with applicable laws. The Company has prepared a Code of Ethics and Business Practices 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 tenure 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.

An independent Internal Audit Department periodically reviews the conduct of 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 Ethics which, among others, covers this area. It is overriding intention of the Company that all business transactions conducted by it are on 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.

Related Party Transactions are reviewed and approved by the Board. Interested directors are required to disclose their interest and they are not allowed to participate in the voting on any transaction in which they are interested.

Similarly, MPCL executives are required to disclose buying and selling of the Company shares.

SHARE PRICE SENSITIVITY ANALYSIS

Investor Relations Section on the Company's website contains important information such as Share Price (along with turnover, market capitalization and graphical representation of share price movement over the period), Financial Highlights and Indicators, Pattern of Shareholders, EPS, P/E Ratio and Breakup Value etc.

The information is compiled and provided by Business Recorder under an arrangement with the Company.

All the material information which might affect the share price of the Company is communicated to the PSX and SECP in a timely manner.

LAST ANNUAL GENERAL MEETING (AGM)

34th AGM of the Company was held on October 18, 2018, 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 audited accounts of the Company for the year ended June 30, 2018 together with the directors' and auditors' reports thereon.

Decision and Implementation:

A detailed presentation on the Company's operations during the FY 2017-18 and future plans of the Company was made by the Chairman. After Q&A session, the audited accounts, directors' and auditors' reports were duly approved and adopted by the members. Thereafter, audited accounts, directors' and auditors' reports were filed with the Registrar of Companies and circulated to SECP and PSX.

Corporate Governance

Agenda Item-2: To approve payment of final dividend @ Rs.2.50 (25%) per share for the year ended June 30, 2018.

Decision and Implementation: Payment of dividend as recommended by the Board was approved by the Shareholders. It was also approved that the dividend on 5% bonus shares which were *sub judice* before Sindh High Court be withheld by the Company till the final decision of the Court in the matter. Accordingly, dividend warrants were dispatched to the Shareholders on October 24, 2018. Tax was deducted at the applicable rates and deposited in the Government Treasury.

Agenda Item-3: Appointment of auditors for the year ending June 30, 2019 and to fix their remuneration.

Decision and Implementation: M/s Deloitte Yousuf Adil, 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, 2019 at the fee agreed by the Board of Directors.

Agenda Item-4: To approve the issue of bonus shares in the ratio of one share for every ten shares held (i.e. 10%).

Decision and Implementation: Issuance of bonus shares as recommended by the Board was approved by the Shareholders. It was also approved that the fractional entitlement of the Members shall be consolidated into whole shares and sold in the Stock Exchange. The sale proceeds thereof shall be donated as deemed appropriate by the Board. It was also approved that the bonus shares to be issued against 5% bonus shares which were *sub judice* before Sindh High Court be withheld by the Company till the final decision of the Court in the matter.

Accordingly, shares certificates were dispatched/credited into CDC accounts of the Shareholders on October 24, 2018.

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 minority shareholders in AGMs. Going beyond the legal requirements, the Company even delivers Annual Reports through Company's dispatch rider to those shareholders who do not receive them through courier. Personal phone calls are also made to a few 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 AGM.

ANTI-CORRUPTION MEASURES

MPCL conducts its business in a socially responsible and ethical manner and in compliance with applicable laws. The Company has prepared a Code of Ethics and Business Practices 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 tenure with the Company, are required to read, acknowledge, and abide by the Code.

The Board has approved a Whistleblower Policy to encourage employees and other parties dealing with the Company, 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.

COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

The Company has ensured full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017. The Statement of Compliance prepared by the Board of Directors has been reviewed and verified by the external auditors of the Company. The Statement for the year 2018-19 (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 have been 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.

- As of June 30, 2019, 10 out of 13 (77%) directors on MPCL Board along with two HODs and one female executive were certified under directors' mandatory training programme. MPCL is well ahead of the timelines as far as requirements of the Code pertaining to mandatory training of Directors, HODs and female executives is concerned.
- Although not mandatory under the Regulations, the Board has constituted a Diversification & ERM Committee to review all matters pertaining to diversification projects and enterprise risk management and make recommendations to the Board.
- All employment in MPCL Grade 26 and above is approved by the Board on recommendations of HR&R Committee. This practice

ensures transparency in hiring, promotion and separation of senior management.

- To ensure a system of fair play and justice for management employees, the Company has established a Grievance Redressal Committee which listens to individual work related complaints on behalf of the Managing Director. An aggrieved management employee may approach the said Committee after exhausting all his/her options within the department. The above mechanism is in addition to the regular mechanism that is overseen by HR Department.

SESSION ON INSIDER TRADING

Insider Trading is a serious offence under the Securities Act, 2015 and carries hefty financial penalties and jail time. In order to create awareness about insider trading and related matters, the Company arranged an

in-house session on February 27, 2019 at Head Office, Islamabad. Management employees from all tiers participated in the session wherein they were apprised about the main concepts pertaining to insider trading, laws governing insider trading, responsibilities of the companies with regard to handling material insider information and maintenance of inside information register, penalties for non-compliance, real life case studies, and inside information register of MPCL etc. Such session will be arranged on regular basis in future.

WHISTLE BLOWER POLICY

The Board has approved a Whistle Blower 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. Pursuant to the Policy, the Management has formed a 'Whistleblowing Committee', headed by General Manager Corporate Affairs for handling and managing all whistleblowing concerns and complaints. Disciplinary action (which may include dismissal) against the wrongdoer is taken depending on the results of the investigation conducted by the Committee.

During the year, no complaint was lodged under the Whistleblowing Policy.

INVESTORS' GRIEVANCES POLICY

The Board has approved an Investor Relations & Grievance



Briefing to Board Members at Miraj-1 Drilling Site

Corporate Governance

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 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
In line with the requirements of clause 10(3)(iv) of Listed Companies (Code of Corporate Governance) Regulations, 2017, a formal and effective mechanism is in place for annual evaluation of the Board's own performance, Members of the Board and of Board's Committees.

Mechanism for Board's Self Evaluation was approved by MPCL Board in its Meeting held on September 30, 2014. The approved Board Performance Evaluation Template contains 36 Performance Factors covering areas such as Composition of the Board and its Committees, Functions and Performance of the Board and its Committees, Governance Structure and Practices, and Company Performance Monitoring System.

Mechanism for Board's Committees' Evaluation was approved by MPCL Board in its Meeting held on April 16, 2018. Committees' Self Evaluation Template consists of 15 Performance Factors pertaining to the Composition of the Committee, Mandate and Functioning of the Committee, Role of Committee's Chairman, General Atmosphere and Contribution of Committee Members.

Mechanism for Individual Directors Evaluation was approved by MPCL Board in its Meeting held on May 31, 2018. Individual Director's Self Evaluation Template consists of 24 Performance Factors which provide Directors with an opportunity to reflect upon their own competencies, their role, behavior, contributions and performance as Members of the Board.

In addition to the identified Factors, Directors can also provide their subjective comments in the Comments Section of the Templates.

Board Evaluation Template and Individual Director's Template are forwarded to all Board Members, while Committees Evaluation Template is forwarded to Members of the respective Committees. The Directors are requested to rate each Factor on a scale of 1 to 5. The scores are consolidated through a specially designed programme and Mean Value, Standard Deviation and Bar Charts for each factor are calculated.

As per the methodology, if the mean value against any performance factor is less than 3, it needs improvement. If the mean value is above 3, the performance Factor is acceptable. Further, the standard deviation indicates the degree of dispersion in the opinion of Board Members against any specific factor. If the value of standard deviation is less

than 1, then there is unanimity in board opinion. If the value is more than 1, the opinion of Board is dispersed against that performance factor.

Results of Evaluation for FY 2018-19

In line with clause 29(3)(ii) of the Regulations and approved TORs of HR&R Committee, the results of evaluations of the Board, Committees and Individual Directors for the Year 2018-19 were first presented to the HR&R Committee in its meeting held on July 25, 2019, and then to the Board in its 178th meeting held on July 30, 2019.

The evaluations for the year 2018-19 revealed that the performance of the Board, Committees and Individual Directors was satisfactory and the opinion of the directors was unanimous except on following two parameters in the Board's evaluation:

- a) Proportion among independent directors and non-independent directors.
- b) Representation from minority shareholders on the board.

The Management clarified that the Company has obtained a Relaxation from SECP regarding number of independent directors till reconstitution of the Board in 2022. Hence, the issue of independent directors will be duly addressed at that time. Similarly, currently there are two directors on the Board representing minority shareholders.

The Management also provided para-wise replies to the Directors' specific comments and noted Directors' suggestions for implementation/compliance mainly pertaining to Directors' training, orientation and field visits.

Board's Performance Evaluation by External Consultant

Evaluation of the Board, Committees and Individual Directors is a significant end-of-the-year activity. After weighing the pros and cons of different evaluation methods, the Company has adopted Self Evaluation Methodology for the Board. However, the Company may engage the services of an external consultant in future for improving the evaluation mechanism and/or conducting the evaluation for more objective results.

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 is also maintained on MPCL website. Further, annual report is also completely accessible on the website. Website of MPCL is www.mpcl.com.pk.

Board Meetings held outside Pakistan

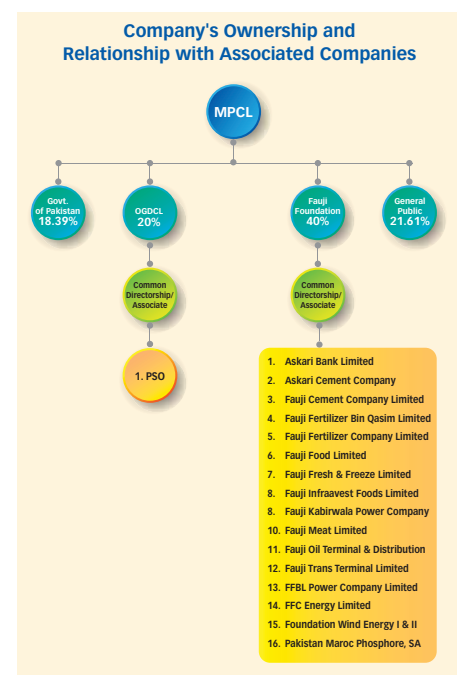
No Board meeting was held outside Pakistan during the year.

Date of Authorisation of Financial Statements

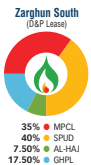
In order to timely communicate financial results to the stakeholders, annual financial statements of the Company were approved by the Board in its 178th meeting held on July 30, 2019. Necessary disclosures to PSX and SECP were made on the same day after conclusion of the Board meeting.

Reports of the Shariah Advisory Board

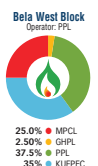
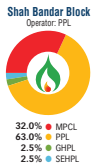
The Company is not required to have a Shariah Advisory Board. However, the Company is included in PSX KMI, All Share Index and KMI 30 Index which track the performance of shariah compliant companies listed on Pakistan Stock Exchange.



MPCL's Operated Blocks AND DEVELOPMENT & PRODUCTION (D&P) LEASES



MPCL's Non-Operated Blocks AND D&P LEASES



Performance Indicators

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	
PROFITABILITY RATIOS							
Operating profit to net sales	%	56.76	49.58	41.58	31.29	40.37	31.36
Net profit to net sales	%	40.92	37.80	32.43	27.87	29.16	26.50
EBITDA margin to net sales	%	64.90	60.10	49.77	39.83	49.75	40.97
Operating leverage	Times	1.51	1.69	2.27	(1.20)	1.94	1.06
Return on equity	%	46.87	46.78	42.99	42.52	39.91	25.96
Return on capital employed	%	46.87	44.06	39.15	31.47	36.19	25.42
LIQUIDITY RATIOS							
Current ratio	Times	1.25	1.19	1.16	0.93	1.06	1.08
Quick / acid test ratio	Times	1.24	1.18	1.14	0.87	1.02	1.06
Cash to current liabilities	Times	0.19	0.16	0.12	0.02	0.12	0.14
Cash flow from operations to net sales	Times	0.34	0.50	0.25	0.58	0.34	0.41
ACTIVITY / TURNOVER RATIOS							
Debtor turnover	Times	0.96	1.34	2.38	3.21	2.78	3.27
Total assets turnover	Times	0.33	0.34	0.37	0.35	0.31	0.32
Fixed assets turnover	Times	1.88	1.51	1.12	0.96	1.01	1.03
No. of days in receivables	Days	379	273	153	114	131	111
INVESTMENT / MARKET RATIOS							
Earnings per share (EPS) - basic and diluted	Rupees	200.59	126.77	82.87	54.89	51.25	35.77
Distributable earnings per share	Rupees	6.27	5.85	5.91	5.55	4.82	5.25
Price earnings - on the basis of earnings per share	Times	5.03	11.88	19.01	16.55	9.14	10.44
Price earnings - on the basis of distributable earnings per share	Times	160.98	257.47	266.61	163.64	97.22	71.13
Price to book ratio	Ratio	1.92	4.13	6.80	5.90	4.49	2.04
Dividend yield	%	0.59	0.40	0.33	0.56	1.11	1.01
Dividend payout	%	95.69	102.56	87.99	91.89	108.32	72.08
Dividend cover - on the basis of earnings per share	Times	33.43	21.13	15.94	10.76	9.82	9.45
Dividend cover - on the basis of distributable earnings per share	Times	1.05	0.98	1.14	1.09	0.92	1.39
Dividend per share	Rupees	6.00 *	6.00	5.20	5.10	5.22	3.78
Stock dividend per share	%	10	-	-	-	20	-
Market value per share							
Year end	Rupees	1,009.33	1,506.18	1,575.64	908.22	468.60	373.43
highest during the year	Rupees	1,589.95	1,809.41	1,750.00	982.48	764.32	391.40
lowest during the year	Rupees	936.70	1,398.38	905.10	363.18	351.14	136.97
Breakup value per share	Rupees	524.48	364.55	231.63	153.89	104.27	183.10
CAPITAL STRUCTURE RATIOS							
Debt to equity	%	00 : 100	00 : 100	14.04 : 85.96	5.57 : 94.43	44.69 : 55.31	1.94 : 98.06
Financial leverage	Times	-	-	0.20	0.07	0.95	0.10
Interest cover	Times	-	764.79	57.42	144.08	6.39	29.03
Weighted average cost of debt	%	-	6.09	6.00	6.99	10.38	10.28

Note: Breakup value with revaluation reserves does not apply as MPCL has no revaluation reserves. Previous year figures have been restated wherever necessary for the purpose of comparison.

* This includes final dividend of 20% for the year ended June 30, 2019, proposed by the Board of Directors for approval by the members in Annual General Meeting to be held on October 22, 2019.

RATIO ANALYSIS

Profitability Ratios

There is a healthy growth in the net profit from Rs 15,374 million in the previous year to Rs. 24,327 million. Increase in net sales, other income and finance income were the major reasons for increase in profitability which was partially offset by increase in royalty, operating expenses, exploration and prospecting expenditure, other charges, finance cost and provision for taxation. This has resulted in improved profitability ratios as compared to last year.

Liquidity Ratios

Current ratio and quick ratio showed an improvement compared to last year mainly due to increase in trade debts and cash and cash equivalents. Cash to current

liabilities ratio improved to 0.19 times compared to 0.16 times of last year on account of increase in cash and cash equivalents.

Activity / Turnover Ratios

No. of days in receivables increased during the year as average trade debts increased because of increase in GIDC, which is *sub judice*, in the apex courts resulting in reduction in debtor turnover.

Investment / Market Ratios

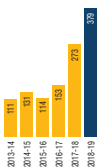
Earnings per share stood at Rs. 200.59 per share for the year ended June 30, 2019 registering an increase of 58% compared to last year on account of increase in profitability. Breakup value of the Company improved to Rs 524.48 per share, around 44% higher as compared

to the last year, due to higher profit retention.

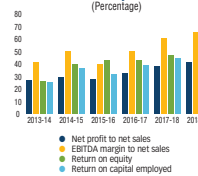
Capital Structure Ratios

There is no long-term financing of the Company at the year-end and resolutely, these ratios are not applicable for the current year.

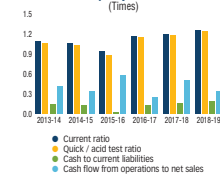
Number of Days in Receivables (Days)



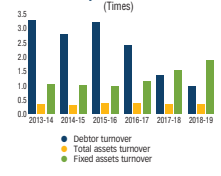
Profitability Ratios (Percentage)



Liquidity Ratios (Times)

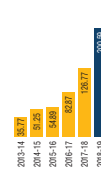


Activity / Turnover Ratios (Times)

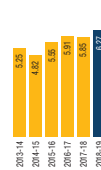


Investment / Market Ratios

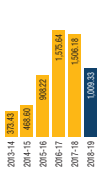
Earnings Per Share (Eps) - Basic & Diluted (Rupees)



Distributable Earnings Per Share (Rupees)



Market Value Per Share at Year End (Rupees)



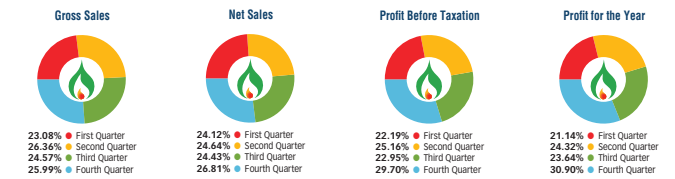
Variation in Results

OF INTERIM REPORTS WITH THE FINAL ACCOUNTS

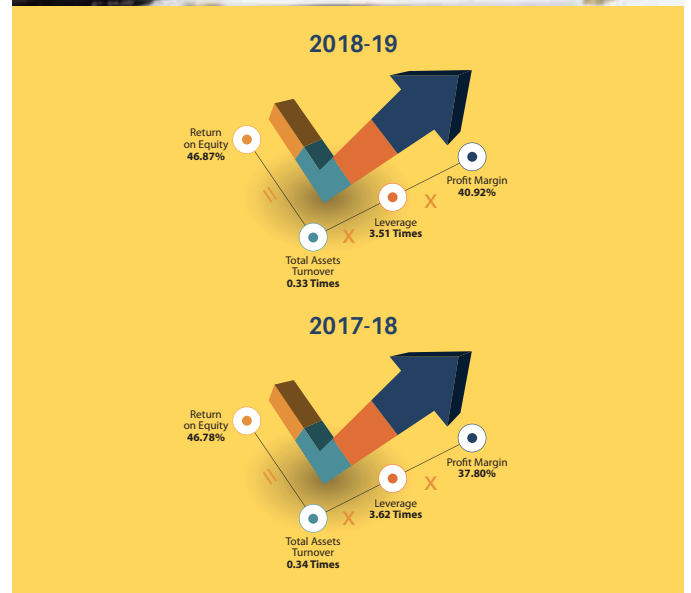
	First Quarter ended September 30, 2018	Second Quarter ended December 31, 2018	Third Quarter ended March 31, 2019	Fourth Quarter ended June 30, 2019	Total for the year ended June 30, 2019
(Rupees in thousand)					
Profit or Loss items					
Gross sales	27,128,905	30,985,972	28,878,858	30,548,368	117,542,103
Net sales	14,341,117	14,645,507	14,520,533	15,940,850	59,448,007
Profit before taxation	7,701,760	8,733,668	7,964,858	10,308,048	34,708,334
Profit for the year	5,142,236	5,915,886	5,751,209	7,517,757	24,327,088
EPS - Restated	42.40	48.78	47.43	61.98	200.59

Analysis:

Slight decline in sales and profitability was witnessed in the third quarter due to lower gas withdrawals by the fertiliser customers on account of their annual turnarounds/plant maintenance activities. The impact of lower withdrawal was offset by upward revision of sale prices by the Government.



Return on Equity (DUPONT ANALYSIS)



Analysis

Profit margin in 2018-19 slightly increased whereas asset efficiency remains almost the same. Equity multiplier decreased due to enhanced unappropriated profits during the year. Resultantly, the Return on Equity of the Company was 46.87% compared to 46.78% reported in the previous year.

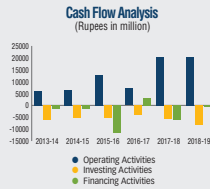
SUMMARY OF THE Statement of Cash Flows

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
	(Rupees in million)					
Cash flows from operating activities	20,436.053	20,225.239	7,120.289	12,638.329	6,609.010	6,096.578
Cash flows from investing activities	(8,051.536)	(5,543.564)	(4,081.586)	(5,287.579)	(5,393.894)	(5,918.203)
Cash flows from financing activities	(754.961)	(5,903.205)	3,262.935	(11,625.231)	(1,621.744)	(1,379.671)
Increase/(Decrease) in cash and cash equivalents	11,629.556	8,778.470	6,301.638	(4,274.481)	(406.628)	(1,201.296)
Cash and cash equivalents at beginning of year	15,706.262	6,927.792	626.154	4,900.635	5,307.263	6,508.559
Cash and cash equivalents at end of year	27,335.818	15,706.262	6,927.792	626.154	4,900.635	5,307.263

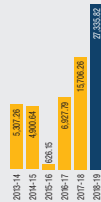
Direct Method Cash Flow

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	64,734,687	59,354,356
Cash paid to the Government for Government levies	(25,346,338)	(26,365,488)
Cash paid to suppliers, employees and others	(13,764,354)	(10,415,830)
Income tax paid	(5,187,942)	(2,347,799)
Cash provided by operating activities	20,436,053	20,225,239
Cash flows from investing activities		
Property, plant and equipment	(3,119,481)	(2,182,761)
Development and production assets	(2,413,957)	(1,650,534)
Exploration and evaluation assets	(4,325,361)	(2,424,676)
Proceeds from disposal of property, plant and equipment	171	32,688
Interest received	1,807,092	681,719
Cash used in investing activities	(8,051,536)	(5,543,564)
Cash flows from financing activities		
Redemption of preference shares and repayment of long term loans	(3,390)	(5,008,719)
Finance cost paid	(68)	(270,939)
Dividends paid	(751,503)	(623,547)
Cash used in financing activities	(754,961)	(5,903,205)
Increase in cash and cash equivalents	11,629,556	8,778,470
Cash and cash equivalents at beginning of year	15,706,262	6,927,792
Cash and cash equivalents at end of year	27,335,818	15,706,262



Cash & Cash Equivalents At Year End
(Rupees in million)



Related Parties



NAMES OF RELATED PARTIES

Name of Related Party	Basis of relationship	Percentage of Shareholding
Fauji Foundation	Entity with significant influence over the Company	40%
OGDCL	Entity with significant influence over the Company	20%
Gratuity funds (Management and Non-Management)	Post employment benefit plan	-
Provident fund	Post employment benefit plan	-
Chief Executive and Directors	Key management personnel	-

ANY CONTRACT OR ARRANGEMENT WITH THE RELATED PARTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS

Related party transactions neither deviate from the company's normal business operations nor are they made on terms that deviate from market equivalent.

APPROVED POLICY FOR RELATED PARTY TRANSACTIONS INCLUDING POLICY FOR DISCLOSURE OF INTEREST BY DIRECTORS IN THIS REGARD

There is an approved policy for related party transactions and all the related party transactions are reviewed and approved by the Board. Interested Directors are required to disclose their interest and they are not allowed to participate in the voting on any transaction in which they are interested.



Management's Responsibility

TOWARDS THE PREPARATION AND PRESENTATION OF 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 the Companies Act, 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.

COMPLIANCE OF

International Financial Reporting Standards



(IFRS) ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of IFRS issued by the 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.



Mari Deep Central Processing facility - Dsharki

Cash Flows and Financing Arrangements



Analysis of Liquidity

The Company remained sufficiently liquid during the year owing to timely billing and recovery of invoices from the customers, which resulted in increase in cash and cash equivalents at the year end.

Analysis of Cash Flows

Cash and cash equivalents were Rs. 27,336 million as against Rs 15,706 million in the previous year. During the year, an amount of Rs. 20,436 million was generated from operating activities of the Company, which was used mainly to undertake exploration and production activities, capital expenditures and payment of dividends.

Strategies to overcome liquidity problem

Even a short term liquidity problem can quickly result in serious problem for any company. MPCL does not foresee any liquidity problem in the year ahead. In the quest to evade any liquidity problem, the Company bills its customers in a timely fashion and follows up any unpaid invoices as soon as they become past due. The Company enjoys sound banking relationships and therefore has the

capacity to arrange short term loan/ overdraft facility whenever required.

Financing Arrangements

Reliance on external financing is secondary to internally generated cash which represents the Company's primary source of working capital thereby minimising financing costs through effective liquidity management. External financing is arranged when required, after extensive cash flow forecasting for working capital, investment or capital expenditure requirements.

Repayment of Debts, Defaults In Repayments and Recovery of Losses, if any

There is no external financing of the Company. The Company commands strong debt raising capacity besides the ability to generate sufficient revenues from operating activities for operating cash requirements. Liquid assets including cash and bank balances, short term investments and trade debts, in addition to projected revenue / cash forecasts indicate availability of sufficient repayment capacity, besides providing leverage to adequately manage recovery

of losses, if any. Further, surplus funds are available for investments to generate incremental liquidity / revenues for the Company.

Contribution to National Exchequer

MPCL contributed around Rs 77,046 million to the Government exchequer during the year (Rs 70,409 million during 2017-18) mainly on account of gas development surcharge, gas infrastructure development cess, sales tax, excise duty, royalty, workers' funds and income tax.

Significant Changes in Financial Position

PERFORMANCE AND CASH FLOWS FROM THE PREVIOUS YEAR



FINANCIAL POSITION

Shareholders' Equity

Shareholders' equity comprising of share capital and reserves witnessed an increase of 58% from the last year, due to increase in unappropriated profit for the year.

Non Current Liabilities

Non current liabilities increased mainly due to increase in provision for decommissioning cost during the year.

Current Liabilities

Overall, current liabilities increased by 52%. This is due to increase in trade and other payables primarily due to increase in GIDC payable.

Non Current Assets

Non current assets have increased from Rs. 29.76 billion in 2017-18 to Rs. 36.41 billion in 2018-19, mainly due to increase in property, plant and equipment and exploration & evaluation assets thus strengthening the Company's asset base.

Current Assets

Current assets mainly comprise of trade debts, short term investments and cash & bank balances. On an aggregate basis, current assets

increased from Rs. 114.41 billion in 2017-18 to Rs. 183.65 billion in 2018-19, primarily on account of increase in trade debts due to GIDC matter sub *judice* in the apex courts and short term investments.

FINANCIAL PERFORMANCE

Sales

Gross and net sales increased by 17% and 46% respectively mainly due to increase in sale prices.

Exploration and Prospecting Expenditure

Exploration and prospecting expenditure increased from Rs. 3.31 billion in 2017-18 to Rs. 4.31 billion in 2018-19. This increase is mainly due to increase in prospecting expenditure of joint operations during the year.

Finance Income

Finance income has increased by 131% from Rs. 7.66 million in 2017-18 to Rs. 1.767 million in 2018-19 due to increase in cash and cash equivalents and profit rates.

Profit for the Year

Profit for the year is Rs 24.33 billion as compared to Rs 15.37 billion in

the previous year. Increase in net sales, other income and finance income were the major reasons for increase in profitability. This was partially offset by increase in royalty, operating expenses, exploration and prospecting expenditure, other charges, finance cost and provision for taxation.

CASH FLOWS

Cash and cash equivalents were Rs 27,336 million as against Rs 15,706 million in the previous year. During the year, an amount of Rs 20,436 million was generated from operating activities of the Company which was used mainly to undertake exploration and development activities, capital expenditures and payment of dividends.

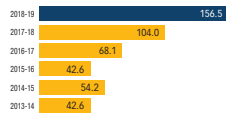
Horizontal Analysis

STATEMENT OF FINANCIAL POSITION

	2019	19 vs 18 %age	2018	18 vs 17 %age	2017	17 vs 16 %age	2016	16 vs 15 %age	2015	15 vs 14 %age	2014	14 vs 13 %age
(Rupees in thousand)												
EQUITY AND LIABILITIES												
Share capital and reserves												
Issued, subscribed and paid up capital	1,212,750	10.00	1,102,500	-	1,102,500	-	1,102,500	-	1,102,500	20.00	918,750	-
Undistributed percentage return reserve	602,415	(1.74)	613,109	23.50	496,436	16.30	426,867	7.98	395,331	(4.51)	414,014	(28.49)
Other reserves	13,190,001	8.20	12,190,001	8.94	11,190,001	4.68	10,690,001	7.30	9,962,850	73.57	5,739,995	12.40
Profit and loss account	48,601,563	84.89	26,286,128	106.19	12,748,733	168.59	4,746,555	13,256.66	35,537	(99.64)	9,749,472	40.23
	63,606,729	58.26	40,191,738	57.38	25,537,670	50.52	16,965,923	47.58	11,496,218	(31.66)	16,822,231	24.09
Non current liabilities												
Long term financing	-	-	-	-	4,172,727	317.27	1,000,000	(89.24)	9,290,001	2,693.94	332,505	(78.45)
Deferred liabilities	10,057,962	26.48	7,952,336	6.26	7,483,812	13.79	6,576,575	20.25	5,468,973	16.00	4,714,598	23.48
	10,057,962	26.48	7,952,336	(31.78)	11,656,539	53.85	7,576,575	(48.66)	14,758,974	192.42	5,047,103	(5.86)
Current liabilities												
Trade and other payables	140,372,206	49.49	93,903,238	70.22	55,165,162	59.22	34,647,573	(4.38)	36,235,805	0.45	36,074,046	162.05
Unclaimed dividend	32,563	68.10	19,371	12.14	17,274	70.36	10,140	(1.87)	10,333	9.81	9,410	32.70
Unpaid dividend	7,544	(34.48)	11,514	31.84	8,733	(24.11)	11,508	(97.19)	410,241	338.53	93,550	(0.50)
Current maturity of long term financing	-	-	-	(100.00)	955,037	529.25	151,774	(90.70)	1,632,505	18.37	1,379,173	43.42
Interest accrued on long term financing	-	-	-	(100.00)	254,552	29.77	196,154	(82.32)	1,109,742	2,858.21	37,514	(10.76)
Provision for income tax	5,985,202	186.72	2,087,503	100.00	-	-	-	-	-	-	-	(100.00)
Long term financing	146,397,515	52.46	96,021,626	70.25	56,400,758	61.07	35,017,149	(11.12)	39,398,626	4.80	37,593,693	146.12
	220,062,206	52.65	144,165,700	54.03	93,594,967	57.14	59,559,647	(9.28)	65,653,818	10.41	59,463,027	73.91
ASSETS												
Non current assets												
Property, plant and equipment	16,176,231	21.93	13,266,282	4.55	12,688,670	15.11	11,023,452	12.78	9,774,533	12.71	8,671,909	48.02
Development and production assets	12,755,574	7.31	11,886,872	60.42	7,409,878	146.83	3,002,063	37.22	2,187,715	(39.59)	3,621,571	74.72
Exploration and evaluation assets	6,553,548	143.67	2,689,549	(54.96)	5,972,108	(40.78)	10,084,055	7.28	9,399,602	105.04	4,584,270	9.50
Long term loans and advances	39,755	12.27	35,411	9.86	32,233	19.08	27,069	32.11	20,489	168.78	7,623	3.01
Long term deposits and prepayments	230,999	267.31	62,890	141.87	26,002	72.15	15,104	41.97	10,639	(41.97)	18,335	31.12
Deferred income tax asset	651,147	(64.21)	1,819,166	(15.87)	2,162,308	(19.34)	2,680,622	12.03	2,392,765	23.95	1,930,387	22.12
	36,407,254	22.34	29,760,170	5.19	28,291,199	5.44	26,832,365	12.81	23,785,743	26.29	18,834,095	37.27
CURRENT ASSETS												
Stores and spares	2,349,391	250.11	671,051	(33.89)	1,015,000	(53.17)	2,167,328	26.16	1,717,945	105.73	835,055	1.76
Trade debts	148,939,878	56.29	95,294,994	75.09	54,426,085	102.42	26,887,469	(16.90)	32,355,308	3.82	31,165,789	162.37
Loans and advances	4,752,460	87.67	2,532,344	54.41	1,640,065	14.09	1,437,456	(18.11)	1,755,283	2.66	1,709,860	99.78
Short term investments	20,700,000	145.34	8,437,354	134.07	3,604,596	100.00	-	-	-	-	-	-
Short term prepayments	92,919	39.28	66,714	1.55	65,697	(18.08)	80,193	(34.45)	122,341	119.03	55,857	(16.47)
Interest accrued	105,747	2.48	103,183	119.39	47,031	1,087.35	3,961	106.09	1,922	(67.00)	5,824	(79.74)
Other receivables	78,739	154.14	30,982	(22.11)	39,779	86.47	21,333	550.00	3,282	(99.64)	913,739	(192.01)
Income tax paid in advance	-	-	-	(100.00)	1,142,319	(24.02)	1,503,388	48.65	1,011,359	(59.13)	635,545	100.00
Cash and bank balances	6,635,818	(8.71)	7,268,908	118.73	3,323,196	430.73	626,154	(37.22)	4,900,635	(7.66)	5,307,263	(18.46)
	183,654,952	60.53	114,405,530	75.19	65,303,768	99.54	32,727,282	(21.83)	41,868,075	3.05	40,628,932	98.46
	220,062,206	52.65	144,165,700	54.03	93,594,967	57.14	59,559,647	(9.28)	65,653,818	10.41	59,463,027	73.91

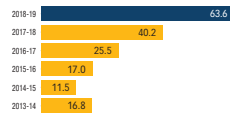
Total Liabilities

(Rupees in billion)



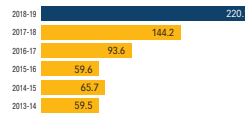
Total Share Capital and Reserves

(Rupees in billion)



Total Assets

(Rupees in billion)



ANALYSIS

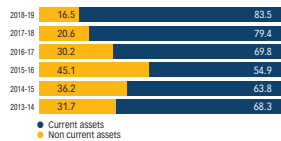
In 2018-19, total assets increased by 53% primarily due to increase in current assets. Increase in current assets is mainly due to increase in trade debts and cash and cash equivalents. On equity and liabilities side, share capital and reserves increased by 58% mainly due to increase in profit and loss account on account of retained profit. Non current liabilities increased by 26% primarily due to increase in provision for decommissioning cost while current liabilities increased by 52% principally due to increase in GIDC payable.

Vertical Analysis

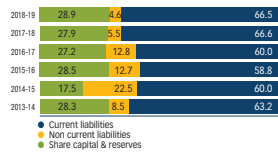
STATEMENT OF FINANCIAL POSITION

	2019	% age	2018	% age	2017	% age	2016	% age	2015	% age	2014	% age
(Rupees in thousand)												
EQUITY AND LIABILITIES												
Share capital and reserves												
Issued, subscribed and paid up capital	1,212,750	0.55	1,102,500	0.76	1,102,500	1.18	1,102,500	1.85	1,102,500	1.68	918,750	1.55
Undistributed percentage return reserve	602,415	0.27	613,109	0.43	496,436	0.53	426,867	0.72	395,331	0.60	414,014	0.70
Other reserves	13,190,001	5.99	12,190,001	8.46	11,190,001	11.96	10,690,001	17.95	9,962,850	15.17	5,739,995	9.65
Profit and loss account	48,601,563	22.09	26,286,128	18.23	12,748,733	13.62	4,746,555	7.97	35,537	0.06	9,749,472	16.40
	63,606,729	28.90	40,191,738	27.88	25,537,670	27.29	16,965,923	28.49	11,496,218	17.51	16,822,231	28.30
Non Current Liabilities												
Long term financing	-	-	-	-	4,172,727	4.45	1,000,000	1.68	9,290,001	14.15	332,505	0.54
Deferred liabilities	10,057,962	4.57	7,952,336	5.51	7,483,812	8.00	6,576,575	11.04	5,468,973	8.33	4,714,598	7.93
	10,057,962	4.57	7,952,336	5.51	11,656,539	12.45	7,576,575	12.72	14,758,974	22.48	5,047,103	8.47
Current Liabilities												
Trade and other payables	140,372,206	63.79	93,903,238	65.14	55,165,162	58.94	34,647,573	58.17	36,235,805	55.19	36,074,046	60.67
Unclaimed dividend	32,563	0.01	19,371	0.01	17,274	0.02	10,140	0.02	10,333	0.02	9,410	0.02
Unpaid dividend	7,544	0.01	11,514	0.01	8,733	0.01	11,508	0.02	410,241	0.62	93,550	0.16
Current maturity of long term financing	-	-	-	-	955,037	1.02	151,774	0.25	1,632,505	2.49	1,379,173	2.32
Interest accrued on long term financing	-	-	-	-	254,552	0.27	196,154	0.33	1,109,742	1.69	37,514	0.06
Provision for income tax	5,985,202	2.72	2,087,503	1.45	-	-	-	-	-	-	-	-
	146,397,515	66.53	96,021,626	66.61	56,400,758	60.26	35,017,149	58.79	39,398,626	60.01	37,593,693	63.23
	220,062,206	100.00	144,165,700	100.00	93,594,967	100.00	59,559,647	100.00	65,653,818	100.00	59,463,027	100.00
ASSETS												
Non current assets												
Property, plant and equipment	16,176,231	7.35	13,266,282	9.20	12,688,670	13.56	11,023,452	18.51	9,774,533	14.89	8,671,909	14.58
Development and production assets	12,755,574	5.80	11,886,872	8.25	7,409,878	7.92	3,002,063	5.04	2,187,715	3.33	3,621,571	6.09
Exploration and evaluation assets	6,553,548	2.97	2,689,549	1.87	5,972,108	6.38	10,084,055	16.92	9,399,602	14.32	4,584,270	7.71
Long term loans and advances	39,755	0.02	35,411	0.02	32,233	0.03	27,069	0.05	20,489	0.03	7,623	0.01
Long term deposits and prepayments	230,999	0.10	62,890	0.04	26,002	0.03	15,104	0.03	10,639	0.02	18,335	0.03
Deferred income tax asset	651,147	0.30	1,819,166	1.26	2,162,308	2.31	2,680,622	4.50	2,392,765	3.64	1,930,387	3.25
	36,407,254	16.54	29,760,170	20.64	28,291,199	30.23	26,832,365	45.05	23,785,743	36.23	18,834,095	31.67
Current assets												
Stores and spares	2,349,391	1.07	671,051	0.47	1,015,000	1.08	2,167,328	3.64	1,717,945	2.62	835,055	1.40
Trade debts	148,939,878	67.67	95,294,994	66.10	54,426,085	58.15	26,887,469	45.14	32,355,308	49.28	31,165,789	52.41
Loans and advances	4,752,460	2.16	2,532,344	1.76	1,640,065	1.75	1,437,456	2.42	1,755,283	2.68	1,709,860	2.88
Short term investments	20,700,000	9.41	8,437,354	5.85	3,604,596	3.85	-	-	-	-	-	-
Short term prepayments	92,919	0.04	66,714	0.05	65,697	0.07	80,193	0.13	122,341	0.19	55,857	0.09
Interest accrued	105,747	0.05	103,183	0.07	47,031	0.05	3,961	0.01	1,922	0.00	5,824	0.01
Other receivables	78,739	0.04	30,982	0.02	39,779	0.04	21,333	0.04	3,282	0.00	913,739	1.54
Income tax paid in advance	-	-	-	-	1,142,319	1.22	1,503,388	2.52	1,011,359	1.54	635,545	1.07
Cash and bank balances	6,635,818	3.02	7,268,908	5.04	3,323,196	3.56	626,154	1.05	4,900,635	7.46	5,307,263	8.93
	183,654,952	83.46	114,405,530	79.36	65,303,768	69.77	32,727,282	54.95	41,868,075	63.77	40,628,932	68.33
	220,062,206	100.00	144,165,700	100.00	93,594,967	100.00	59,559,647	100.00	65,653,818	100.00	59,463,027	100.00

Composition of Assets
(Percentage)



Composition of Equity & Liabilities
(Percentage)



ANALYSIS

In 2018-19, total assets comprise of 83% current assets and 17% non-current assets. Current assets increased from the last year mainly due to increase in trade debts and cash and cash equivalents. Further, increase in non current assets is mainly due to increase in property, plant and equipment and exploration and evaluation assets. On the other side, liabilities and equity almost remained in the same proportion as compared to the last year.

Horizontal Analysis

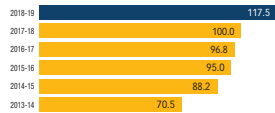
STATEMENT OF PROFIT OR LOSS

	2019	19 vs 18 %age	2018	18 vs 17 %age	2017	17 vs 16 %age	2016	16 vs 15 %age	2015	15 vs 14 %age	2014	14 vs 13 %age
Gross sales to customers	117,542,103	17.49	100,042,839	3.38	96,775,974	1.87	94,997,719	7.66	88,239,537	25.24	70,454,050	11.35
Gas development surcharge	9,280,308	(15.86)	11,029,741	(43.67)	19,580,832	(24.28)	25,859,852	43.52	18,017,729	(9.73)	19,959,539	(6.06)
General sales tax	12,098,286	3.69	11,668,172	(15.11)	13,745,689	1.75	13,509,334	9.20	12,370,744	24.29	9,952,761	17.51
Excise duty	1,888,366	(0.95)	1,906,530	6.25	1,794,397	5.91	1,694,205	3.94	1,630,044	5.31	1,547,845	3.47
Gas infrastructure development cess	34,827,136	0.19	34,762,028	3.83	33,479,569	4.84	31,933,382	(11.42)	36,050,495	51.90	23,733,661	31.58
Wind fall levy	-	-	-	-	-	(100.00)	288,182	(63.73)	794,504	53.91	516,224	1.56
Surplus/(deficit) under the Gas Price Agreement	-	-	-	-	-	-	-	-	-	(100.00)	(133,949)	(107.72)
	58,094,096	(2.14)	59,366,471	(13.46)	68,600,487	(6.39)	73,284,955	6.42	68,863,516	23.91	55,576,081	7.93
Sales - net	59,448,007	46.15	40,676,368	44.37	28,175,487	29.76	21,712,764	12.06	19,376,021	30.23	14,877,969	26.32
Royalty	7,574,515	46.20	5,180,869	44.57	3,583,522	30.31	2,750,095	9.17	2,519,026	31.06	1,922,086	25.51
	51,873,492	46.14	35,495,499	44.34	24,591,965	29.69	18,962,669	12.49	16,856,995	30.11	12,955,883	26.44
Operating expenses	11,712,974	17.30	9,985,411	34.03	7,450,011	29.26	5,763,609	7.21	5,376,244	22.88	4,375,198	(3.12)
Exploration and prospecting expenditure	4,308,006	29.96	3,314,839	(14.58)	3,880,797	(39.95)	6,462,126	102.30	3,194,383	2.51	3,116,299	24.85
Other charges	2,435,811	68.25	1,447,747	99.33	726,290	44.70	501,943	0.65	498,725	54.61	322,563	(2.49)
	18,456,791	25.15	14,747,997	22.32	12,057,098	(5.27)	12,727,678	40.34	9,069,352	16.06	7,814,060	6.42
	33,416,701	61.06	20,747,502	65.52	12,534,867	101.04	6,234,991	(19.94)	7,787,643	51.46	5,141,823	77.10
Other income/(expenses)	326,087	(156.04)	(581,846)	(29.07)	(820,328)	(246.54)	559,789	1,495.66	35,082	(107.36)	(476,755)	(150.08)
Operating profit	33,742,788	67.33	20,165,656	72.14	11,714,539	72.40	6,794,780	(13.14)	7,822,725	67.69	4,665,068	21.00
Finance income	1,767,306	130.83	765,616	228.58	233,006	(31.62)	340,730	(34.13)	517,239	(12.87)	593,674	128.79
Finance cost	801,760	25.33	639,728	(19.84)	798,086	39.03	574,058	(67.90)	1,788,092	102.94	881,105	40.66
Profit before taxation	34,708,334	71.05	20,291,544	82.00	11,149,459	69.92	6,561,452	0.15	6,551,872	49.67	4,377,637	25.49
Provision for taxation	10,381,246	111.12	4,917,204	144.24	2,013,265	294.76	509,997	(43.43)	901,559	107.57	434,334	(59.31)
Profit for the year	24,327,088	58.23	15,374,340	68.28	9,136,194	50.98	6,051,455	7.10	5,650,313	43.29	3,943,303	62.87

(Rupees in thousand)

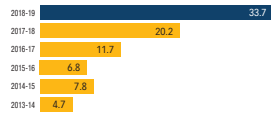
Gross Sales

(Rupees in billion)



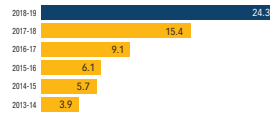
Operating Profit

(Rupees in billion)



Net Profit

(Rupees in billion)



ANALYSIS
Increase in net sales, other income and finance income were the major reasons for increase in profitability in 2018-19 as compared to 2017-18. This was partially offset by increase in royalty, operating expenses, exploration and prospecting expenditure, other charges, finance cost and provision for taxation.

Vertical Analysis

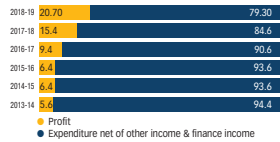
STATEMENT OF PROFIT OR LOSS

(Rupees in thousand)

	2019	% age	2018	% age	2017	% age	2016	% age	2015	% age	2014	% age
Gross sales to customers	117,542,103	100.00	100,042,839	100.00	96,775,974	100.00	94,997,719	100.00	88,239,537	100.00	70,454,050	100.00
Gas development surcharge	9,280,308	7.90	11,029,741	11.03	19,580,832	20.23	25,859,852	27.22	18,017,729	20.42	19,959,539	28.33
General sales tax	12,098,286	10.29	11,668,172	11.66	13,745,689	14.20	13,509,334	14.22	12,370,744	14.02	9,952,761	14.13
Excise duty	1,888,366	1.61	1,906,530	1.91	1,794,397	1.85	1,694,205	1.78	1,630,044	1.85	1,547,845	2.20
Gas infrastructure development cess	34,827,136	29.63	34,762,028	34.74	33,479,569	34.59	31,933,382	33.61	36,050,495	40.86	23,733,661	33.69
Wind fall levy	-	-	-	-	-	-	288,182	0.30	794,504	0.90	516,224	0.73
Surplus / (deficit) under the Gas Price Agreement	-	-	-	-	-	-	-	-	-	-	(133,949)	(0.19)
	58,094,096	49.43	59,366,471	59.34	68,600,487	70.89	73,284,955	77.14	68,863,516	78.04	55,576,081	78.88
Sales - net	59,448,007	50.57	40,676,368	40.66	28,175,487	29.11	21,712,764	22.86	19,376,021	21.96	14,877,969	21.12
Royalty	7,574,515	6.44	5,180,869	5.18	3,583,522	3.70	2,750,095	2.89	2,519,026	2.85	1,922,086	2.73
	51,873,492	44.13	35,495,499	35.48	24,591,965	25.41	18,962,669	19.96	16,856,995	19.10	12,955,883	18.39
Operating expenses	11,712,974	9.96	9,985,411	9.98	7,450,011	7.70	5,763,609	6.07	5,376,244	6.09	4,375,198	6.21
Exploration and prospecting expenditure	4,308,006	3.67	3,314,839	3.31	3,880,797	4.01	6,462,126	6.80	3,194,383	3.62	3,116,299	4.42
Other charges	2,435,811	2.07	1,447,747	1.45	726,290	0.75	501,943	0.53	498,725	0.57	322,563	0.46
	18,456,791	15.70	14,747,997	14.74	12,057,098	12.46	12,727,678	13.40	9,069,352	10.28	7,814,060	11.09
	33,416,701	28.43	20,747,502	20.74	12,534,867	12.95	6,234,991	6.56	7,787,643	8.83	5,141,823	7.30
Other income / (expenses)	326,087	0.28	(581,846)	(0.58)	(820,328)	(0.85)	559,789	0.59	35,082	0.04	(476,755)	(0.68)
Operating profit	33,742,788	28.71	20,165,656	20.16	11,714,539	12.10	6,794,780	7.15	7,822,725	8.87	4,665,068	6.62
Finance income	1,767,306	1.50	765,616	0.77	233,006	0.24	340,730	0.36	517,239	0.59	593,674	0.84
Finance cost	801,760	0.68	639,728	0.64	798,086	0.82	574,058	0.60	1,788,092	2.03	881,105	1.25
Profit before taxation	34,708,334	29.53	20,291,544	20.28	11,149,459	11.52	6,561,452	6.91	6,551,872	7.43	4,377,637	6.21
Provision for taxation	10,381,246	8.83	4,917,204	4.92	2,013,265	2.08	509,997	0.54	901,559	1.02	434,334	0.62
Profit for the year	24,327,088	20.70	15,374,340	15.37	9,136,194	9.44	6,051,455	6.37	5,650,313	6.40	3,943,303	5.60

Composition of Statement of Profit or Loss

(Percentage)



ANALYSIS

During 2018-19, net sales were 50.58% of gross sales as compared to 40.66% in the last year. Further, percentage of profit for the year to gross sales increased to 20.70% from 15.37% of the last year.

Ten Years at a Glance



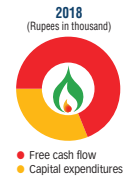
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
(Rupees in million)										
FINANCIAL										
Revenue	119,635.50	100,226.61	96,188.65	95,898.24	88,791.86	70,570.97	65,128.56	48,228.33	32,177.82	28,979.37
Government levies:										
Income tax, other charges, royalty, excise duty, general sales tax, gas development surcharge and gas infrastructure development cess	77,045.51	70,409.10	74,298.34	77,328.34	73,242.31	58,599.39	55,511.89	41,617.72	26,647.09	23,061.72
Sales - net	59,448.01	40,676.37	28,175.49	21,712.76	19,376.02	14,877.97	11,777.77	7,555.92	7,128.27	6,423.01
Operating profit	33,742.79	20,165.66	11,714.54	6,794.78	7,822.73	4,665.07	3,198.70	1,725.80	2,778.43	2,460.75
Profit before taxation	34,708.33	20,291.54	11,149.46	6,561.45	6,551.87	4,377.64	3,488.49	1,402.50	2,708.90	2,341.47
Profit for the year	24,327.09	15,374.34	9,136.19	6,051.46	5,650.31	3,943.30	2,421.08	1,115.17	1,725.30	1,185.95
Issued, subscribed and paid up capital	1,212.75	1,102.50	1,102.50	1,102.50	1,102.50	918.75	918.75	918.75	735.00	735.00
Reserves	62,393.98	39,089.24	24,435.17	15,863.42	10,393.72	15,903.48	12,637.98	10,557.40	9,935.42	8,455.83
Property, plant and equipment - at cost	27,648.46	22,345.12	20,315.85	17,217.73	14,857.61	12,798.64	9,426.47	7,560.05	7,417.33	6,699.57
Net current assets/(liabilities)	37,257.44	18,383.90	8,903.01	(2,289.87)	2,469.45	3,035.24	5,197.97	4,284.04	3,265.80	3,231.97
Long term liabilities including deferred liabilities	10,057.96	7,952.34	11,656.54	7,576.58	14,758.97	5,047.10	5,361.39	5,362.28	4,966.34	4,471.03
(Rupees in thousand)										
NATURAL GAS										
Development and production leases (sq. kilometres)	1,209.1	1,162.2	1,140.5	1,111.7	1,093.5	1,093.5	1,093.5	1,093.5	1,093.5	1,093.5
Estimated ultimate recovery of proved reserves (BSCF)										
- Operated fields/blocks	10,986.34	10,655.8	10,653.2	8,440.9	8,427.9	8,402.9	8,398.4	8,398.4	8,321.7	8,299.3
Cumulative production (BSCF) *	5,859.5	5,602.4	5,345.2	5,101.4	4,869.4	4,644.6	4,427.3	4,216.1	4,009.7	3,821.9
Number of producing wells	159	135	127	124	119	118	114	107	99	98
Production (BSCF) *	257.14	257.16	243.84	232.0	224.7	217.3	211.2	206.5	187.8	179.7
Daily average (BSCF) *	0.704	0.705	0.668	0.634	0.616	0.595	0.579	0.564	0.515	0.492
(Rupees in thousand)										
OIL										
Production (barrels) *	405,055	543,820	554,081	472,413	414,433	175,312	192,259	124,279	130,093	62,212
(Rupees in thousand)										
LPG										
Production (metric ton) *	19.83	-	20	25	362	263	477	2,062	5,031	1,231

* MPCL's share

Free Cash Flow



Description	June 30, 2019	June 30, 2018
Cash Provided by Operating Activities	20,436,053	20,225,239
Less: Capital Expenditures		
Property, plant & equipment	3,119,481	2,182,761
Development and production assets	2,413,957	1,650,534
Exploration and evaluation assets	4,325,361	2,424,676
	9,858,799	6,257,971
Free Cash Flow	10,577,254	13,967,268



COMPOSITION OF Local vs Imported Material and Sensitivity Analysis DUE TO FOREIGN CURRENCY FLUCTUATIONS

A substantial portion (~55%) of our annual procurement spend comprises of foreign materials and services, while major spend remains in USD. With ~30% inflation of US dollar rate against Pak Rupee over the last year, the degree of volatility and uncertainty built into the current economic environment is unprecedented.

Exchange rate fluctuation is one of the major barriers faced by our global sourcing initiatives aimed at procuring quality materials and achieving incremental cost savings. Deteriorating exchange rate may result in zero or even negative savings in terms of local currency.

Further, deteriorating exchange rate also adversely affects the local sourcing initiatives as our key suppliers import a significant portion of raw materials which proportionately impacts prices quoted by them.

Statement of Value Added

	Year 2018-19		Year 2017-18	
	(Rs. in million)	% age	(Rs. in million)	% age
Gross sales to customers	117,542.10	108.62	100,042.84	110.50
Operating and exploration expenses	(9,306.12)	(8.60)	(8,641.12)	(9.54)
	108,235.98	100.02	91,401.72	100.95
Other income and other expenses	(22.70)	(0.02)	(862.43)	(0.95)
Total value added	108,213.28	100.00	90,539.29	100.00
DISTRIBUTED AS FOLLOWS:				
Employees as remuneration and benefits	6,451.59	5.96	4,618.15	5.10
Government as levies:				
- Direct	9,682.02	8.95	4,824.38	5.33
- Indirect	67,363.49	74.40	65,584.72	72.44
	77,045.51	71.20	70,409.10	77.77
Shareholder as dividends	759.84	0.70	709.93	0.78
Social welfare	540.48	0.50	202.99	0.22
Providers of long term finance as financial charges	-	0.00	26.56	0.03
Retained within the business	23,415.87	21.64	14,572.56	16.10
	108,213.28	100.00	90,539.29	100.00



71.20% ● Government as levies
21.64% ● Retained within the business
5.96% ● Employees as remuneration and benefits
0.70% ● Shareholder as dividends
0.50% ● Social welfare
0.00% ● Providers of long term finance as financial charges



77.77% ● Government as levies
16.10% ● Retained within the business
5.10% ● Employees as remuneration and benefits
0.78% ● Shareholder as dividends
0.22% ● Social welfare
0.03% ● Providers of long term finance as financial charges

Statement of Charity Account

(Rupees in thousand)

Description	2018-19
Health care	147,231
Education	104,560
Social Welfare	288,684
	540,475

Economic Value Added

Rs 15,596 million

Pattern of Shareholding

AS AT JUNE 30, 2019

No. of Shareholders	Shareholding	Total shares held
833	1	100
539	101	500
357	501	1,000
522	1,001	5,000
114	5,001	10,000
44	10,001	15,000
25	15,001	20,000
12	20,001	25,000
9	25,001	30,000
7	30,001	35,000
13	35,001	40,000
8	40,001	45,000
4	45,001	50,000
6	50,001	55,000
1	55,001	60,000
3	60,001	65,000
2	65,001	70,000
1	70,001	75,000
4	75,001	80,000
2	80,001	85,000
1	85,001	90,000
1	90,001	95,000
1	95,001	100,000
3	100,001	105,000
3	105,001	110,000
2	110,001	115,000
1	115,001	120,000
1	120,001	125,000
2	125,001	130,000
2	130,001	135,000
2	140,001	145,000
1	145,001	150,000
1	150,001	155,000
1	155,001	160,000
2	170,001	175,000
1	190,001	195,000
1	210,001	215,000
1	220,001	225,000
1	235,001	240,000
1	250,001	255,000
1	255,001	260,000
1	270,001	275,000
1	285,001	290,000
1	290,001	295,000
1	360,001	365,000
1	370,001	375,000
2	410,001	415,000
1	420,001	425,000
1	430,001	435,000
1	470,001	475,000
1	495,001	500,000
1	665,001	670,000
2	1,390,001	1,397,000
1	1,685,001	1,690,000
1	1,940,001	1,945,000
1	2,090,001	2,095,000
1	2,650,001	2,655,000
1	22,295,001	22,300,000
1	24,050,001	24,055,000
1	48,105,001	48,110,000
2,557		121,275,000

Pattern of Shareholding as at June 30, 2019

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	24,052,875	202,125	24,255,000	20.00
- Committee of Administration Fauji Foundation	1	48,105,750	404,250	48,510,000	40.00
Mutual Funds					
- CDC - Trustee HBL Energy Fund	1	109,618	-	109,618	0.09
- CDC - Trustee ABL Stock Fund	1	294,910	-	294,910	0.24
- CDC - Trustee AKD Index Tracker Fund	1	5,535	47	5,582	0.00
- CDC - Trustee Al Ameen Islamic Dedicated Equity Fund	1	498,515	-	498,515	0.41
- CDC - Trustee Al Meezan Mutual Fund	1	363,770	1,540	365,310	0.30
- CDC - Trustee Al Ameen Islamic Asset Allocation Fund	1	133,686	-	133,686	0.11
- CDC - Trustee Al Ameen Shariah Stock Fund	1	470,686	-	470,686	0.39
- CDC - Trustee Alfalah Capital Preservation Fund II	1	2,680	-	2,680	0.00
- CDC - Trustee Alfalah GHP Alpha Fund	1	63,131	-	63,131	0.05
- CDC - Trustee Alfalah GHP Islamic Dedicated Equity Fund	1	780	-	780	0.00
- CDC - Trustee Alfalah GHP Islamic Stock Fund	1	115,462	-	115,462	0.10
- CDC - Trustee Alfalah GHP Value Fund	1	4,096	-	4,096	0.00
- CDC - Trustee Alfalah GHP Stock Fund	1	88,712	-	88,712	0.07
- CDC - Trustee Allied Energy Fund	1	39,250	59	39,309	0.03
- CDC - Trustee Allied Energy Fund	1	15,760	-	15,760	0.01
- CDC - Trustee APF - Equity Sub Fund	1	16,470	-	16,470	0.01
- CDC - Trustee APF - Equity Sub Fund	1	25,732	-	25,732	0.02
- CDC - Trustee Askari Equity Fund	1	2,002	-	2,002	0.00
- CDC - Trustee Atlas Islamic Dedicated Stock Fund	1	13,280	-	13,280	0.01
- CDC - Trustee Atlas Islamic Stock Fund	1	77,355	110	77,465	0.06
- CDC - Trustee Atlas Stock Market Fund	1	238,329	165	238,494	0.20
- CDC - Trustee Faysal Asset Allocation Fund	1	2,620	-	2,620	0.00
- CDC - Trustee Faysal Islamic Asset Allocation Fund	1	9,350	-	9,350	0.01
- CDC - Trustee Faysal Stock Fund	1	6,840	-	6,840	0.01
- CDC - Trustee First Capital Mutual Fund	1	5,300	85	5,385	0.00
- CDC - Trustee First Habib Asset Allocation Fund	1	800	-	800	0.00
- CDC - Trustee First Habib Stock Fund	1	3,800	-	3,800	0.00
- CDC - Trustee HBL Stock Fund	1	134,658	-	134,658	0.11
- CDC - Trustee HBL Equity Fund	1	14,459	-	14,459	0.01
- CDC - Trustee HBL IPF Equity Sub Fund	1	9,300	154	9,454	0.01
- CDC - Trustee HBL Islamic Asset Allocation Fund	1	29,214	-	29,214	0.02
- CDC - Trustee HBL Islamic Equity Fund	1	21,583	-	21,583	0.02
- CDC - Trustee HBL Multi - Asset Fund	1	6,958	-	6,958	0.01
- CDC - Trustee HBL PF Equity Sub Fund	1	10,828	-	10,828	0.01
- CDC - Trustee JS Islamic Dedicated Equity Fund	1	1,000	-	1,000	0.00
- CDC - Trustee JS Islamic Fund	1	48,894	-	48,894	0.04
- CDC - Trustee JS Islamic Pension Savings Fund-Equity Account	1	4,932	-	4,932	0.00
- CDC - Trustee JS Pension Savings Fund - Equity Account	1	18	-	18	0.00
- CDC - Trustee KSE Meezan Index Fund	1	52,867	362	53,229	0.04
- CDC - Trustee Lakson Equity Fund	1	104,702	1,111	105,813	0.09
- CDC - Trustee Lakson Islamic Tactical Fund	1	5,151	-	5,151	0.00
- CDC - Trustee Lakson Tactical Fund	1	17,424	-	17,424	0.01
- CDC - Trustee MCB Pakistan Asset Allocation Fund	1	14	-	14	0.00
- CDC - Trustee MCB Pakistan Stock Market Fund	1	36,865	-	36,865	0.03
- CDC - Trustee Meezan Asset Allocation Fund	1	60,720	-	60,720	0.05
- CDC - Trustee Meezan Balanced Fund	1	152,131	330	152,461	0.13

Categories of Shareholders	Numbers	Shares held	Pending Shares ***	Total Shares	%age
- CDC - Trustee Meezan Energy Fund	1	105,385	-	105,385	0.09
- CDC - Trustee Meezan Islamic Fund	1	2,092,939	9,899	2,102,838	1.73
- CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Fund	1	250,010	1,430	251,440	0.21
- CDC - Trustee NAFA Islamic Active Allocation - Equity Fund	1	69,941	-	69,941	0.06
- CDC - Trustee NAFA Islamic Energy Fund	1	102,115	-	102,115	0.08
- CDC - Trustee NAFA Islamic Principal Protected Fund - II	1	1,520	-	1,520	0.00
- CDC - Trustee NAFA Islamic Stock Fund	1	222,431	-	222,431	0.18
- CDC - Trustee NAFA Stock Fund	1	414,228	-	414,228	0.34
- CDC - Trustee NBP Balanced Fund	1	26,376	-	26,376	0.02
- CDC - Trustee NBP Islamic Samaya Izaifa Fund	1	210,786	-	210,786	0.17
- CDC - Trustee NBP Samaya Izaifa Fund	1	38,151	-	38,151	0.03
- CDC - Trustee PICIC Growth Fund	1	272,214	-	272,214	0.22
- CDC - Trustee PICIC Investment Fund	1	142,948	-	142,948	0.12
- CDC - Trustee UBL Asset Allocation Fund	1	7,538	-	7,538	0.01
- CDC - Trustee UBL Dedicated Equity Fund	1	12,098	-	12,098	0.01
- CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	61,767	-	61,767	0.05
- CDC - Trustee UBL Stock Advantage Fund	1	372,872	-	372,872	0.31
- CDC - Trustee Meezan Dedicated Equity Fund	1	93,360	-	93,360	0.08
- CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund - Equity Sub Fund	1	103,185	-	103,185	0.09
- CDC - Trustee Alhamrah Islamic Asset Allocation Fund	1	6	-	6	0.00
- CDC - Trustee First Habib Islamic Stock Fund	1	4,482	-	4,482	0.00
- CDC - Trustee HBL Islamic Stock Fund	1	51,681	-	51,681	0.04
- McFSL - Trustee Askari Islamic Asset Allocation Fund	1	2,772	-	2,772	0.00
- McFSL - Trustee JS Growth Fund	1	75,540	-	75,540	0.06
- MCBFSL - Trustee ABL Islamic Stock Fund	1	142,660	-	142,660	0.12
- MCBFSL - Trustee Allied Capital Protected Fund	1	474	-	474	0.00
- MCBFSL - Trustee HBL Islamic Dedicated Equity Fund	1	9,650	-	9,650	0.01
- MCBFSL - Trustee JS Value Fund	1	12,230	-	12,230	0.01
- MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	1	660	-	660	0.00
- MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	1	6,470	-	6,470	0.01
- MCBFSL - Trustee ABL Islamic Dedicated Stock Fund	1	84,884	-	84,884	0.07
- MCBFSL - Trustee ABL Islamic Asset Allocation Fund	1	9,160	-	9,160	0.01
- CDC - Trustee PIML Islamic Equity Fund	1	-	38	38	0.00
- CDC - Trustee PIML Strategic Multi Asset Fund	1	-	27	27	0.00
- CDC - Trustee First Crosby Dragon Fund	1	-	22	22	0.00
- CDC - Trustee JS KSE-30 Index Fund	1	-	8	8	0.00
Public Sector Companies and Corporations					
- Oil & Gas Development Company Limited	*	-	-	-	-
NIT & ICP					
- Investment Corporation of Pakistan	1	3,665	-	3,665	0.00
- IDBP (ICP Unit)	1	2,857	-	2,857	0.00
- CDC - Trustee National Investment (Unit) Trust	1	2,653,512	42,062	2,695,574	2.22
- CDC - Trustee NIT Islamic Equity Fund	1	108,000	-	108,000	0.09
- CDC - Trustee NIT Equity Market Opportunity Fund	1	410,408	5,376	415,784	0.34
- CDC - Trustee Unit Trust of Pakistan	1	65,898	-	65,898	0.05
- CDC - Trustee NITPF Equity Sub-Fund	1	4,080	-	4,080	0.00
- CDC - Trustee NITPF Equity Sub-Fund	1	1,660	-	1,660	0.00
Banks, Development Financial Institutions and Non-Banking Financial Institutions					
- National Development Finance Corporation	1	4,908	-	4,908	0.00

Pattern of Shareholding as at June 30, 2019

Categories of Shareholders

Categories of Shareholders	Numbers	Shares held	Pending Shares ***	Total Shares	%age
- Bank Alfalah Limited (CDC)	1	287,782	-	287,782	0.24
- Habib Bank Limited - Treasury Division (CDC)	1	84,900	-	84,900	0.07
- Meezan Bank Limited (CDC)	1	171,822	-	171,822	0.14
- National Bank of Pakistan (CDC)	1	1,396,054	-	1,396,054	1.15
- First Credit & Investment Bank Limited (CDC)	1	770	-	770	0.00
Insurance & Takaful Companies					
- Adamjee Life Assurance Company Limited DGF (CDC)	1	11,144	-	11,144	0.01
- Adamjee Life Assurance Company Limited (CDC)	1	13,062	-	13,062	0.01
- Adamjee Life Assurance Company Limited ISF (CDC)	1	5,820	-	5,820	0.00
- Adamjee Life Assurance Company Limited IMF (CDC)	1	74,645	-	74,645	0.06
- Allalah Insurance Company Limited (CDC)	1	7,472	-	7,472	0.01
- Askari General Insurance Company (CDC)	1	5,100	-	5,100	0.00
- Century Insurance Company Limited (CDC)	1	2,869	-	2,869	0.00
- EFU Life Assurance Limited (CDC)	1	434,980	-	434,980	0.36
- IGI Life Insurance Limited (CDC)	1	3,402	-	3,402	0.00
- Jubilee General Insurance Company Limited (CDC)	1	51,744	-	51,744	0.04
- Jubilee General Window Takaful Fund - PTF (CDC)	1	3,100	-	3,100	0.00
- Jubilee Life Insurance Company Limited (CDC)	1	1,689,539	-	1,689,539	1.39
- State Life Insurance Corp. of Pakistan (CDC)	1	1,394,496	-	1,394,496	1.15
- Takaful Pakistan Limited (CDC)	1	3,914	-	3,914	0.00
- Askari General Insurance Company Limited (CDC)	1	300	-	300	0.00
- Dawood Family Takaful Limited (CDC)	1	42,557	-	42,557	0.04
Modarabas					
- B.R.R. Guardian Modaraba (CDC)	1	10,153	-	10,153	0.01
- First Alnoor Modaraba (CDC)	1	176	-	176	0.00
Pension Funds					
- Trustee - ICI Pakistan Management Staff Pension Fund (CDC)	1	11,944	-	11,944	0.01
- Trustee - National Bank of Pakistan Employees Pension Fund (CDC)	1	421,606	-	421,606	0.35
- Pfizer Pakistan DC Pension Fund (CDC)	1	5,315	-	5,315	0.00
- Unilever Pakistan DC Pension Fund (Sub Fund A) (CDC)	1	8,245	-	8,245	0.01
- Unilever Pakistan DC Pension Fund (Sub Fund B) (CDC)	1	4,749	-	4,749	0.00
- Unilever Pension Plan (CDC)	1	403	-	403	0.00
- Wyeth Pakistan DC Pension Fund (CDC)	1	659	-	659	0.00
- CDC - Trustee ABL Islamic Pension Fund - Equity Sub Fund	1	5,830	-	5,830	0.00
- CDC - Trustee ABL Pension Fund - Equity Sub Fund	1	7,690	-	7,690	0.01
- CDC - Trustee NAFSA Islamic Pension Fund Equity Account	1	46,944	-	46,944	0.04
- CDC - Trustee NAFSA Islamic Pension Fund Equity Sub Fund Account	1	27,756	-	27,756	0.02
- Engro Corp. Limited - MPT Employees Def Contr Pension Fund (CDC)	1	2,958	-	2,958	0.00
- Indus Motor Company Limited Employees Pension Fund (CDC)	1	3,700	-	3,700	0.00
- Pakistan Refinery Limited Management Staff Pension Fund (CDC)	1	6,600	-	6,600	0.01
- Sanofi-Aventis Pak. Senior Executive Pension Fund (CDC)	1	3,520	-	3,520	0.00
- Trustee of Pak. Herald Publications (Pvt.) Limited - SPF (CDC)	1	2,890	-	2,890	0.00
- Trustee Pak Tobacco Co. Limited Staff Def Contr Pension Fund (CDC)	1	3,520	-	3,520	0.00
- Trustee Pak Tobacco Co. Limited Staff Pension Fund (CDC)	1	52,140	-	52,140	0.04
- Trustee ANPL Management Staff Pension Fund (CDC)	1	3,003	-	3,003	0.00
- Trustee of Crescent Steel & Allied Products Limited Pension Fund (CDC)	1	460	-	460	0.00
- Trustee of Pfizer Pakistan Pension Fund (CDC)	1	2,100	-	2,100	0.00
- Trustee Shell Pakistan DC Pension Fund (CDC)	1	8,943	-	8,943	0.01
- Trustee Shell Pakistan Management Staff Pension Fund (CDC)	1	11,385	-	11,385	0.01
- Trustee Shell Pakistan Staff Pension Fund (CDC)	1	194	-	194	0.00

Categories of Shareholders	Numbers	Shares held	Pending Shares ***	Total Shares	%age
- Pakistan Herald Publications (Pvt) Limited Staff Pension Fund (CDC)	1	1,000	-	1,000	0.00
- Trustee Nestle Pakistan Limited - Managerial Staff Pension Fund (CDC)	1	32,385	-	32,385	0.03
- CDC - Trustee AGIPF Equity Sub-Fund	1	2,167	-	2,167	0.00
- CDC - Trustee AGPF Equity Sub-Fund	1	1,572	-	1,572	0.00
- CDC - Trustee Pakistan Pension Fund - Equity Sub-Fund	1	2	-	2	0.00
- CDC - Trustee Alhama Islamic Pension Fund - Equity Sub-Fund	1	18	-	18	0.00
Shareholders Holdings 5% or more Voting Interest	**				
- Local Individuals	2,213	4,495,127	-	4,495,127	3.71
- Foreign Individuals	3	21,488	-	21,488	0.02
Others					
- Government of Pakistan	1	22,297,015	-	22,297,015	18.39
- Federal Board of Revenue	1	49,817	-	49,817	0.04
- Joint Stock Companies	64	1,026,749	-	1,026,749	0.85
- Executives	4	18,484	-	18,484	0.02
- Foreign Companies	18	178,327	-	178,327	0.15
- Others	106	2,408,961	-	2,408,961	1.99
	2,557	120,605,800	669,200	121,275,000	100
* Public Sector Companies and Corporations					
(Separately included above)					
- Oil & Gas Development Company Limited	-	24,052,875	202,125	24,255,000	20.00
** Shareholders holdings 5% or more voting interest					
(Separately included above)					
- Fauji Foundation	-	48,105,750	404,250	48,510,000	40.00
- Oil & Gas Development Company Limited	-	24,052,875	202,125	24,255,000	20.00
- Government of Pakistan	-	22,297,015	-	22,297,015	18.39
Shares held by Sponsor Shareholders					
- Fauji Foundation	-	48,105,750	404,250	48,510,000	40.00
- Oil & Gas Development Company Limited	-	24,052,875	202,125	24,255,000	20.00
- Government of Pakistan	-	22,297,015	-	22,297,015	18.39
Shares held by Directors and Executives					
- Directors	-	12	-	12	0.00
- Executives	-	18,484	-	18,484	0.02

During the financial year the trading in shares of the Company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows:

Name	Date	Purchase	Sale	Rate Rs. Per Share
Mr Awais-Ur-Rehman	January 8, 2019	120	-	1,358.33

*** Bonus Shares are withheld and have not been issued due to pending resolution of issue relating to deduction of withholding tax on issuance of bonus shares.



Directors' Report

We are pleased to present the directors' report together with the audited financial statements of the Company and the auditors' report thereon for the year ended June 30, 2019.

FINANCIAL RESULTS

The profit and appropriations for the year are as follows:

Rupees in thousand	
Profit	
Profit for the year after taxation	24,327,088
Other comprehensive loss	(151,372)
Un-appropriated profit brought forward	26,286,128
	50,461,844
Appropriations	
Final cash dividend @ 25% for the year ended June 30, 2018	(103,635)
First interim cash dividend @ 40% for the year ended June 30, 2019	(485,100)
Undistributed Percentage Return Reserve	(271,546)
Self-insurance reserve	(1,000,000)
Total for the year	(1,860,281)
	48,601,563

Gross sales for the year under review reached unprecedented level of Rs 117,542 million from Rs 100,043 million in the last year. The increase is mainly due to increase in sale prices. Company's contribution to the Government Exchequer also increased and amounted to Rs 77,046 million compared with Rs 70,409 million contributed in the last year. The operating expenses were Rs 11,713 million as against Rs 9,985 million for the last year.

Financial statements for the year show profit for the year of Rs 24,327 million, recording a healthy growth in the net profit from Rs 15,374 million in the previous year. Increase in net sales, other income and finance income were the major reasons for increase in profitability which was partially offset with increase in royalty, operating expenses, exploration and prospecting

expenditure, other charges, finance cost and provision for taxation.

Earnings per share (EPS) for the year crossed Rs. 200 mark and stood at Rs 200.59 per share as compared to last year's Rs 126.77 per share. EPS on the basis of distributable profits also increased to Rs 6.27 per share from Rs 5.85 per share for the last year.

The rate of return to the shareholders for the year, calculated on the basis of production, was 44.29%.

CASH FLOW STRATEGY

Cash and cash equivalents at the close of the year were Rs 27,336 million as against Rs 15,706 million in the previous year.

During the year, an amount of Rs 20,436 million was generated

from operating activities of the Company, which was mainly used to undertake exploration and development activities, capital expenditures and payment of dividends.

DIVIDENDS/BONUS SHARES

The Company has declared an interim dividend @ Rs 4.00 per ordinary share (40%) for the year ended June 30, 2019. Further, final cash dividend @ Rs 2.50 per share (25%) for the year ended June 30, 2018 and bonus shares @ 10% were also declared during the year.

FOREIGN EXCHANGE SAVINGS AND GOVERNMENT REVENUES

MPCL is a major contributor to the national economy. The Company's share of production of natural gas, condensate, crude oil and LPG from its Mari Field and other Joint Ventures for the financial year 2018-19 in terms of energy equivalent was 33,638,101 barrels. This has resulted in foreign exchange saving of around Rs 329 billion (2018: Rs 237 billion) for the year assuming an average crude oil price of US\$ 70.99 per barrel and average foreign exchange rate of US\$ = Rs 137.67 during the year (2018: average crude oil price of US\$ 62.90 per barrel and average foreign exchange rate of US\$ = Rs 110.59).

In addition, MPCL contributed around Rs 77,046 million to the Government exchequer during the year (Rs 70,409 million during 2017-18) mainly on account of gas development surcharge, gas infrastructure development cess, sales tax, excise duty, royalty, workers' funds and income tax.



Directors' Report

OPERATIONS

Not even a single hour of gas supply interruption/suspension has been witnessed from Mari Field over last 5 decades. In continuation of its longstanding tradition, the Company continued un-interrupted gas supply to all its customers during the year 2018-19.

A cumulative 245,603 MMSCF of gas (daily average: 673 MMSCF) and 17,774 barrels of condensate (daily average: 49 barrels) were produced from Mari Field during the year as against 243,403 MMSCF of gas (daily average: 667 MMSCF) and 17,369 barrels of condensate (daily average: 48 barrels) for the corresponding year as per the requirement / withdrawal of the customers.

In addition, 11,534 MMSCF of gas (daily average: 32 MMSCF), 92,839 barrels of condensate (daily average: 254 barrels), 294,442 barrels of crude oil (daily average: 807 barrels) and 19.83 metric ton of LPG (daily average: 0.05 metric ton) were produced and sold from joint ventures during the year, whereas 13,752 MMSCF of gas (daily average: 38 MMSCF), 99,870 barrels of condensate (daily average: 274 barrels) and 426,581 barrels of crude oil (daily average: 1,169 barrels) were produced and sold from joint ventures in the comparative year.

The Company's customers include Engro Fertilizer Limited, Fauji Fertilizer Company Limited, Fatima Fertilizer Company Limited, Foundation Power Company Daharki Limited, Central Power Generation Company Limited, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited, Attock Refinery Limited, National Refinery Limited,



Pakistan Refinery Limited, Pak Arab Refinery Limited, Pak Arab Fertilizers Limited, EGAS (Pvt) Limited, Petrosin CNG (Private) Limited and Foundation Gas.

EXPLORATION, OPERATIONAL AND DEVELOPMENT ACTIVITIES

The Company's working interests in onshore blocks/fields in Pakistan are as follows:-

S. No	Name of Block / Field	MPCL's Working Interest	Name of Operator
1	Mari Field	100%	MPCL
2	Zarghun South Field	35%	MPCL
3	Sujawal Block	100%	MPCL
4	Karak Block	60%	MPCL
5	Ghauri Block	65%	MPCL
6	Sukkur Block	100%	MPCL
7	Ziarat Block	60%	MPCL
8	Harnai Block	60%	MPCL
9	Peshawar East Block	98.16%	MPCL
10	Bannu West Block	55%	MPCL
11	Block 28	95%	MPCL
12	Hala Block	35%	PPL
13	Shah Bandar Block	32%	PPL
14	Bela West Block	25%	PPL
15	Kohlu Block	30%	OGDCL
16	Kalchas Block	50%	OGDCL
17	Kohat Block	33.33%	OGDCL





STATUS OF PLANNED WELLS 2018-19

Operated Blocks and D&P Leases

Well	Type	Block/Field	Status
18 HRL Wells	Development	Mari Field	Drilling campaign to extend production plateau of Habib Rahi reservoir in Mari D&P Lease has been completed successfully.
Tipu-2	Appraisal/Development	Mari Field	The well was completed as a gas producer in Lower Goru B sand reservoir.
Parwaaz-1	Exploratory	Mari Field	DST results are under valuation.
Shaheen-2	Appraisal/Development	Mari Field	The well was completed as a gas producer in SML reservoir.
5th Exploratory Well	Exploratory	Sujawal	Well deferred because its associated risks have not yet been mitigated.
Dharian-1 ST3	Exploratory	Ghauri	Subsequent to oil discovery the well is on EWT production.
Miraj-1	Exploratory	Ghauri	Drilling is in progress.
Surghar X-1	Exploratory	Karak	Well staked on ground on August 16, 2018 and expected to be spud-in by May 2020. Well was delayed due to difficult, rough and rugged terrain for civil works related to wellsite and access road preparations.
Bolan East - 1	Exploratory	Ziarat	Milestone Oil discovery in Chitran and Moro/ Mughalkot formations in Balochistan Province.
1st Exploratory Well	Exploratory	Bannu West	Expected spud-in after completion of Zipper-1 3D seismic data acquisition, processing, interpretation and firming up of prospect by June 2020.



Non-Operated Blocks

Well	Type	Block/Field	Status
Qamar X-1	Exploratory	Hala	Plugged & Abandoned.
Benari X-1 ST2	Exploratory	Shah Bandar	Gas discovery in Lower Goru "A" sand.
Bela West X-1 ST-1	Exploratory	Bela West	As of July 18, 2019, well has been drilled down to the depth of 4,345m.
Togh-1	Exploratory	Kohat	Achieved TD on July 9, 2019. Preparations are in progress to test the well.

WELLS IN 2019-20

Operated Blocks and D&P Leases

Well	Type	Block/Field	Status
Shahbaz North	Exploratory	Mari Field	Expected to spud-in by March 2020.
Prospect 3/7, Lower Goru (Contingent)	Exploratory	Mari Field	The well is expected to be spud-in by April 2020, subject to de-risking of prospect based on on-going studies and firming up for drilling of well.
Zarghun South -4	Development	Zarghun South Field	Based on interpretation of 2D seismic data, location of ZS-4 well is expected to be staked by September/October 2019 to spud-in the well by November/December 2019.
Surghar X-1	Exploratory	Karak	Well staked on ground on August 16, 2018 and expected to be spud-in by May 2020. Well was delayed due to difficult, rough and rugged terrain for civil works related to wellsite and access road preparations.
Miraj-1	Exploratory	Ghauri	Drilling is in progress.
1st Exploratory Well	Exploratory	Bannu West	Expected spud-in after completion of Zipper-1 3D seismic data acquisition, processing, interpretation and firming up of the prospect by June 2020.

Directors' Report

Non-Operated Blocks

Well	Type	Block/Field	Status
8th Exploratory Well (Contingent)	Exploratory	Hala	The well is expected to be spud-in during February 2020, subject to de-risking and due-diligence on prospect.
Bela West X-1 ST-1	Exploratory	Bela West	As of July 18, 2019, well has been drilled down to the depth of 4,345m.
Togh-1	Exploratory	Kohat	Achieved TD on July 9, 2019. Preparations are in progress to test the well.

MARI D&P LEASE

G&G Activities

Pre-Stack Depth Migration (PSDM) processing of 1,079 Sq km 3D seismic data is in progress at M/s GRI China and intermediate results of PSTM are under review. Core Sedimentology Study at M/s CGG UK and Geochemical Study at M/s Weatherford is in progress in order to de-risk reservoir distribution at SUL, SML, B-Sand of Lower Goru and Sembar levels in upcoming prospects before placement of exploratory wells.

Tipu-2 Well

Appraisal/development well was spud-in on January 11, 2019 and drilled down to the depth of 2,838m into Lower Goru Formation to appraise the Tipu-1 discovery area at Lower Goru B sand reservoir level. The well has been completed as gas producer in Lower Goru B-sand reservoir.

Parwaaz-1 Well

Exploratory well Parwaaz-1 was spud-in on March 9, 2019 to test the hydrocarbon potential of downthrown prospect at SML and SUL reservoir levels down to the total depth of 1,237m. It was the Company's first attempt to explore the hydrocarbon potential at downthrown fault block in Mari D&P Lease.

Well was initially planned for 15 days but effective planning and efficient monitoring has resulted in time saving of 5 days. Based on open-hole logs evaluation and MDT, formation was perforated and DST was carried out in SML formation where gas appeared in small quantity. Due to low volume and flowing pressures, various options were explored for the final disposal of Parwaaz gas. Based on an in-house



Mari Deep Central Processing facility - Dakhaki

study performed at field level, the most suited option is to connect the well with the PKL-4 existing network.

Shaheen-2 Well

Appraisal/development well was spud-in on April 26, 2019 and drilled down to the total depth of 1,175m to appraise Shaheen discovery area at SML and SUL reservoir levels. The well has been completed as gas producer against SML reservoir. Completion Integrity Test has been performed while Flow after Flow test will be recorded through in-house Surface Testing Set-up and own Slickline unit, resulting in cost savings of approx. USD 100,000.

Well Shahbaz North

Exploratory Well Shahbaz North in Mari D&P Lease is planned to be drilled to the target depth of ±1,200 meters. Long Lead Items have been arranged and the well is planned to be spud-in by March 2020.

Activities in Mari D&P Lease

Maintaining incentive price benchmark has become challenging for HRL reservoir. In this regard, the Company keeps close collaboration with all downstream fertiliser customers for planning and

execution of Annual Maintenance Shutdown to avoid any undue down time. As per 2018-19 schedule, all the fertiliser customers have successfully completed their turn of annual maintenance.

Development, Drilling and Construction of Production facility

Aiming at extending the production plateau of 650 MMSCFD and to continue securing the advantage associated with incremental gas price, the Company planned to drill additional 19 developmental wells (one well in 2017-18 and eighteen wells in 2018-19) in Habib Rahi Limestone reservoir, along with construction of new spur lines vis-à-vis revamping of existing gas pipeline gathering network. Drilling campaign initially planned to be completed during June 2019 has been completed on April 21, 2019 (two months in advance). Besides significant time conservation, an amount of approx. USD 10 Million has been saved due to tangible reduction in rig move and drilling timings, usage of available inventories from other blocks and innovative application of drill bits and mud chemicals.

It is worth mentioning that out of 19 drilled wells, 12 wells have already been put on production after necessary surface facilities installation.

SCADA/Telemetry System

In order to maintain reliable controls on high pressure wells of Tipu and digitised measurement on wellheads of Bhattai and SML wells in Mari Field for the gas supplies to Pak Arab Fertilizers Limited, the project of SCADA/Telemetry was considered. The Company initiated in-house working and devised operational philosophy for workable options. Main project deliverables shall be securing fully automated ESD philosophy and remote control/ monitoring of Tipu wells and production facilities at CMF-II along with fiscal measurements for developing bifurcation factors against gas volumes belonging to different pricing regimes being handled in one stream.

Keeping this in view, a detailed Scope of Work was prepared for design, engineering, installation and commissioning of SCADA/Telemetry Systems at Tipu wells and CMF-II. Bids were received against the invitation to Bid and after detailed

Directors' Report

techno/commercial evaluation, Purchase Order for the project has been issued.

In order to achieve target timelines, project execution firm was followed-up for expedited execution of project. Vendor has now completed internal procurement and ordering of equipment. Detailed meeting with all stakeholders was held to review and finalise control and ESD philosophy for Tipu wells and CMF-II to be implemented through SCADA System. Project ESD philosophy and location layout is finalised. Contractor has submitted detailed FDS document for the project and same is under management review. Project is currently in progress as per planned schedule in order to enhance the redundancy in existing SCADA facility at MDCPF, new Human Machine Interface (HMI) development and existing HMI upgradation.

ZARGHUN SOUTH D&P LEASE

G&G Activities

Seismic data acquisition campaign of 102 Line km 2D data over Zarghun South discovery area was successfully completed by Mari Seismic Unit Beta Crew on May 25, 2019. The objective of seismic data acquisition is to place additional development wells/sidetrack for optimum production as part of field development plan. Currently, 2D processing/ reprocessing of 255 Line km is in progress at Mari Seismic Processing Center. Subsequently, based on interpretation of 2D seismic data, location of ZS-4 well is expected to be placed by September/October 2019 and accordingly, the well shall be spud-in by November/December 2019.

ZS-4 development Well

Planning and designing of development well ZS-4 to a target depth of +2,200 meters has already been carried out and shared with

Joint Venture partners. Long Lead Items have been delivered. Rig Mari-1 is planned to be used for the drilling of ZS-4.

SUJAWAL D&P LEASE

Activities at Sujawal D&P Lease

Sujawal X-1 and Aqeeq-1 wells were following depletion trends and therefore put on compression machine in 2017. Likewise, compression has been planned for Sujjal-1 well before the natural flow from the well ceases. In this regard, compression machine has been ordered with expected delivery in September 2019. IFC drawings for ordered compressors and blow-case package have been approved. HAZOP study and review activity for compressor installation at Sujjal Wellhead was conducted in May 2019. The recommendations of HAZOP activity have been incorporated in piping plan, ESD philosophy and location layout of

compressor and associated facilities submitted by engineering consultant and same have been finalised after due review and optimisation. Design of civil foundations was finalised based on soil investigation study and has been incorporated in SOW for engaging Civil works contractor.

Process for procurement of hook-up material for compressor integration and hiring of services for required mechanical, electrical and civil construction works has been initiated. RFQ for material and scope of work for required services have been floated and bid proposals are awaited. Manufacturer has shared Factory Acceptance Test schedule for the compressor.

It is pertinent to mention that drastic decline in production as well as flowing pressure of Sujawal X-1 well was observed during March 2019. As a remedial action based on formation lithology, specialised



recipe was designed and spotted against the perforation interval and injected into the formation using coiled tubing. After clean-up, the well was put on production and observed marvelous improvement in production parameters. Currently, the well is producing 3.1 MMSCFD Gas through FEC with 12 BCPD at 200 psig wellhead flowing pressure.

OPERATED BLOCKS

Karak Block

Activities at Kalabagh
Considering anticipated natural depletion of Kalabagh-1A well, different workable options for wellhead compression were devised and based on economic evaluation results, the Company approved the



Directors' Report



installation of compression package of 4 MMSCFD capacity.

Keeping in view the initially worked out long lead time of JV owned compressor, it was strategised that compressor may be hired on rental basis for the initial period until make-to-order machine is delivered. Technical and economic evaluation of bids for rental compressor was carried out which resulted in non-workable options on technical as well as commercial basis. It was decided to carry out re-bidding for rental-compressor with buy back option after JV approval. Detailed technical evaluation was carried out and based on commercial proposals of technically compliant bidders, comprehensive economic assessment was carried out for different options. Economic evaluation results were also presented to JV partners in technical workshop. It was approved by JV Partners in technical workshop to pursue rental compressor with buy-back option.

LOI for hiring of rental compressor with buy-back option was issued to technically responsive and commercially lowest vendor. Engineering consultant has been engaged for design of compressor civil foundations and piping plan.

Meanwhile, estimated BOQs for required piping materials have been prepared and bidding process for procurement of hook-up material, consumables and hiring of civil and mechanical construction contractors has been initiated. Equipment delivery at site is expected by end of July 2019.

4th Exploratory Well Surghar Prospect

Extensive planning and designing of deep deviated well Surghar X-1 in Karak Block to a target depth of ± 6,000 meters has already been carried out and shared with Joint Venture partners. Request for quotations for Long Lead Items has been floated. The initial site reconnaissance and well staking has already been carried out. M/s NESPAK carried out the topographic survey of the location and finalisation of well point is under discussion with JV partner.

Ghauri Block G&G Activities

Ghauri Joint Venture is acquiring 100 Sq km 3D seismic data over the Harno West Lead to firm-up as prospect or otherwise. M/s BGP is acquiring the said 3D seismic data, which is expected to complete by August 2019.

Processing/reprocessing will be followed by interpretation to spud-in 4th exploratory well by March 2021, subject to firming up of the prospect.

Dharian-1 ST-3 Well

Second exploratory well in Ghauri Block was spud-in on December 21, 2017. Multiple drilling and geological challenges were encountered during drilling of the well. However, the well reached its total depth of 4,770m

MD/4,472m TVD into Khewra Formation in ST-3.

Based on encouraging wireline log results and its integration with drilling and G&G data, perforation zones were selected to test multiple reservoirs. Drill stem testing was performed with five arrangements in all, out of which Khewra formation resulted in exposure of crude oil. The Drill Stem Tests carried out in Khewra formation flowed 590 BPD Qliq @ 40/64-inch choke size having API gravity of 29° and WHFP 32-61 psi with 60% BS&W. The well has been completed as oil discovery in Khewra formation. Currently, the well is on production.

The crude oil produced observed with minuscule flowing potential, therefore, the well was completed with the proactive approach of artificial lift system. In order to appraise the discovery and for early cash flows, EWT project was executed on a fast-track-basis. Civil, electrical and mechanical activities were synchronised and executed in parallel to achieve the target timeline. In close co-ordination with support departments and tireless efforts, Early Production Facilities were installed, tested and commissioned within record time of 15 days from Rig demobilisation. Well was taken online for EWT on May 20, 2019 after necessary GoP approvals.

Miraj-1 Well

3rd Exploratory well in Ghauri Block was spud-in on May 04, 2019 to test the hydrocarbon potential of Sakessar and Khewra formations as primary targets down to the depth of ± 5,270 m into Khewra formation. So far, 26" & 17 ½" hole sections have been drilled and cased off

successfully with 20" and 13 3/8" casing. During the drilling of 17 ½" hole section, high pressure water kick was encountered and the well was successfully killed. As of July 18, 2019, 12 ¼" hole section has been drilled down to the depth of 3,238m (MD). Drilling and testing are expected to complete by February 2020.

Activities at Ghauri-X-1

Ghauri X-1 well is following natural depletion gradually and reached up to a level of 360 Barrel per day during first quarter of 2018-19. On September 14, 2018, the production ceased suddenly, possibly due to problem in installed downhole Jet pump. As a remedial action, different scenarios were analysed. An attempt was made with slickline to retrieve the Jet pump for inspection purpose

with no success. Next attempt was made with coil tubing equipped with specialised Thru-tubing tools arranged from UAE and three attempts were made to retrieve the Jet pump. However, the same did not work as well.

In order to restore the crude oil production from Ghauri X-1, Rig Mari-1 was mobilised to the location and workover operations were executed. During the Rig workover operations, old completion string was pulled out and stuck jet pump was retrieved from the tubing. Ghauri X-1 was recompleted with conventional Bottom Hole Assembly of downhole jet pump and attempts were made to test the well through jet pump operations but these attempts were not successful. Therefore, completion

string was pulled out again and recompleted the well with the option to install the downhole jet pump in SSD again.

After successful workover operations, the jet pump was installed in SSD with slickline in Rigless mode and well production resumed back on January 11, 2019. It's pleasing that the well is currently in smooth production and maintains a production rate of 250 BOPD.

Sukkur Block

G&G Activities
M/s SINOPEC has acquired 143 Sq km 3D seismic data against planned seismic data of 359 Sq km as of July 17, 2019 over Mian Miro Lead to evaluate the hydrocarbon potential of Lower Goru sands. The said



Rig Mari-3 at Dharian-1 Well at Ghauri Block - Punjab

Directors' Report

seismic campaign is expected to complete by August 2019.

Processing will be followed by interpretation to spud-in exploratory well during February 2021, subject to firming up of prospect at Lower Goru level.

Ziarat Block

Bolan East-1 Well

Exploratory well Bolan East-1 in Ziarat Block was spud-in on May 22, 2018 and Bolan East-1 ST 1 reached total depth of 1,500m as on August 06, 2018 into Chiltan formation. Based on the interpretation of wireline logs and its integration with drilling data, Drill Stem Tests carried out in Chiltan Formation flowed 810 barrels per day of 15.6° API gravity oil with WHFP of 134-167 psi @ 32/64-inch choke size. The Drill Stem Tests carried out in Moro/Mughal Kot Formation also flowed 690 barrels per day oil of 15.6° API gravity oil with WHFP of 142-158 psi @ 32/64-inch choke size during pre-acid well test operations.

The said discovery is unique as it is the first ever oil discovery in Chiltan and Moro/Mughalkot formations in Balochistan province and considering that there is no oil being produced in Balochistan presently.

Bannu West Block

G&G Activities

Despite security and terrain related challenges, MSU Alpha Crew has acquired 420 Sq km 3D data as of July 17, 2019 against planned seismic data of 640 Sq km in Zipper-I. The said acquisition will be followed by processing and interpretation for firming up identified leads as drillable prospect or otherwise in order to place 1st committed

exploratory well by June 2020, which is subject to completion of Zipper-I data acquisition as per stipulated timelines.

3D and 2D seismic data processing/reprocessing is in progress at M/s GRI China. In addition, keeping in view the complexity of the area, parallel processing at Mari Seismic Processing Center is also continued. The objective of parallel processing is to identify processing complications in advance for timely interaction with M/s GRI to resolve issues for desired data quality.

1st Exploratory Well

Planning and designing of vertical exploratory well in Bannu West block to the target depth of ±5,990 meters has already been carried out and approved. Long Lead items have already been delivered. Well is planned to be spud-in by June 2020.

Block 28

G&G Activities

Subsequent to completion of Zarghun South 2D seismic project, Mari Seismic Beta Crew is being mobilised to Block-28 to acquire 1,487 Line km (900 Line km firm and 587 Line km contingent) 2D seismic data. Upon completion of seismic campaign and processing, interpretation & integration of all technical data, high-ranked prospect will be drilled as first exploratory well in December 2021 as part of commitment. However, best efforts are being made to fast track the plan and accordingly, 1st exploratory well is expected to be spud-in by end year 2019-20, subject to timely completion of 500 Line km 2D seismic over Chakar Lead, timely security provision and firming up of prospect.

NON-OPERATED BLOCKS

Hala Block

Qamar X-1 Well

Exploratory well in Hala Block was spud-in on June 28, 2018. The well was drilled down to the total depth of 4,607m. Based on wireline logs data, DST was conducted in Massive Sand. Due to discouraging results, the well was plugged and abandoned.

Shah Bandar Block

Benari X-1 ST-2 Well

The first exploratory well in Shah Bandar Block was spud-in on May 22, 2018 to test the hydrocarbon potential of Upper and Massive sands of Lower Goru formation and drilled down to the total depth of 3,470m MD/3,221.7m TVD. The well has been completed as gas discovery against Upper Goru "A" sand level.



Rig Mari-3 at Dharian-1 Well, Ghauri Block

Bela West Block

Bela West X-1 ST-1 Well

The first exploratory well in Bela West block was spud-in on November 26, 2018 to test the hydrocarbon potential of Branguli and Panjur formations down to the total depth of ±5,000m (MD). Currently, 8-3/8" hole of ST-1 has been drilled down to the depth of 4,345m as of July 18, 2019. The

drilling and testing of well are expected to complete by August/September 2019.

Kalchas Block

G&G Activities

128 Line km 2D seismic data has been acquired by OGDCL's seismic crew as of July 17, 2019 against the planned acquisition of 306 Line km firm and 119.5 Line km contingent 2D seismic data as a part of commitment. The objective of data acquisition is to firm up identified two subsurface and one surface leads as prospects or otherwise. The said acquisition campaign is expected to complete

by September/October 2019. Based on the results, first exploratory well is expected to be placed by August 2020.

Kohat Block

Togh-1 Well

3rd exploratory well in Kohat Block was spud-in on March 30, 2019 to test the hydrocarbon potential of Lumshiwai (primary) and Lockhart & Samanasuk (secondary) Formations. The well has been drilled down to the planned final depth of 3,200m. Preparations are in progress to test the well. Testing of Togh-1 well is expected to complete by August 2019.



EXPLORATION PORTFOLIO EXPANSION - LOCAL & INTERNATIONAL

In order to achieve long term sustainability, growth and to target the replacement of depleting reserves, MPCL is aggressively pursuing expansion of its exploration portfolios, both locally as well as internationally. Outlook of acreages being pursued is given as below:

Portfolio Expansion

- **Bela West (25%):** DGPC has approved assignment of 25% working interest from M/s PPL to MPCL on January 28, 2019. However, signing of DOA is in process.
- **Sukkur Block (41.2%):** DGPC has approved assignment of 41.2% working interest from M/s PEL to MPCL, while signing of DOA is in progress.

Local Blocks Evaluation

- **Evaluation of Blocks:** Data review and due-diligence on prospective blocks with different E&P Companies for expansion of portfolios through

farm-in and evaluation of new areas for upcoming bidding round is continued.

- **Application for New Blocks:** A new application namely; Zarrar Block (2267-3) for grant of EL in Indus Offshore has been submitted on March 28, 2019 over an area of 2,424.8 sq.km.
- **Bidding Round 2018:** Final PCAs and Corporate Guarantees of Taung and Wali West blocks have been submitted to DGPC on June 28 and July 4, 2019, respectively. Signing ceremony of aforesaid PCAs will be held shortly.

INTERNATIONAL BLOCKS EVALUATION

The Company is continuously evaluating selected international Blocks/Countries for possible farm-in opportunities and acquisition of blocks via bidding rounds. During the last two years, the Company has identified and evaluated several good opportunities in different countries and established a sound knowledge with large data bank and is now equipped with a dedicated team

to evaluate and recommend best international opportunities in preferred regions of the world.

Keeping in view the above, the Company has evaluated good opportunities and matured them for possible farm-in/acquisition. However, these opportunities couldn't materialise due to foreign exchange constraints. As a part of said pursuance and blocks evaluation, the Company is proposing a prospective farm-in opportunity in Iraq for possible acquisition of working interest and producing oil fields & exploration assets in Tajikistan for which visit of data room and field has been requested for due-diligence and prudent decision-making.

In addition, active bidding rounds in Gabon, Congo, Madagascar, Ghana, Sudan, Egypt, Abu Dhabi and Uganda were also evaluated for possible acquisition of overseas blocks and producing assets.

Moreover, PPL has also approached MPCL to evaluate the possibility for joint bidding in ADNOC Bid Round 2019.

MARI SERVICES DIVISION (MSD)

MSD, with its state of the art technology drilling rigs, 2D/3D seismic data acquisition unit, 2D/3D seismic data processing unit along with AVO Inversion services, is providing world class services as per international oilfield standards requirements especially in security sensitive areas, and is well poised to cater for growing services requirements in future.

Mari Seismic Services Unit (MSU) Alpha Crew

MSU Alpha Crew has successfully completed four projects including two 3D and two 2D projects. Completion of these projects in unprecedented record time coupled with acquisition of top-quality data gives MSU a boost to capture the local E&P market. Currently, Alpha Crew using Sercel 508 XT is acquiring 640 Sq km of 3D data after acquiring 98.75 Line km 2D data in Bannu West block. Despite challenging security environment in terror-stricken zone of North Waziristan Tribal District, the project is well underway and is likely to be completed by December 2019.

Beta Crew

To expand MSU's seismic data acquisition capacity, MSU Beta Crew

was raised at the beginning of 2019 and awarded Zarghun South-2D as its maiden project. Crew mobilised on February 05, 2019 and project was completed on May 25, 2019 with speed and accuracy. The project was executed in rugged mountainous terrain/security sensitive zone of Balochistan. Beta Crew is currently being mobilised to Block-28 for acquisition of 1,487 Line Km 2D data.

Mari Drilling Services Unit (MDU)

MDU operates three drilling rigs including Rig Mari 1 (1,500 HP) with a drilling capacity of 5,000 meters, Rig Mari 2 (Sky Top) Brewster (300 HP) with drilling capacity of 1,200 meters and Rig Mari 3 (2,500 HP) with capacity to drill down to phenomenal depth of 8,000 meters. Rig Mari 3 is currently drilling Miraj-1 well in Ghauri block.

Mari Seismic Processing Services Center (MSPC)

MSPC was established in 2014 for providing in-house data processing facility to MPCL.

MSPC has completed around 5,500 Line km 2D, 3,164 Sq km 3D and 3,600 Sq km 3D seismic inversion projects. Aggressive exploration strategy of MPCL and



fast turnaround requirements are the cornerstone of MSPC's excellent performance.

During 2018-19, MSPC completed the PSTM processing of Sukkur-2D (2,700 Line km), Bannu-West 2D (99 Line km), Ghauri-3D (275 Sq km), PSDM processing of Mari-3D (1,080 Sq km) and Mari-3D pre-stack inversion (1,080 Sq km). Currently, MSPC is working on timely processing of Bannu West-3D (850 Sq km) and Zarghun-2D (255 Line km).

INDUSTRIAL RELATIONS

The working environment and overall industrial relations climate remained cordial at all locations of the Company including Mari Field. Recreational and motivational activities at these locations helped in improving workplace harmony and were very well received by the employees.



Directors' Report



HUMAN RESOURCE DEVELOPMENT

Success of E&P companies indisputably lies in the quality of their human resource. MPCL's most valuable intangible but indefatigable asset is its human capital. Human Capital is not just the number of people working in an organisation; rather, it is a fine blend of their experience, attitudes, abilities, culture and skills etc. The Company makes all out efforts to provide conducive working environment to increase the efficiency graph of the employees with a view to optimising on its fortes and projecting its repute Country wide.

INFORMATION TECHNOLOGY

The Company strongly focuses on increased collaboration between its technical and other functional areas, which helps 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 Geological & Geophysical (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 and makes the Company well distinguished in the E&P sector.

High-performance systems and infrastructure are a prerequisite for G&G software/applications that require huge capital investment. Virtual Desktop Infrastructure (VDI) System has been indigenously designed and implemented by in-house IT team for G&G and reservoir engineering applications. This enabled the Company to save capital investment on costly high-end workstations hardware. The system has boosted centralised processing capability for the high performance demanding technical software application and made the Company pioneer in implementing VDI infrastructure in local E&P Industry.

MSPC is playing a vital role by providing high quality and state of

the art 2D and 3D data processing services, that help the Company take technically more cognisant decisions. Its scalable infrastructure enables it to employ latest geophysical technology across the full spectrum of seismic imaging and reservoir characterisation. Expansion in MPCL's exploration activity demanded an increase in MSPC's computation capabilities. The system has been upgraded to high computational power which enabled MSPC to provide depth and time processing services with improved quality and in reduced time. With this upgradation, MSPC will be able to handle multiple 2D and 3D time and depth projects simultaneously.

Accurate and quality data availability is the lifeblood of E&P companies. They need to handle large data volume for analysis, correct selection of drilling targets and efficient management of oil and gas producing reservoirs. Effective E&P data management plays a crucial role in meeting these objectives. 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 standardised data management related workflows in the Company. The system is helping exploration, operation and reservoir professionals for effective planning, coordination and timely decision-making during E&P related lifecycle.

The Company is also making extensive use of information technology in other functions of the Company including processing of financial data and procurement/HR records through SAP.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

Devoted and committed leadership, management's commitment and participation by all employees to implement HSE management system across the company continued during the 2018-19. Demonstrating visible, caring and felt leadership is a key enabler towards achieving our HSE objective of "no harm to people and environment". Implementing a robust HSE Management system is vital to improving our HSE goals, objectives and performance.

During FY 2018-2019, the Company achieved lowest ever "Total Recordable Case Frequency" in its history (TRCF 0.09 against the maximum target of 0.40). This is a distinguished accomplishment in a hazard prone industry, and was made possible by adherence to HSE standards and practices by the employees at all levels and locations despite challenging terrains and harsh environmental conditions.

Impact of the Company's Business on the Environment

MPCL as a major E&P company has a critical role in the society and economy. E&P is a high risk business in respect of safety, and has directly and indirectly, major impacts on the environment. MPCL has obtained International Standard ISO 14001 (Environment management System) since 2007 and the Company takes its environmental responsibilities very seriously. An environmental study is always carried out for all proposed operations such as seismic, drilling or plant operations. Survey reports are also sent to the regulatory authorities throughout the duration of the projects and all legal obligations are strictly adhered to.



The key principles for environmental management at MPCL are a precautionary approach and an active management oriented to minimise environmental impact. Environmental issues are managed vertically and horizontally across the whole organisation. They are considered at specific steps in the decision-making processes at corporate level as well as in the different businesses. At the corporate level,

the monitoring of environmental Key Performance Indicators is embedded in standardised reporting processes on an annual and monthly basis and ensures compliance with the national environmental quality standards (NEQS).

MPCL contractors and suppliers also have to agree to MPCL's Code of Conduct and, hence, the environmental standards of MPCL.



Directors' Report



CORPORATE SOCIAL RESPONSIBILITY (CSR)

MPCL's CSR programme is distributed into four major categories:

- Annual CSR Obligations (Commitment as per Petroleum Concession Agreement (PCA))
- Additional Work - Over & above Obligations
- CSR at Mari Field Daharki
- Production Bonus (funds allocated / deposited for Social Welfare Schemes, maintained with the concerned Local Administration)

2018-19 – At a Glance

During 2018-19, MPCL's CSR strategy remained focused on provision of quality service delivery to its communities and sustainability of

education, health and water related projects, in and around its areas of operations.

Social Welfare Obligations for FY 2018-19 have been deposited into the respective Joint Accounts being maintained with the concerned Local Administrations, as per the PCAs.

INTERNAL CONTROLS

Internal Control Framework and Role of Internal Audit

In compliance of requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017, (the Regulations) the Board of Directors of the Company has set up an Internal Audit function, which is headed by Head Internal Audit who functionally reports to Audit Committee of the Board of Directors.

Internal Audit Function is an independent assurance and consulting activity, 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.

Objectives of MPCL's 'Internal Control Framework' are:

- a. Effectiveness and efficiency of operations;
- b. Reliability of internal / external reporting;
- c. Compliance with laws, rules and regulations; and
- d. Safeguarding of Company's assets.



To achieve Internal Control Framework objectives, following Internal Control components are assessed and evaluated by Internal Audit Department:

- a) Control Environment: It sets the tone of Company and influences the control consciousness of personnel. It is the foundation of all other components of Internal Control providing discipline and structure;
- b) Risk Assessment: Management of Company is responsible for ensuring adequate risk identification and analysis of relevant risks to achieve Internal Control Framework objectives;
- c) Control Activities: These are the policies and procedures that help ensure Management directives are carried out effectively;
- d) Information and Communication: Pertinent information is identified, captured and communicated in a structured form and time frame that enables people to carry out their responsibilities; and

e) Monitoring: Internal Control Systems is 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 implementation of effective controls needed to strengthen the overall control system.

Access of Head of Internal Audit to Audit Committee

In accordance with the requirements of the Regulations, the Head of Internal Audit has direct and unrestricted access to the President and other members of the Audit Committee.

Comments in Respect of Adequacy of Internal Financial Controls (IFCs)

The Company has a comprehensive IFC framework, commensurate with the size, scale and complexity of its operations. The framework has been

designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies and controls.

Based on the framework of IFCs established and maintained by the Company, work performed by the internal and external auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's IFCs were adequate and effectively implemented during financial year 2018-19.

Directors' Responsibility in respect of Adequacy of Internal Financial Controls

The Board of Directors of the Company is responsible for ensuring that IFCs have been properly designed and implemented in the Company and that such controls are adequate and operating effectively.

Directors' Report



The controls, based on the prevailing business conditions and processes, have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on IFCs over Financial Reporting has been reviewed by the internal and external auditors.

Internal Control System

The Company has well-founded system of internal controls including IFCs over Financial Reporting that facilitates efficiency, reliability and completeness of accounting records and timely preparation of reliable financial and management information. The internal control system ensures compliance with all applicable laws and regulations, promises optimum utilisation of resources and protect the Company's assets and stakeholder's interests.

The Company has a properly laid down organisational structure and system of documenting processes, in form of Management System Procedures, to ensure orderly and efficient conduct of its business

operations. The state-of-the-art ERP solution (SAP) has inbuilt controls including authorisation controls. This further enhances control environment and provides seamless exchange of information with access controls. In addition, the Company has a Whistle Blower's Policy to address fraud and other wrongdoings at workplace.

As part of risk mitigation, the system of internal controls is reviewed on an ongoing basis and necessary improvements are affected to align with the changing business requirements.

ENTERPRISE RISK MANAGEMENT

Managing risks is recognised as a key priority for MPCL's business performance and corporate governance, and one that supports the achievement of organisational objectives. The Company's risk management strategy is to create a positive risk culture throughout the organisation and to integrate risk management into activities at all levels of organisation, from enterprise level activities such as the strategic planning to business unit processes. The Company adopts an

enterprise-wide risk management methodology to ensure a proactive, adequate and holistic approach to risk management.

MPCL's risk management programme ensures that the following core principles are adhered to:

- Clear assignment of responsibilities and accountabilities;
- Standardised enterprise-wide risk management framework and processes;
- Identification and management of uncertain future events that may influence achievement of business plans and strategic objectives;
- Integration of risk management activities within the Company's decision-making processes.

The Company's Board of Directors is responsible for the governance of risk, for determining the Company's level of risk appetite and tolerance, and establishing risk management policies and framework. This is executed through risk management and governance infrastructure/ architecture, which includes Board's Diversification and Enterprise Risk Committee (BDERC). The BDERC 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. The Audit Committee through the Internal Audit Department holds the responsibility for assessing the efficiency and effectiveness of the risk management systems in place and undertaking independent review of the risk mitigation plans, which have been designed for material risks.

A dedicated ERM Department at MPCL ensures smooth and streamlined implementation of ERM across the organisation, and to provide risk-related advice, guidance and support to the departments. Implementation is further facilitated through identification and engagement of Risk Champions within each department, who support risk and control owners, and promote risk initiatives within their teams.

Company's Risk Framework

The setting up of the overall ERM Framework at MPCL was supported by I-Risk Group, a UK-based ERM consultancy and provider of risk management solutions. MPCL's risk management approach is based on ISO 31000:2018, which provides guidance for identifying top strategic, financial, operational, compliance

and governance risks faced by the organisation while trying to achieve its business and strategic goals. The risks are classified based on likelihood and impact, and appropriate mitigation measures are established. Significant risks to Company's strategic objectives are monitored and reported to BDERC.

COMPANY'S BUSINESS

Principal activities and the development and performance of the company's business during the financial year

The Company is principally engaged in exploration, production and sale of hydrocarbons. The recovery of oil prices in 2018-19 has provided impetus for growth to the E&P industry and has also positively impacted MPCL in the form of higher revenues. During the year 2018-19,

MPCL was granted Development & Production Lease over Sujjal-1 discovery.

Sufficient exploration acreage is crucial to carry out aggressive exploration to increase production and arrest the depletion of reserves. MPCL acquired additional working interest share from PEL in Sukkur Block (41.1765%), MOL Pakistan in Ghauri Block (30%) and is in the process of acquiring 25% working interest in PPL's Bela West Block. In the last bidding round held by the Government of Pakistan, MPCL bids were successful for acquisition of exploration rights in Wali West Block (100%) and Taung Block (60% with operatorship). MPCL currently holds sizable acreages under exploration and production in all the provinces and erstwhile federally administered areas.



Directors' Report



Any changes that have occurred during the financial year concerning the nature of the business of the company
There were no significant changes to affect the nature of the Company's business during the financial year under review.

Main trends and factors likely to affect the future development, performance and position of the company's business

The Company is constantly looking for potential business prospects to hedge itself against the pricing risks that are faced by the E&P sector as a whole. As a result, the Company is exploring avenues in the energy sector that can add value to the Company while allowing the Company to avoid price related risks. Moreover, the Company is also looking for acquiring acreages in the international market and is working on leads that can generate revenues for the Company beyond national boundaries. Apart from the Government owned OGDCL, MPCL is the only fully integrated E&P Company in Pakistan with its own drilling and seismic services capability for greater flexibility and profitability. Additionally, we do have a unique security apparatus which helps us to venture in areas where other companies are hesitant to operate.

The Company is considering various options for low BTU gas. As an option, the feasibility study on MPCL's proposed power project has been completed and the Company aims to obtain the requisite regulatory approvals during the next fiscal year. Much needed diversified income stream to the Company will be ensured by the timely completion of MPCL's power project. The Company is also evaluating the potential of venturing into mid-stream and down-stream sector. "Fauji Consortium" comprising of Fauji Foundation, Fauji Fertilizer Company Limited and MPCL has submitted Expression of Interest and Request for Proposal for the Machike-Thallian-Tarru Jabba White Oil Pipeline project being undertaken by Frontier Oil Company-1/Frontier Works Organisation.

In the wake of developments which have taken place after Paris Accord, MPCL is looking into the changing trends of the E&P sector and is aware of the changing dynamics of global oil industry. MPCL remains committed towards long-term investment in avenues that can help in protecting the global environment and adapt itself to the changing context hand-in-hand with the global community. At national level, MPCL's contribution to the agricultural economy is very pivotal as it provides gas as raw material for over 80% of urea produced in the Country.

Principal risks and uncertainties facing the Company

MPCL's principal risks and uncertainties emanate from reserves depletion which has been addressed by increasing the plateau period for the next four years. Other risks include fluctuating crude oil prices and external regulations related to oil and gas sector. Lack of significant gas discoveries during the past decade in Pakistan has resulted in a sharp decline in the remaining reserves of natural gas, which is the mainstay of our indigenous energy production. One of the major contributing reasons is the lack of access to new exploration areas because of security related issues which results in delay in acquiring seismic data and also in drilling activities. Like all E&P companies in Pakistan, MPCL is also facing this challenge and needs access to additional acreage for potential new discoveries to reverse the reserves depletion trend.

In global oil pricing, volatility is the name of the game and crude oil prices are driven by geo-political situation. All forecasts worldwide are based on certain assumptions which may or may not hold true in the future. According to independent analysts, Brent spot prices will be in the range of \$65-\$75 per barrel in 2019-20. Upside price risks are largely related to the possibility of supply outages amid political

upheavals and a market where petroleum inventories are lower than average, and OPEC spare crude oil production capacity is low. On the contrary, downside price risks are mainly linked to the demand side, as economic growth could be lower than expected and as a result it can cause a downward trend for oil demand, growth and prices.

As far as petroleum-related policies and regulations are concerned, MPCL did not face any significant changes in the year 2018-19.

Future prospects of the Profits

For MPCL, sustainable growth and increase in profits is projected in foreseeable future. Moreover, the acquisition of new blocks as well as additional interests in exploration/production blocks having good prospects, as well as evaluating other possible opportunities of high reward frontier exploration acreages both locally and internationally will help in increasing the reserves and enhancing the production revenues and returns in the long-term.

Furthermore, the recovery of oil prices which are projected to not sink to 2015 levels in at least the next few years, would increase the cash flow of the Company with incredible opportunity to hedge, diversify and expand portfolio by reinvesting these increased cash flows into prospects that will eventually provide a robust and sustainable returns for the shareholders.



Chairman of the Board other than the CEO

Lt Gen Syed Tariq Nadeem Gilani (Retd) is the Chairman of the Board, while Lt. Gen Ishfaq Nadeem Ahmed (Retd) is the Managing Director/CEO of the Company. Therefore, the positions of the Chairman and the CEO are held by two different individuals.

The names of the persons who, at any time during the financial year, were directors of the company

- Mr Qaiser Javed
- Brig Raashid Wali Janjua (Retd)
- Qazi Mohammad Saleem Siddiqui
- Eng. S.H. Mehdi Jamal
- Mr Manzoor Ahmed
- Mr Abdul Jabbar Memon

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 four committees. These committees are entrusted with the task of ensuring speedy decisions relating to their respective domains.

CORPORATE GOVERNANCE		
Board Structure		
S.No	Directors *	Category
Representing Fauji Foundation		
1.	Lt Gen Syed Tariq Nadeem Gilani (Retd)	Non-executive director
2.	Lt Gen Ishfaq Nadeem Ahmad (Retd)	Executive director
3.	Dr Nadeem Inayat	Non-executive director
4.	Maj Gen Javaid Iqbal Nasar (Retd)	Non-executive director
5.	Mr Rehan Laiq	Non-executive director
6.	Syed Iqtidar Saeed	Non-executive director
Representing Government of Pakistan		
7.	Mr Asad Hayaud Din	Non-executive director
8.	Mr Sajid Mehmood Qazi	Non-executive director
9.	Mr Shahid Yousaf	Non-executive director
Representing OGDCL		
10.	Mr Zahid Mir	Non-executive director
11.	Mr Ahmed Hayat Lak	Non-executive director
Representing General Public		
12.	Mr Adnan Afridi	Independent, non-executive director
13.	Ms Ayla Majid	Independent, non-executive director

* Presently, MPCL Board comprises of 12 male directors and 1 female director. Moreover, there are 10 non-executive directors, 2 independent non-executive directors and 1 executive director.



Audit Committee

Composition

Audit Committee of the Board currently comprises of the following directors:

Director	Designation
Ms Ayla Majid	President <i>(independent, non-executive director)</i>
Mr Adnan Afridi	Member
Mr Rehan Laiq	Member
Mr Shahid Yousaf	Member
Mr Ahmed Hayat Lak	Member

Technical Committee

Composition

Technical Committee of the Board currently comprises of the following directors:

Director	Designation
Syed Iqtidar Saeed	President
Mr Rehan Laiq	Member
Mr Shahid Yousaf	Member
Mr Zahid Mir	Member
Mr Sajid Mehmood Qazi	Member

HR and Remuneration Committee

Composition

HR and Remuneration Committee of the Board currently comprises of the following directors:

Director	Designation
Mr Adnan Afridi	President <i>(independent, non-executive director)</i>
Maj Gen Javaid Iqbal Nasar (Retd)	Member
Mr Ahmed Hayat Lak	Member
Ms Ayla Majid	Member

Diversification & Enterprise Risk Management Committee

Composition

Diversification & Enterprise Risk Management Committee of the Board currently comprises of the following directors:

Director	Designation
Dr Nadeem Inayat	President (non-executive director)
Syed Iqtidar Saeed	Member
Mr Rehan Laiq	Member
Mr Sajid Mehmood Qazi	Member
Mr Zahid Mir	Member

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, BOARD'S COMMITTEES AND INDIVIDUAL DIRECTORS ALONG WITH DESCRIPTION OF CRITERIA USED

In line with the requirements of clause 10(3)(iv) of the Listed Companies (Code of Corporate Governance) Regulations 2017, a formal and effective mechanism is in place for annual evaluation of the Board's own performance, Members of the Board and of Board's Committees.

Mechanism for Board's Self Evaluation was approved by MPCL Board in its Meeting held on September 30, 2014. The approved Board Performance Evaluation Template contains 36 Performance Factors covering areas such as Composition of the Board and its Committees, Functions and Performance of the Board and its Committees, Governance Structure and Practices, and Company Performance Monitoring System.

Mechanism for Board's Committees' Evaluation was approved by MPCL Board in its Meeting held on April 16, 2018. Committees' Self Evaluation Template consists of 15 Performance Factors pertaining to the Composition of the Committee, Mandate and Functioning of the Committee, Role of Committee's Chairman, General Atmosphere and Contribution of Committee Members.

Mechanism for Individual Directors Evaluation was approved by MPCL Board in its Meeting held on May 31, 2018. Individual Director's Self Evaluation Template consists of 24 Performance Factors which provide

Directors with an opportunity to reflect upon their own competencies, their role, behavior, contributions and performance as Member of the Board.

In addition to the identified factors, Directors can also provide their subjective comments in the Comments Section of the Templates.

Board Evaluation Template and Individual Director's Template are forwarded to all Board Members, while Committees Evaluation Template is forwarded to Members of the respective Committees. The Directors are requested to rate each Factor on a scale of 1 to 5. The scores are consolidated through a specially designed programme and Mean Values, Standard Deviations and Bar Charts for each factor are calculated.

As per the methodology, if the mean value against any performance factor is less than 3, it needs improvement. If the mean value is above 3, the performance Factor is acceptable. Further, the standard deviation indicates the degree of dispersion in the opinion of Board Members against any specific factor. If the value of

standard deviation is less than 1, then there is unanimity in board opinion. If the value is more than 1, the opinion of Board is dispersed against that performance factor.

Results of Evaluation for FY 2018-19

Board Evaluation for the year 2018-19 revealed that the mean value against all performance factors was above 3, which showed that in the opinion of the Directors, the composition and performance of the Board and overall governance of the affairs of the Company was satisfactory and the value of standard deviation was less than 1 against all Performance Factors showing unanimity in the opinions of the Directors against these factors except; (i) Proportion among independent directors and non-independent directors and (ii) representation from minority shareholders on the board.

It is clarified that the Company has obtained a Relaxation from SECP regarding number of independent directors till reconstitution of the Board in 2022. Hence, the issue of independent directors will be duly addressed at that time. Similarly, currently there are two directors on the Board representing minority shareholders.



Directors' Report

Committees' and Individual Directors Evaluation revealed that the mean value against all performance factors was above 3, which showed that in the opinion of the Directors, the composition and performance of Committees and contribution of each individual director in the Board and respective Committees was satisfactory. The value of standard deviation was less than 1 against all Performance Factors showing unanimity in the opinions of the Directors on each factors.

All the results of the evaluations along with suggestions/comments of the Directors were presented to the Board's HR&R Committee in its meeting held on July 25, 2019 and subsequently to the Board in its 178th meeting held on July 30, 2019.

DIRECTORS' REMUNERATION POLICY
In line with Clause 17 of the Listed Companies (Code of Corporate

Governance) Regulations 2017, a Directors' Remuneration Policy was approved by the Board in 171st Board Meeting held on April 16, 2019. As per the approved Policy, non-executive directors are entitled to receive a fixed fee for attending each Board and Committee meeting. The fee is determined by the Board and revised from time to time. No fee is paid to the executive directors. Further, no fee is paid to the Directors for attending General Meetings of the Company. No extra payment is made on account of being an Independent Director, Chairman of the Board or President of a Committee. When on Company business, all directors are also entitled to receive travelling and daily allowances as per approved relevant Policy.

PATTERN OF SHAREHOLDING
A statement showing the pattern of shareholding as at June 30, 2019 is provided on pages 125-129.

MANAGEMENT'S RESPONSIBILITY TOWARDS THE PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The 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 the Companies Act, 2017 and for such internal controls as Management determines are 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, the 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.

CODE OF CORPORATE GOVERNANCE (CCG)

The Securities and Exchange Commission of Pakistan (SECP) has issued Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) to establish a framework of good corporate governance whereby every listed company is managed in compliance with the best practices.

The Company makes every effort to achieve full compliance with the Regulations. The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 prepared by the Board of Directors is reviewed and verified by the External Auditors of the Company on the basis of documentary evidence.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on July 30, 2019 have proposed (i) final cash dividend for the year ended June 30, 2019 @ Rs 2.0 per share, and (ii) issuance of Bonus Shares in ratio of one share for every ten shares held (i.e. 10%), for approval of the members in the Annual General Meeting.

EXTERNAL AUDITORS

The present auditors, M/s Deloitte Yousuf Adil, Chartered Accountants, will retire and being eligible, have offered themselves for re-appointment as auditors of the Company.

The Audit Committee considered the appointment of auditors and recommended M/s A.F Ferguson

& Co as auditors of the Company for the financial year 2019-20. The recommendation of the Audit Committee was endorsed by the Board of Directors.

ACKNOWLEDGEMENT

The Board of Directors would like to express its appreciation for the efforts and dedication of all employees of the Company, which enabled the Management to run the Company efficiently during the year resulting in uninterrupted production and supply of hydrocarbons to its customers. The Board also wishes to express its appreciation for continued assistance and cooperation received from the local administration at Daharki as well as at all the other locations, Provincial Governments, various departments of Federal Government especially the Ministry of Energy, Ministry of Finance, Oil and Gas Regulatory Authority, Directorates of Petroleum Concessions, Oil and Gas, Fauji Foundation, Oil & Gas Development Company Limited and law enforcement agencies.

For and on behalf of the Board

Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
Managing Director/CEO

Islamabad
July 30, 2019

Ayla Majid
Director

Events after the Statement of Financial Position Date



Final Cash Dividend and Bonus Shares

The Board of Directors in its meeting held on July 30, 2019 has proposed the following for approval of the members in Annual General Meeting:



01 Final cash dividend for the year ended June 30, 2019 @ Rs. 2.0 per share (i.e. 20%)



02 Issuance of Bonus Shares in ratio of one share for every ten shares held (i.e. 10%)

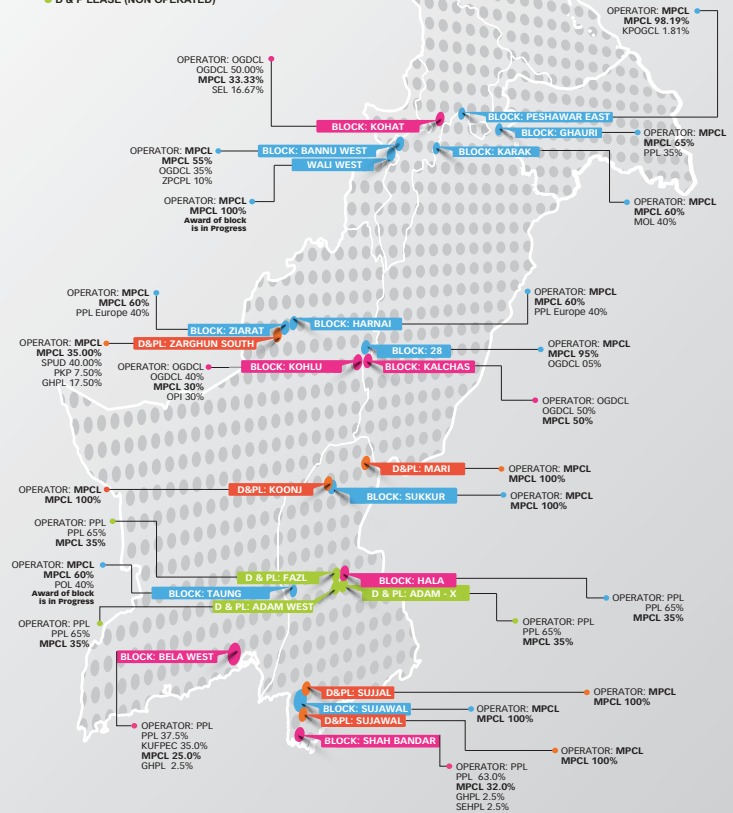
Geographical Presence

MPCL CONCESSIONS AND WORKING INTEREST



LEGEND

- AREAS AS OPERATOR
- AREAS AS JOINT VENTURE PARTNER
- D & P LEASES (OPERATED)
- D & P LEASE (NON OPERATED)





Knock Out Drum at Kalabagh Gas & Condensate Field, Karak Block



Statement of Compliance

with the Listed Companies
(Code of Corporate Governance)
Regulations, 2017

The Company has complied with the requirements of the **Listed Companies (Code of Corporate Governance) Regulations, 2017** (the Regulations) in the following manner:

1. The total number of directors is 14 as per the following:
 - a. Male: 12*
 - b. Female: 01

* One position vacant.
2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr Adnan Afridi
	Ms Ayla Majid
Executive Director	Lt Gen Ishfaq Nadeem Ahmad, HI(M), (Retd)
Non-Executive Directors	Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)
	Dr Nadeem Inayat
	Maj Gen Javaid Iqbal Nasar (Retd)
	Mr Rehan Laiq
	Syed Iqtidar Saeed
	Mr Sajid Mehmood Qazi
	Mr Shahid Yousaf
Mr Mian Asad Hayaud Din	
Mr Zahid Mir	
Mr Ahmed Hayat Lak	

Statement of Compliance with the Code of Corporate Governance

3. The Directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Companies Act 2017 (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 the meetings of the Board.
8. The Board of Directors have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations.
9. The following Directors on the Board are certified under SECP approved Directors' Training Program:

S#	Names
i.	Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)
ii.	Mr Rehan Laiq
iii.	Dr Nadeem Inayat
iv.	Maj Gen Javaid Iqbal Nasar (Retd)
v.	Mr Sajid Mehmood Qazi
vi.	Mr Shahid Yousaf
vii.	Mr Zahid Mir
viii.	Mr Ahmed Hayat Lak
ix.	Mr Adnan Afridi
x.	Ms Ayla Majid

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The CFO and the CEO duly endorsed the financial statements before approval by the Board.
12. The Board has formed following Committees comprising of the Members as given below:

a) Audit Committee	
Director	Designation
Ms Ayla Majid	President (Independent Director)
Mr Rehan Laiq	Member
Mr Shahid Yousaf	Member
Mr Ahmed Hayat Lak	Member
Mr Adnan Afridi	Member

b) HR and Remuneration Committee	
Director	Designation
Mr Adnan Afridi	President (Independent Director)
Maj Gen Javaid Iqbal Nasar (Retd)	Member
Mr Ahmed Hayat Lak	Member
Ms Ayla Majid	Member

c) Technical Committee	
Director	Designation
Syed Iqtidar Saeed	President
Mr Rehan Laiq	Member
Mr Sajid Mehmood Qazi	Member
Mr Shahid Yousaf	Member
Mr Zahid Mir	Member

d) Diversification & Enterprise Risk Management Committee

Director	Designation
Dr Nadeem Inayat	President
Syed Iqtidar Saeed	Member
Mr Rehan Laiq	Member
Mr Sajid Mehmood Qazi	Member
Mr Zahid Mir	Member

13. The terms of reference of Audit, HR&R and Technical Committees have been formed, documented and advised to the Committees for compliance. Diversification and ERM Committee is newly constituted and its terms of reference are in process of approval.
14. The frequency of meetings of the Committees were as per following:

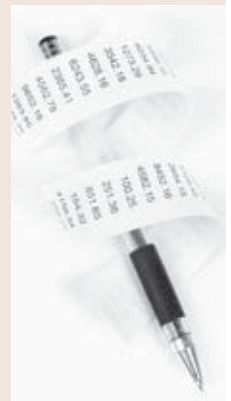
Committee	Frequency of meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Technical Committee	Required basis
Diversification & ERM Committee	New Committee

15. The Board has set up an effective internal audit function staffed with persons 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 Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 other requirements of the Regulations have been complied with.

For and on behalf of the Board

Islamabad
July 30, 2019

Lt Gen Syed Tariq Nadeem Gilani, HI (M), (Retd)
Chairman



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Deloitte Yousuf Adil
Chartered Accountants
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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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Mari Petroleum Company Limited (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 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.

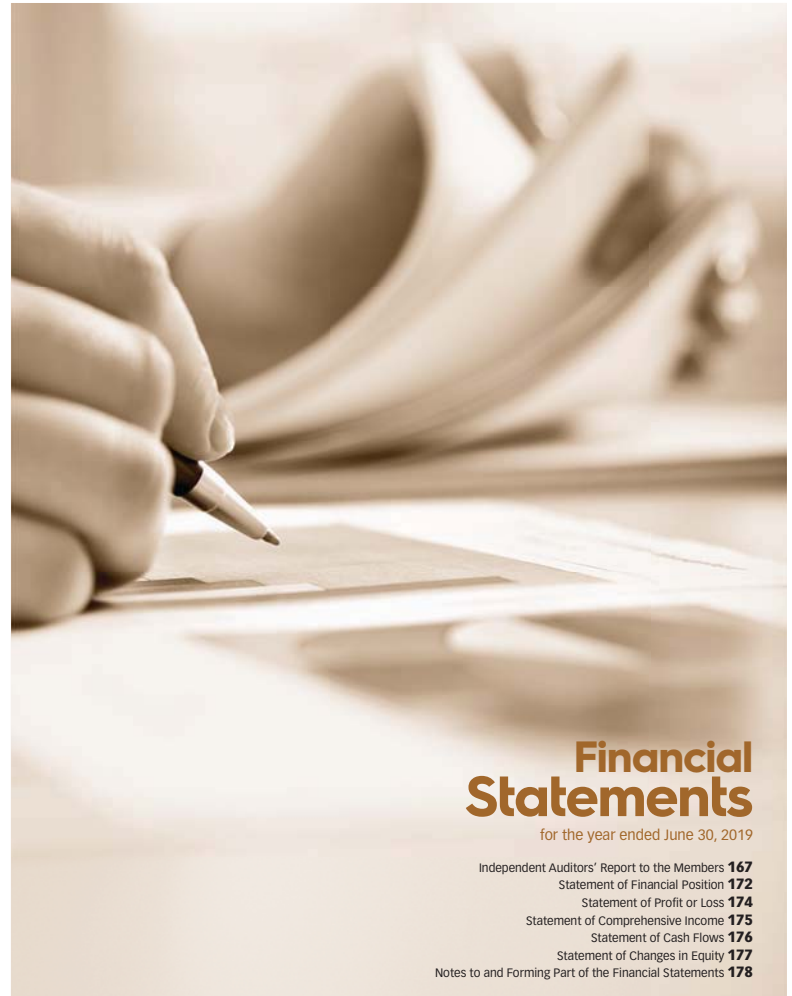
As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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, 2019.

Del. Yousuf Adil
Chartered Accountants
Place: Islamabad
Date: July 30, 2019

Member of
Deloitte Touche Tohmatsu Limited



Financial Statements

for the year ended June 30, 2019

Independent Auditors' Report to the Members	167
Statement of Financial Position	172
Statement of Profit or Loss	174
Statement of Comprehensive Income	175
Statement of Cash Flows	176
Statement of Changes in Equity	177
Notes to and Forming Part of the Financial Statements	178

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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, 2019, and the statement of profit or loss, 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, 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, 2019 and of the profit, 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 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 Matters

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.



Deloitte Yousuf Adil
Chartered Accountants

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>The estimate of oil and gas reserves has a significant impact on the financial statements, particularly impairment testing and depreciation and amortization charges (As described Note 11 and 12 to the financial statements).</p> <p>The estimation of oil and gas reserves is a significant area of judgement due to the technical uncertainty in assessing quantities or reserves.</p> <p>Reserves are also a fundamental indicator of the future potential of the company's performance.</p>	<p>We performed the following procedures to address this area:</p> <ul style="list-style-type: none"> Obtained an understanding of key management controls related to the reserve estimation process. This included management's review and approval of estimated volumes. Checked evaluation of reserves carried out by external and internal experts. Assessed the objectivity and competence of the company's internal and external experts. Re-performed the calculations used by management for calculating Net Present Values (NPVs) of cash generating units. Checked the management's assumptions used in the calculation of these NPVs and corroborated these assumptions from internal and external sources. Checked that the updated reserves estimates were included appropriately in the Company's consideration of development and production assets impairment valuations and in accounting for amortization charges.
2	<p>Decommissioning provision (Refer to note 8 of the financial statements).</p> <p>Decommissioning provisions are inherently subjective given they are based on estimates of costs that will be settled in the future.</p>	<p>We performed the following procedures to address this area:</p> <ul style="list-style-type: none"> Obtained an understanding of key controls related to the process. Checked the reasonableness of the costs used to prepare the estimate. Also checked the reasonableness of the life of wells / fields to discount the cost. Tested the reasonableness of the discount rate used to arrive at the present values of decommissioning provision from market sources.



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Chartered Accountants

	<ul style="list-style-type: none"> Assessed the objectivity and competence of the company's internal experts involved in the preparation of decommissioning estimates.
--	---

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 the audit of 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 in the work we have performed, we conclude that there is a material misstatement of this 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.

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

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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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Chartered Accountants

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Mr. Shahzad Ali.

Deloitte Yousuf Adil
Chartered Accountants

Place: Islamabad
Date: July 30, 2019

Statement of Financial Position

As at June 30, 2019

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
250,000,000 (2018: 250,000,000) ordinary shares of Rs 10 each	2,500,000	2,500,000
1,059,000,100 (2018: 1,059,000,100) preference shares of Rs 10 each	10,590,001	10,590,001
	13,090,001	13,090,001
Issued, subscribed and paid up capital	4 1,212,750	1,102,500
Undistributed percentage return reserve	5 602,415	613,109
Other reserves	6 13,190,001	12,190,001
Profit and loss account	7 48,601,563	26,286,128
	63,606,729	40,191,738
NON CURRENT LIABILITIES		
Deferred liabilities	8 10,057,962	7,952,336
CURRENT LIABILITIES		
Trade and other payables	9 140,372,206	93,903,238
Unclaimed dividend	32,563	19,371
Unpaid dividend	7,544	11,514
Provision for income tax	5,985,202	2,087,503
	146,397,515	96,021,626
CONTINGENCIES AND COMMITMENTS		
10		
	220,062,206	144,165,700

The annexed notes 1 to 46 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
Managing Director / CEO



Ayla Majid
Director

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	11 16,176,231	13,266,282
Development and production assets	12 12,755,574	11,886,872
Exploration and evaluation assets	13 6,553,548	2,689,549
Long term loans and advances	14 39,755	35,411
Long term deposits and prepayments	15 230,999	62,890
Deferred income tax asset	16 651,147	1,819,166
	36,407,254	29,760,170
CURRENT ASSETS		
Stores and spares	17 2,349,391	671,051
Trade debts	18 148,939,878	95,294,994
Loans and advances	19 4,752,460	2,532,344
Short term investments	20 20,700,000	8,437,354
Short term prepayments	21 92,919	66,714
Interest accrued	105,747	103,183
Other receivables	78,739	30,982
Cash and bank balances	22 6,635,818	7,268,908
	183,654,952	114,405,530
	220,062,206	144,165,700

Statement of Profit or Loss

for the year ended June 30, 2019

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Gross sales to customers	23 117,542,103	100,042,839
Gas development surcharge	9,280,308	11,029,741
General sales tax	12,098,286	11,668,172
Excise duty	1,888,366	1,906,530
Gas infrastructure development cess	34,827,136	34,762,028
	58,094,096	59,366,471
Sales - net	59,448,007	40,676,368
Royalty	7,574,515	5,180,869
	51,873,492	35,495,499
Operating expenses	24 11,712,974	9,985,411
Exploration and prospecting expenditure	25 4,308,006	3,314,839
Other charges	26 2,435,811	1,447,747
	18,456,791	14,747,997
	33,416,701	20,747,502
Other income / (expenses)	27 326,087	(581,846)
Operating profit	33,742,788	20,165,656
Finance income	28 1,767,306	765,616
Finance cost	29 801,760	639,728
Profit before taxation	34,708,334	20,291,544
Provision for taxation	30 10,381,246	4,917,204
Profit for the year	24,327,088	15,374,340
Earnings per share - basic and diluted		(Restated)
Earnings per ordinary share (Rupees)	31 200.59	126.77
Distributable earnings per ordinary share (Rupees)	31 6.27	5.85

The annexed notes 1 to 46 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
Managing Director / CEO



Ayla Majid
Director



Muhammad Asif
General Manager Finance/CFO



Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
Managing Director / CEO



Ayla Majid
Director

Statement of Comprehensive Income

for the year ended June 30, 2019

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Profit for the year	24,327,088	15,374,340
Other comprehensive loss:		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement losses of defined benefit plans	33 (319,639)	(198,142)
Tax effect related to remeasurement of defined benefit plans		
- Current tax credit	173,326	108,244
- Deferred tax charge	(5,059)	(1,949)
	(151,372)	(91,847)
Total comprehensive income for the year	24,175,716	15,282,493

The annexed notes 1 to 46 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended June 30, 2019

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Cash flows from operating activities		
Cash receipts from customers	64,734,687	59,354,356
Cash paid to the Government for Government levies	(25,346,338)	(26,365,488)
Cash paid to suppliers, employees and others	(13,764,354)	(10,415,830)
Income tax paid	(5,187,942)	(2,347,799)
Cash provided by operating activities	20,436,053	20,225,239
Cash flows from investing activities		
Property, plant and equipment	(3,119,481)	(2,182,761)
Development and production assets	(2,413,957)	(1,650,534)
Exploration and evaluation assets	(4,325,361)	(2,424,676)
Proceeds from disposal of property, plant and equipment	171	32,688
Interest received	1,807,092	681,719
Cash used in investing activities	(8,051,536)	(5,543,564)
Cash flows from financing activities		
Redemption of preference shares and repayment of long term loans	(3,390)	(5,008,719)
Finance cost paid	(68)	(270,939)
Dividends paid	(751,503)	(623,547)
Cash used in financing activities	(754,961)	(5,903,205)
Increase in cash and cash equivalents	11,629,556	8,778,470
Cash and cash equivalents at beginning of year	15,706,262	6,927,792
Cash and cash equivalents at end of year	27,335,818	15,706,262

The annexed notes 1 to 46 form an integral part of these financial statements.


Muhammad Asif
 General Manager Finance/CFO


Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
 Managing Director / CEO


Ayla Majid
 Director

Statement of Changes in Equity

for the year ended June 30, 2019

	Issued, subscribed and paid up capital	Undistributed percentage return reserve	Other Reserves			Profit and loss account	Total
			Capital redemption reserve fund	Self insurance reserve			
(Rupees in thousand)							
Balance as at July 1, 2017	1,102,500	496,436	10,590,001	600,000	12,748,733	25,537,670	
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	15,374,340	15,374,340	
Other comprehensive loss	-	-	-	-	(91,847)	(91,847)	
	-	-	-	-	15,282,493	15,282,493	
Final cash dividend for the year ended June 30, 2017 @ Rs 2.20 per share *							
	-	(103,745)	-	-	(138,805)	(242,550)	
First interim cash dividend for the year ended June 30, 2018 @ Rs 3.50 per share *							
	-	-	-	-	(385,875)	(385,875)	
Transfer from profit and loss account to undistributed percentage return reserve							
	-	220,418	-	-	(220,418)	-	
Transfer from profit and loss account to self insurance reserve							
	-	-	-	1,000,000	(1,000,000)	-	
Balance as at June 30, 2018	1,102,500	613,109	10,590,001	1,600,000	26,286,128	40,191,738	
Total comprehensive income for the year:							
Profit for the year	-	-	-	-	24,327,088	24,327,088	
Other comprehensive loss	-	-	-	-	(151,372)	(151,372)	
	-	-	-	-	24,175,716	24,175,716	
Final cash dividend for the year ended June 30, 2018 @ Rs 2.50 per share * - note 5.2							
	-	(171,990)	-	-	(103,635)	(275,625)	
First interim cash dividend for the year ended June 30, 2019 @ Rs 4.00 per share *							
	-	-	-	-	(485,100)	(485,100)	
Issuance of bonus shares *							
	110,250	(110,250)	-	-	-	-	
Transfer from profit and loss account to undistributed percentage return reserve							
	-	271,546	-	-	(271,546)	-	
Transfer from profit and loss account to self insurance reserve							
	-	-	-	1,000,000	(1,000,000)	-	
Balance as at June 30, 2019	1,212,750	602,415	10,590,001	2,600,000	48,601,563	63,606,729	

* Distribution to owners - recorded directly in equity

The annexed notes 1 to 46 form an integral part of these financial statements.


Muhammad Asif
 General Manager Finance/CFO


Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
 Managing Director / CEO


Ayla Majid
 Director

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 Companies Ordinance, 1984 (subsequently replaced with 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 concessions / blocks is as under:

Concession / block	Location
Mari Field, Sujawal block, Sukkur block, Hala block, Shah Bandar block	Sindh
Zarghun South Field, Kalchas block, Ziarat block, Harmai block,	
Block 28, Bela West block	Balochistan
Bannu West block, Kohat block	KPK
Ghauri block	Punjab
Karak block, Peshawar East block	KPK and Punjab
Kohlu block	Balochistan and Punjab

1.3 Revision in Mari Wellhead Gas Price formula

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

Effective July 1, 2014, the cost plus wellhead gas pricing formula was replaced with a crude oil price linked formula which provides a discounted wellhead gas price to be gradually achieved in five years from July 1, 2014. Mari field wellhead gas price for the year has been determined in line with the revised formula as approved by the ECC. The revised formula provides dividend distribution to be continued for next ten years in line with the previous cost plus formula. Accordingly, the shareholders are entitled to a minimum return of 30%, net of all taxes, on shareholders' funds which is to be escalated in the event of increase in the Company's gas or equivalent oil production beyond the level of 425 MMSCFD at the rate of 1%, net of all taxes, on shareholder's funds for each additional 20 MMSCFD of gas or equivalent oil produced, prorated for part thereof on annual basis, subject to a maximum of 45%. Any residual profits for the next ten years are to be reinvested for exploration and development activities in Mari as well as outside Mari field.

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 provision for

decommissioning cost that has been measured at present value and the obligation under employee defined benefit plans that is carried at present value of defined benefit obligations net of fair value of plan assets.

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 Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the approved accounting standards 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 used for amortization / impairment

Oil and gas reserves are an important element in impairment testing for development and production assets of the Company. Estimates of these reserves are inherently imprecise, require the application of judgement and are subject to future revision. Proved 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 proved 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. Changes to the Company's estimates of proved reserves, particularly proved developed reserves, also affect the amount of depreciation, impairment and amortization recorded in the financial statements for fixed assets related to hydrocarbon production activities.

b) Provision for decommissioning cost

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 can differ from estimates due to 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 annually and adjusted to take account of such changes.

c) Property, plant and equipment

The Company reviews the useful lives 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

d) Exploration and evaluation assets / expenditure

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 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 written off to the statement of profit or loss.

e) Development and production expenditure

Development and production activities commence after project sanctioning by the approving authority. Judgement is applied by the management in determining when 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 written off to the statement of profit or loss.

f) Employee benefits

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

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 the decisions of appellate authorities on certain issues 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) Provision against financial assets

The Company reviews the recoverability of its financial assets to assess the expected credit losses and provision thereagainst on an annual basis.

2.5 Standards, amendments to published standards and interpretations that became effective during the year

The following amendments to the accounting and reporting standards as applicable in Pakistan are effective for the first time for the year ended June 30, 2019 and are relevant to the Company:

- IFRS 15 'Revenue from contracts with customers' (effective from accounting period beginning on or after July 1, 2018)

IFRS 15 'Revenue from contracts with customers' replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition. It introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management of the Company has assessed that these changes do not have any significant impact on the Company's financial statements other than certain additional disclosures.

- IFRS 9 'Financial Instruments' (effective from accounting period beginning on or after July 1, 2018)

IFRS 9 'Financial Instruments' replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company has applied the new standard in accordance with the transition provisions of IFRS 9. Comparatives have not been restated and there are no adjustments on transition to be reported in opening retained earnings at July 01, 2018.

IFRS 9 provides a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. For financial liabilities the existing classification and measurement requirements of IAS 39 are largely retained.

The table below illustrates the classification of financial assets under IFRS 9 and IAS 39 at the date of initial application i.e. July 1, 2018. There was no difference in carrying amounts for financial assets. Further, there were no differences in classification or carrying amounts for financial liabilities.

As at July 1, 2018	Classification under IAS 39	Classification under IFRS 9
All financial assets as referred to in note 35.1	Loans and receivables	Amortized cost

Management of the Company has assessed that these changes do not have any significant impact on the Company's financial statements other than certain additional disclosures.

Certain annual improvements have also been made to a number of IFRSs. Such improvements did not have any material effect on the financial statements of the Company.

2.6 Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

	Effective from accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Date to be determined. Earlier application is permitted
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Effective from
accounting period
beginning on or after

Amendments to IAS 28 'Investments in Associates and Joint Ventures'
- Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied

January 01, 2019

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'

January 01, 2019

These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Certain annual improvements have also been made to a number of IFRSs.

IFRS 16 'Leases' replaces the previous lease standard: IAS 17 Leases and is effective from annual accounting period beginning on or after January 01, 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. Management is in the process of assessing the impact of changes laid down by this standard on its financial statements.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 17 - Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

- IFRIC 4 - Determining whether an arrangement contains lease
- IFRIC 12 - Service concession arrangements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented in these financial statements unless otherwise stated.

3.1 Taxation

Current

Provision for current taxation 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 taxation on all timing differences, using the 'liability method' in respect of all major temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. 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 tax credits can be utilized. Deferred taxation has been calculated at the estimated effective tax rate of 32% after taking into account the availability of depletion allowance and royalty.

3.2 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and, 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.

3.3 Provision for decommissioning cost

Estimated decommissioning and restoration costs, which are primarily in respect of abandonment and removal of wells and production facilities at Mari Field and the Company's proportionate share in joint operating fields, are based on current requirements, technology and price levels and are stated at present value. The associated asset retirement costs are capitalized as part of property, plant and equipment, development and production assets and exploration and evaluation assets and amortized on unit of production basis over the total proved reserves of the relevant field. The liability is recognized once an obligation (whether legal or constructive) crystallizes in the period when a reasonable estimate of the fair value can be made; and a corresponding amount is recognized in property, plant and equipment, development and production assets and exploration and evaluation assets.

The present value is calculated using amounts discounted over the useful economic life of the reserves. 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, plant and equipment, development and production assets and exploration and evaluation assets. The unwinding of discount on decommissioning provision is recognized as finance cost.

The decommissioning cost has been discounted at a real discount rate of 1.20% (2018: 1.20%) per annum.

3.4 Employee benefits

The Company operates:

- i) Defined benefit funded and unfunded plans for its management and non-management employees. The amounts arising as a result of remeasurements on employee retirement benefits are recognized immediately in statement of comprehensive income. Past service cost and curtailments are recognized in statement of profit or loss, in the period in which change takes place.

Actuarial valuation is conducted periodically using the "Projected Unit Credit Method" and the latest valuation was carried out as at June 30, 2019. The results of the valuation are summarized in note 33 to these financial statements.

- ii) Defined contribution provident fund for its employees for which Rs 83.03 million (2018: Rs 72.50 million) are charged to income for the year. The contributions to the fund are made by the Company at the rate of 10% per annum of the basic salary.

- iii) 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 included in the financial statements.

3.5 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost. Cost in relation to property, plant and equipment

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

comprises acquisition and other directly attributable costs and decommissioning cost as referred in note 3.3 to these financial statements.

Depreciation on property, plant and equipment is charged to income using the straight line method at rates specified in note 11 to these financial statements 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 income as and when incurred. Gains and losses on disposals are credited or charged to income 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 statement of financial position 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 amortization or 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 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, exploratory/evaluation drilling expenditures are initially capitalized as intangible 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 currently 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, other than stores held, 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 intangible E & E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible E&E asset. Such intangible costs include directly attributable overheads, together with the cost of other materials consumed during the exploration and evaluation phases.

Intangible 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.

Intangible E&E assets are not amortized.

Intangible 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 intangible 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 been recognized for the intangible E & E assets in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.7 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 intangible E&E assets as outlined in note 3.6 above. The cost of development and production assets also includes the cost of acquisitions of such assets, directly attributable overheads, 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 oil and gas production in the year to the estimated quantities of commercial reserves at the end of the year plus the production during the year.

Changes in the estimates of commercial reserves or future field development costs 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.

3.8 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 a sale.

When stores and spares meet the definition of property, plant and equipment, they are classified as stores and spares held for capital expenditure, classified under property, plant and equipment.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

3.9 Foreign currencies

Pakistan Rupees is the functional as well as reporting currency of the Company. 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 Pak 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.

3.10 Revenue and other income

Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring control of a promised good or service to a customer. 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.

Finance income is recognized as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

3.11 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.

3.12 Borrowing cost

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. All other borrowing costs are charged to statement of profit or loss.

3.13 Interest in joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement. The Company has assessed the nature of its joint arrangements and determined them to be joint operations.

3.14 Joint operations

The Company classifies a joint arrangement as a joint operation when the Company has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its share of assets, liabilities, revenues and expenses. These are accounted for on the basis of latest audited financial statements and where applicable, the cost statements received from the operator of the joint operations, for the intervening period upto the statement of financial position date.

3.15 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognised. An impairment loss or reversal of impairment loss is recognised in income for the year.

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 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.

From July 01, 2018, the Company classifies its financial asset 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.

(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. This category of financial assets includes 'Long term deposits', 'Trade debts', 'Loans and advances', 'Interest accrued', 'Short term investments' and 'Cash and bank balances' in the statement of financial position.

(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. The Company does not have any financial assets classified in this category.

(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. The Company does not have any financial assets classified in this category.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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. The Company does not have any financial liabilities classified in this category.

(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. This category of financial liabilities includes trade and other payables, unclaimed dividend and unpaid dividend.

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 measured at amortized cost

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.

3.17 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost which approximates the fair value of the consideration to be paid in the future for goods and services received.

3.18 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at their amortized cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the realizability of these receivables, appropriate amount of provision is made.

3.19 Cash and cash equivalents

Cash and cash equivalents, for the purposes of statement of cash flows, comprise cash in hand and at bank 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. Cash equivalents are classified as financial assets measured at amortized cost.

3.20 Dividend distribution

Dividend is recognized as a liability in the financial statements in the period in which it is declared.

3.21 Research and development costs

Research and development costs are charged to income as and when incurred.

3.22 Operating leases

Rentals payable for vehicles under operating leases are charged to statement of profit or loss over the term of the relevant lease.

3.23 Operating segments

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer / Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are exploration and production, Mari Seismic Unit and Mari Drilling Unit.

3.24 Earnings Per Share

The Company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Note	2019 (Rupees in thousand)	2018
4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
24,850,007 (2018: 24,850,007) ordinary shares of Rs 10 each issued for cash	248,500	248,500
11,899,993 (2018: 11,899,993) ordinary shares of Rs 10 each issued for consideration other than cash	4.1 119,000	119,000
84,525,000 (2018: 73,500,000) ordinary shares of Rs 10 each issued as bonus shares	4.2 845,250	735,000
	1,212,750	1,102,500

4.1 This represents shares allotted to the Government of Pakistan and Fauji Foundation in consideration for transfer of assets and liabilities of Pak Starvec Petroleum Project.

4.2 The Board of Directors in its meeting held on August 30, 2018 proposed issuance of bonus shares in ratio of one share for every ten shares held (i.e. 10%) amounting to Rs 110.250 million. The bonus shares were subsequently issued after approval of the shareholders in the Annual General Meeting held on October 18, 2018.

669,200 bonus shares have not been issued as at June 30, 2019 due to pending resolution of issue relating to deduction of withholding tax on issuance of bonus shares (2018: 608,364 bonus shares).

4.3 Major shareholding of the Company is as follows:

	2019 (Percentage)	2018
Fauji Foundation	40.00 *	40.00*
Oil and Gas Development Company Limited (OGDCL)	20.00 *	20.00*
Government of Pakistan	18.39	18.39

* Pattern of shareholding includes 404,250 and 202,125 bonus shares (2018: 367,500 and 183,750 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.

4.4 Application of IFRS 2 - Share Based Payment

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the "Scheme") for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investments. The Scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the Scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this Scheme, GoP shall transfer 12% of its investment to a Trust Fund to be created for the purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered

units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for the payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the repurchase commitment would be met by GoP.

The above Scheme needs to be accounted for by the covered entities, including the Company, under the provisions of the amended International Financial Reporting Standard to share based payment (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities and Exchange Commission of Pakistan on receiving representation from some of the entities covered under the scheme and after having consulted the Institute of Chartered Accountants of Pakistan vide their letter number CAIDTS/PS& TAC/2011-2036 dated February 2, 2011 has granted exemption to such entities from the application of IFRS 2 to the Scheme vide SRO 587 (I)/2011 dated June 7, 2011.

Had the exemption not been granted, the staff costs of the Company for the year would have been lower by Rs 777.96 million, profit for the year would have been higher by Rs 375.99 million, earnings per share would have been higher by Rs 3.10 per share and reserves would have been higher by Rs 592.78 million.

The Company understands that the Scheme is currently under review by the GoP, the impact of which cannot be determined as of June 30, 2019.

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, Government of Pakistan (GoP) and Oil and Gas Development Company Limited (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 option 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
5. UNDISTRIBUTED PERCENTAGE RETURN RESERVE			
Balance at beginning of the year		613,109	496,436
Transferred from profit and loss account	5.1	271,546	220,418
Bonus shares issued	4.2	(110,250)	-
Final dividend:			
for the year ended June 30, 2018	5.2	(171,990)	-
for the year ended June 30, 2017		-	(103,745)
Balance at end of the year		602,415	613,109

5.1 This represents the amount of distributable profits for the year related to undistributable percentage return reserve.

5.2 The Board of Directors in its meeting held on August 30, 2018 proposed a final cash dividend for the year ended June 30, 2018 @ Rs 2.5 per share amounting to Rs 275.625 million, which was subsequently approved by the shareholders in Annual General Meeting held on October 18, 2018. Out of this, Rs 171.990 million has been appropriated out of undistributed percentage return reserve while balance amount of Rs 103.635 million represents undistributed guaranteed return for the year ended June 30, 2018.

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

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
6. OTHER RESERVES			
Capital redemption reserve fund	6.1	10,590,001	10,590,001
Self insurance reserve	6.2	2,600,000	1,600,000
		13,190,001	12,190,001

6.1 Capital Redemption Reserve Fund

This reserve was created for redemption of redeemable preference shares in the form of cash to the preference shareholders.

		2019 (Rupees in thousand)	2018 (Rupees in thousand)
6.2 Self Insurance Reserve			
Balance at beginning of the year		1,600,000	600,000
Transferred from profit and loss account		1,000,000	1,000,000
Balance at end of the year		2,600,000	1,600,000

6.2.1 The Company has set aside a specific capital reserve for self insurance of general assets, vehicles and personal accident of security personnel.

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
7. PROFIT AND LOSS ACCOUNT			
Undistributed return	7.1	3,197	103,635
Unappropriated balance		48,598,366	26,182,493
		48,601,563	26,286,128

7.1 This represents the balance amount of distributable return to shareholders on account of increase in hydrocarbons production.

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
8. DEFERRED LIABILITIES			
Provision for decommissioning cost	8.1	9,111,825	7,127,202
Provision for employee benefits - unfunded	8.2	660,160	577,090
Provision for compensated leave absences		285,977	242,707
Deferred income		-	5,337
		10,057,962	7,952,336

8.1 Provision for decommissioning cost

Balance at beginning of the year		7,127,202	6,741,532
Provision made during the year		1,056,909	371,078
Revision due to change in estimates		165,711	(705,829)
Unwinding of discount		762,003	720,421
Balance at end of the year		9,111,825	7,127,202
The above provision is analysed as follows:			
Wells		7,955,679	6,391,110
Production facilities including gathering lines		1,156,146	736,092
		9,111,825	7,127,202

It is expected that cash outflows resulting from decommissioning will occur between 2019 to 2050.

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
8.2 Provision for employee benefits - unfunded			
Post retirement leave benefits for management employees	33.2	511,409	427,678
Post retirement medical benefits for management employees	33.2	75,047	74,893
Pension plan for non-management employees	33.2	73,704	74,519
		660,160	577,090

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
9. TRADE AND OTHER PAYABLES		
Creditors	2,647,125	1,758,493
Accrued liabilities	3,359,436	2,818,867
Joint operating partners	2,392,598	1,032,168
Retention and earnest money deposits	61,193	51,646
Gratuity funds	1,007,598	399,289
Provident fund	19,367	-
Gas development surcharge	11,633,546	6,552,132
General sales tax	8,716,160	6,005,547
Excise duty	160,201	173,499
Gas Infrastructure Development Cess (GIDC)	9.1	108,040,424
Royalty	1,248,526	516,504
Redeemable preference shares	9.2	115,655
Profit accrued on redeemable preference shares	10,112	10,180
Deferred income	324,455	-
Workers' Welfare Fund	463,730	248,366
Workers' Profit Participation Fund	9.3	172,080
	140,372,206	93,903,238

- 9.1** This includes amounts withheld by fertilizer companies due to Gas Infrastructure Development Cess (GIDC) matter subjudice in the apex courts.
- 9.2** 5,335,946 preference shares have not been issued as at June 30, 2019 due to pending resolution of issue relating to deduction of withholding tax on issuance of bonus shares (2018: 5,335,946 preference shares). Further, 6,229,557 preference shares have not been claimed/redeemed by certain minority shareholders as at June 30, 2019 (2018: 6,568,536 preference shares).

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
9.3 Workers' Profit Participation Fund		
Balance at beginning of the year	49,381	61,787
Allocation for the year	1,972,081	1,199,381
Interest on delayed payments @ 45.00% (2018: 39.00%) per annum	3,714	1,783
	1,975,795	1,201,164
Amount paid to the Fund	2,025,176	1,262,951
Balance at end of the year	172,080	49,381

	2019	2018
10. CONTINGENCIES AND COMMITMENTS		
Commitments for capital expenditure		
Share in joint operations	10,269,551	5,182,592
Mari field and Rigs	2,804,430	1,745,102
	13,073,981	6,927,694

11. PROPERTY, PLANT AND EQUIPMENT

Account	Cost	Accumulated depreciation	Impairment losses	Accumulated depreciation and impairment losses	Net book value
As at July 1, 2017					
Cost	66,058	1,38,487	74,687	3,36,171	6,66,881
Accumulated depreciation	1,487	(5,806)	(5,480)	(8,479)	(8,479)
Impairment losses	64,708	47,826	47,826	92,554	92,554
As at July 1, 2018	71,953	1,37,681	117,093	3,75,296	6,68,358
As at June 30, 2019					
Cost	66,058	62,728	70,251	1,99,037	1,36,749
Accumulated depreciation	1,487	(5,806)	(5,480)	(8,479)	(8,479)
Impairment losses	64,708	47,826	47,826	92,554	92,554
As at June 30, 2019	71,953	1,37,681	117,093	3,75,296	6,68,358
As at July 1, 2018					
Cost	1,74,318	3,19,254	1,95,996	6,13,568	2,76,000
Accumulated depreciation	20,649	84,728	47,826	1,53,203	1,15,821
Impairment losses	20,649	84,728	47,826	1,53,203	1,15,821
As at July 1, 2019	1,74,318	3,19,254	1,95,996	6,13,568	2,76,000
As at June 30, 2019					
Cost	1,74,318	1,79,763	174,911	3,04,474	1,43,844
Accumulated depreciation	20,649	84,728	47,826	1,53,203	1,15,821
Impairment losses	20,649	84,728	47,826	1,53,203	1,15,821
As at June 30, 2019	1,74,318	1,79,763	174,911	3,04,474	1,43,844

Property, plant and equipment includes Rs. 3.27 million (2018: Rs. 11.46 million), which represents the net book value of the leases (rented) to an associated company, Foundation Power Company (Pakistan) Limited. It also includes assets amounting to Rs. 362.23 million (2018: Rs. 365.62 million), being Company's share in joint operations (consolidated by others) leases not in the possession of the company.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
11.1 Capital work in progress		
Stores and spares	-	339,434
Land, buildings, roads and bridges	409,995	195,521
Plant, machinery and others	1,011,398	600,173
	1,421,393	1,135,128
11.2 The depreciation charge has been allocated as follows:		
Operating expenses	1,003,374	959,904
Other income / (expenses):		
Mari Seismic Unit - Net	196,869	71,831
Mari Drilling Unit - Net	90,445	126,702
Mari Seismic Processing Centre - Net	3,783	17,943
Exploration and prospecting expenditure	200,793	210,837
Development and production assets	16,247	80,501
Exploration and evaluation assets	127,875	76,671
	1,639,386	1,544,389

11.3 Detail of property and equipment as at June 30, 2019 relating to Mari Seismic Unit is as follows:

Description	Cost	Accumulated Depreciation	Net Book value
(Rupees in thousand)			
Buildings on freehold land	20,170	5,715	14,455
Equipment and general plant	4,375,870	1,232,047	3,143,823
Computers and allied equipment	22,648	8,756	13,892
Furniture and fixtures	1,560	187	1,373
Vehicles	977,942	334,797	643,145
Capital work in progress	468,731	-	468,731
	5,866,921	1,581,502	4,285,419

11.4 Detail of property, plant and equipment disposed off during the year is as follows:

Description	Cost	Net Book value	Sale proceeds	Gain / (loss)	Particulars of purchaser	Mode of disposal
(Rupees in thousand)						
Computers and allied equipment	1,261	13	171	158	Various employees of the Company	Company policy
Vehicles - light	32,788	-	-	-	Returned to Excise & Customs	Returned
Drilling rigs, tools & equipment	41,275	13,368	-	(13,368)	Not applicable	Scrap
	75,324	13,381	171	(13,210)		

11.5 Detail of significant immovable fixed assets as at June 30, 2019 is as follows:

Description	Location	Approximate Area of Land
Wells, production / processing facilities, housing colony/residential area, field office, liaison office, warehouse and guest house	Sindh	2,558.09 acres
Land and Head Office building	Islamabad	3.29 acres
Wells, production / processing facilities, residential area, field office and warehouse	Balochistan	75.24 acres
Wells, production / processing facilities and guest house	KPK	37 acres
Wells, production / processing facilities and field office / residential area	Punjab	90.29 acres

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

12. DEVELOPMENT AND PRODUCTION ASSETS

Description	Producing fields		Sub total	Decommissioning cost	Total
	Wholly owned	Joint operations			
(Rupees in thousand)					
As at July 1, 2017					
Cost	5,644,543	5,161,015	10,805,558	1,248,034	12,053,592
Accumulated amortization	(3,184,699)	(751,455)	(3,936,154)	(707,560)	(4,643,714)
Net book value	2,459,844	4,409,560	6,869,404	540,474	7,409,878
Year ended June 30, 2018					
Opening net book value	2,459,844	4,409,560	6,869,404	540,474	7,409,878
Additions	1,599,295	131,740	1,731,035	249,194	1,980,229
Tangible assets transferred to property, plant and equipment	-	(16,769)	(16,769)	-	(16,769)
Transferred from exploration and evaluation assets	-	4,860,239	4,860,239	431,240	5,291,479
Revision due to change in estimates					
of provision for decommissioning cost	(65,844)	-	(65,844)	(585,600)	(651,444)
Amortization for the year	(191,366)	(1,763,595)	(1,954,961)	(171,540)	(2,126,501)
Net book value	3,801,929	7,621,175	11,423,104	463,768	11,886,872
As at July 1, 2018					
Cost	7,177,994	10,136,225	17,314,219	1,342,868	18,657,087
Accumulated amortization	(3,376,065)	(2,515,050)	(5,891,115)	(879,100)	(6,770,215)
Net book value	3,801,929	7,621,175	11,423,104	463,768	11,886,872
Year ended June 30, 2019					
Opening net book value	3,801,929	7,621,175	11,423,104	463,768	11,886,872
Additions	2,349,964	80,240	2,430,204	769,483	3,199,687
Tangible assets transferred to property, plant and equipment	-	(1,035,204)	(1,035,204)	-	(1,035,204)
Transferred from exploration and evaluation assets	-	598,611	598,611	77,854	676,465
Stores and spares held for capital expenditure transferred to property, plant and equipment	-	(19,257)	(19,257)	-	(19,257)
Left over inventory transferred to stores and spares	-	(41,231)	(41,231)	-	(41,231)
Revision due to change in estimates of provision for decommissioning cost	(190,992)	(10,270)	(201,262)	(134,924)	(336,186)
Amortization for the year	(287,877)	(1,109,976)	(1,397,853)	(177,719)	(1,575,572)
Net book value	5,673,024	6,084,088	11,757,112	998,462	12,755,574
As at June 30, 2019					
Cost	9,336,966	9,709,114	19,046,080	2,055,281	21,101,361
Accumulated amortization	(3,663,942)	(3,625,026)	(7,288,968)	(1,056,819)	(8,345,787)
Net book value	5,673,024	6,084,088	11,757,112	998,462	12,755,574

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
13. EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the year	2,689,549	5,972,108
Additions	13.1	4,740,662
Stores and spares held for capital expenditure transferred to property, plant and equipment	(47,496)	-
Transferred to development and production assets	(676,465)	(5,291,479)
Tangible assets transferred to property, plant and equipment	-	(26,642)
Revision due to change in estimates of provision for decommissioning cost	160,619	21,855
Cost of dry and abandoned wells written off	(313,321)	(609,525)
Balance at end of the year	6,553,548	2,689,549

13.1 It includes additions amounting to Rs 287.426 million (2018: Rs 121.884 million) on account of provision for decommissioning cost.

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
14. LONG TERM LOANS AND ADVANCES		
Considered good - secured		
Executives	14.1	7,410
Other employees	14.1	55,374
		62,784
Less: amount due within twelve months shown under current loans and advances	19	
Executives		5,665
Other employees		17,364
		23,029
		39,755
		6,148
		15,909
		22,057
		35,411

14.1 Reconciliation of carrying amount of loans and advances to executives and other employees is as follows:

	Balance as at July 1, 2018	Disbursements during the year	Repayments / transfers during the year	Balance as at June 30, 2019
(Rupees in thousand)				
Executives	7,885	11,918	12,393	7,410
Other employees	49,583	32,840	27,049	55,374
Total	57,468	44,758	39,442	62,784
Year ended June 30, 2018	53,714	51,930	48,176	57,468

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

14.2 Loans and advances to employees are for general purpose and for house rent advance which are recoverable in 12 to 60 equal monthly instalments and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors.

14.3 The maximum amount due from executives at the end of any month during the year was Rs 9.12 million (2018: Rs 17.79 million).

14.4 It includes house rent advance obtained by Brig. Saleem Mahmood Khan (Retd) exceeding Rs 1 million, which is recoverable in 12 equal monthly instalments and is secured by an amount due against provident fund.

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
15. LONG TERM DEPOSITS AND PREPAYMENTS		
Deposits	230,979	62,870
Prepayments	20	20
	230,999	62,890

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
16. DEFERRED INCOME TAX ASSET		
Balance at beginning of the year	1,819,166	2,162,308
(Credit) for the year:		
Statement of profit or loss	(1,162,960)	(341,193)
Statement of comprehensive income	(5,059)	(1,949)
	(1,168,019)	(343,142)
Balance at end of the year	651,147	1,819,166

16.1 The balance of deferred tax is in respect of following temporary differences:

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Exploration expenditure charged to statement of profit or loss but to be claimed in future years against tax liabilities	4,148,756	3,898,952
Accounting and tax depreciation / amortization	(3,876,534)	(2,340,616)
Provision for employee benefits - unfunded	302,764	184,669
Provision for doubtful debts	76,161	76,161
	651,147	1,819,166

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
17. STORES AND SPARES		
Stores	17.1	1,683,527
Spares		223,152
	665,864	447,899
	2,349,391	671,051

17.1 Stores include share in joint operations operated by the Company

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
18. TRADE DEBTS		
Due from associated companies - considered good		
Fauji Fertilizer Company Limited	54,024,034	33,613,548
Foundation Power Company Daharki Limited	5,962,244	4,498,109
	59,986,278	38,111,657
Due from others - considered good		
Fatima Fertilizer Company Limited	41,066,247	33,244,678
Engro Fertilizer Limited	16,828,625	9,948,641
Pak Arab Fertilizers Limited	246	251,735
Sui Southern Gas Company Limited	4,625,461	2,382,854
Sui Northern Gas Pipelines Limited	1,872,400	1,164,932
Central Power Generation Company Limited	23,807,948	9,158,284
Byco Petroleum Pakistan Limited	49,192	349,192
National Refinery Limited	88,191	62,779
Attock Refinery Limited	429,657	500,418
Pakistan Refinery Limited	101,687	49,915
EGAS (Private) Limited	34,784	15,238
Pak Arab Refinery Limited	26,288	26,604
Petrosin CNG (Private) Limited	22,874	28,067
	148,939,878	95,294,994

18.1 Trade debts due from associated companies are net of provision for doubtful debts amounting to Rs 238.00 million (2018: Rs 238.00 million).

18.2 The maximum aggregate amount due from associated companies at the end of any month during the year was Rs 60,224.28 million (2018: Rs 38,111.66 million).

18.3 Trade debts include amounts withheld by fertilizer companies amounting to Rs 108,784 million (2018: Rs 75,476 million) due to Gas Infrastructure Development Cess (GIDC) matter subjudice in the apex courts, resulting in a corresponding payable to the Government of Pakistan.

Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
19. LOANS AND ADVANCES		
Considered good		
Current portion of long term loans and advances	14	
Executives	5,665	6,148
Other employees	17,364	15,909
	23,029	22,057
Advances to employees against expenses	141,978	44,698
Advances to suppliers and others	2,191,203	1,359,239
Receivables from joint operating partners	2,396,250	1,106,350
	4,752,460	2,532,344

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

		2019 (Rupees in thousand)	2018 (Rupees in thousand)
20. SHORT TERM INVESTMENTS			
Local currency term deposits with banks		20,700,000	8,437,354
20.1	Short term investments have a maximum maturity period of 3 months, carrying profit ranging from 12.05% to 13.10% (2018: 5.95% to 6.75%) per annum.		
	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
21. SHORT TERM PREPAYMENTS			
Prepaid insurance		73,543	35,628
Others		19,376	31,086
		92,919	66,714
22. CASH AND BANK BALANCES			
Cash in hand		1,952	1,654
Balances with banks on:			
Deposit accounts	22.1	6,555,803	7,191,349
Current accounts		78,063	75,905
		6,633,866	7,267,254
		6,635,818	7,268,908
22.1	These include foreign currency accounts amounting to US\$ 11.50 million (2018: US\$ 6.55 million) having mark-up of 0.50% (2018: 0.25%) per annum. The mark-up for local currency accounts ranges from 6.90% to 10.25% (2018: 3.05% to 6.00%) per annum.		
22.2	The unavailed credit facilities available to the Company include financing, Letter of Credits/ Letter of Guarantee, Credit Card and leasing amounting to Rs 2,175.98 million (2018: Rs 1,021.26 million).		
	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
23. GROSS SALES TO CUSTOMERS			
Sale of:			
Gas	23.1	114,665,541	97,056,378
Crude Oil	23.2	2,030,240	2,328,416
Less: Transportation charges		59,085	64,285
		1,971,155	2,264,131
Condensate	23.3	853,713	704,375
Less: Transportation charges		23,878	26,261
		829,835	678,114
Liquefied Petroleum Gas (LPG)	23.4	1,723	-
Own consumption		73,849	44,216
		117,542,103	100,042,839

		2019 (Rupees in thousand)	2018 (Rupees in thousand)
23.1	This represents sale of gas as per details below:		
Mari field		105,010,447	88,944,918
Sujawal block		5,671,868	4,548,984
Zarghun field		1,419,814	1,250,305
Hala block		1,424,855	1,239,320
Sukkur block		31,907	77,597
Karak block		1,106,650	995,254
		114,665,541	97,056,378
23.2	This represents sale of crude oil as per details below:		
Karak block		1,826,695	1,809,866
Ghauri block		191,707	518,550
Ziarat block		11,838	-
		2,030,240	2,328,416
23.3	This represents sale of condensate as per details below:		
Mari Field		185,718	134,300
Sujawal block		411,662	355,216
Hala block		92,122	59,147
Zarghun field		6,525	5,995
Karak block		157,686	149,717
		853,713	704,375
23.4	This represents sale of LPG from Hala block.		
23.5	Sale of gas includes sale from Mari Field, Sukkur block, Zarghun block and Aqeeq well of Sujawal block invoiced on provisional prices. There may be adjustment in sales upon issuance of final wellhead prices notification by Oil and Gas Regulatory Authority (OGRA).		

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
24. OPERATING EXPENSES			
Salaries, wages and benefits	24.2	5,748,558	4,100,790
Rent, rates and taxes		230,261	212,608
Legal and professional services		54,590	38,077
Fuel, light, power and water		235,571	167,154
Maintenance and repairs		627,160	775,592
Insurance		68,492	49,451
Depreciation of property, plant and equipment		1,003,374	959,904
Amortization of development and production assets			
and decommissioning cost		1,575,572	2,126,501
Employees medical and welfare		425,827	355,358
Field and other services		1,709,974	1,353,158
Travelling		167,182	101,042
Communications		31,666	30,794
Printing and stationery		17,915	17,309
Office supplies		23,110	18,819
Licences and equipment maintenance		154,141	94,678
Auditor's remuneration	24.3	3,130	2,936
Mobile dispensary and social welfare		445,037	144,131
Training		224,492	130,767
Advertisement		19,408	13,827
Books and periodicals		1,123	1,105
Public relations and social activities		14,505	22,365
Directors' fee and expenses		19,288	13,273
Subscriptions		20,239	15,732
Reservoir study and production logging		24,536	22,111
Miscellaneous		72,520	69,787
		12,917,671	10,837,269
Less: Recoveries from joint operating partners	24.4	1,204,697	851,858
		11,712,974	9,985,411

24.1 Operating expenses includes expenses (excluding depreciation and amortization) relating to joint operations as follows:

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Sukkur block	80,353	68,018
Hala block	210,155	270,672
Kohat block	748	1,428
Karak block	403,750	371,995
Ziarat block	70,012	-
Sujawal block	311,680	383,868
Zarghun field	170,340	163,237
Ghauri block	203,159	161,200
	1,450,197	1,420,418

24.2 These include operating lease rentals amounting to Rs 72.65 million (2018: Rs 51.80 million) in respect of company leased vehicles provided to eligible employees.

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
24.3 Auditor's remuneration		
Statutory audit	1,610	1,562
Review of half yearly accounts, special reports and other certifications	1,234	1,150
Out of pocket expenses	286	224
	3,130	2,936

24.4 Recoveries from joint operating partners

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Time write cost	855,087	629,907
Overheads	328,055	216,500
Computer and equipment support cost	21,555	5,451
	1,204,697	851,858

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 (Rupees in thousand)		2018 (Rupees in thousand)	
25. EXPLORATION AND PROSPECTING EXPENDITURE				
Mari Field		25,743		14,714
Joint operations				
Prospecting expenditure		3,968,942		2,690,600
Cost of dry and abandoned wells written off		313,321		609,525
		4,282,263		3,300,125
		4,308,006		3,314,839
	2019	2018		
	Working interest (%)			
OPERATED BLOCKS				
Zarghun Field	35.00	35.00	98,763	155,002
Ziarat Block	60.00	60.00	132,084	64,981
Karak Block	60.00	60.00	(4,446)	1,251
Hanna Block *	100.00	100.00	31,350	12,944
Harnai Block	60.00	60.00	15,269	35,876
Sujawal Block	100.00	100.00	(80,907)	495,780
Sukkur Block	100.00	58.82	990,870	867,224
Ghauri Block	65.00	65.00	688,550	517,561
Peshawar East Block	98.16	98.16	16,887	12,453
Bannu West Block	55.00	55.00	1,354,731	555,530
Block 28 **	95.00	-	15,191	-
Khetwaro Block *	51.00	51.00	(1,696)	2,518
			3,256,646	2,721,120
NON - OPERATED BLOCKS				
Hala Block	35.00	35.00	390,145	(56,514)
Kohat Block	33.33	20.00	8,928	(7,963)
Kohlu Block	30.00	30.00	8,459	7,376
Kalchas Block	50.00	50.00	193,899	635,612
Shah Bandar Block	32.00	32.00	60,802	(12,223)
Bela West Block	25.00	-	363,384	-
Zindan Block *	35.00	35.00	-	7,009
Block 28 **	-	95.00	-	5,708
			1,025,617	579,005
			4,282,263	3,300,125

* Company has relinquished these blocks and GOP's approval is pending in this respect.

** Transfer of operatorship of the block from OGDCL to MPCL is approved by GOP during the year.

25.1 Exploration and prospecting expenditure represents cost other than drilling expenditure directly charged to statement of profit or loss as referred in note 3.6 to these financial statements.

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
26. OTHER CHARGES			
Workers' Profit Participation Fund		1,972,081	1,199,381
Workers' Welfare Fund		463,730	248,366
		2,435,811	1,447,747
27. OTHER INCOME / (EXPENSES)			
Mari Seismic Unit income / (loss) - net	27.1	48,236	(321,247)
Mari Drilling Unit loss - net	27.2	(69,122)	(370,615)
Mari Seismic Processing Centre loss - net	27.3	(148,773)	(37,357)
Liquidated damages		510,126	
Line heaters rental income		8,224	7,169
Gain on disposal of property and equipment		158	31,866
Miscellaneous		(22,762)	108,338
		326,087	(581,846)
27.1 Break-up of Mari Seismic Unit income / (loss) - net is as follows:			
Income:			
Mari Seismic Unit income		1,268,513	110,927
Interest income on bank deposits		42,350	39,444
		1,310,863	150,371
Less: Expenses			
Operating expenses		1,065,730	372,616
Depreciation of property and equipment		196,869	71,831
Loss on disposal of property and equipment		-	27,109
Bank charges		28	62
		1,262,627	471,618
		48,236	(321,247)
27.2 Break-up of Mari Drilling Unit loss - net is as follows:			
Income:			
Rig rental income		519,178	233,437
Less: Expenses			
Operating expenses		484,487	477,350
Depreciation of property and equipment		90,445	126,702
Loss on disposal of property and equipment		13,368	-
		588,300	604,052
		(69,122)	(370,615)

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
27.3 Break-up of Mari Seismic Processing Centre loss - net is as follows:		
Income:		
Mari Seismic Processing Centre income	55,677	67,467
Less: Expenses		
Operating expenses	200,667	86,881
Depreciation of property and equipment	3,783	17,943
	204,450	104,824
	(148,773)	(37,357)
28. FINANCE INCOME		
Interest income on bank deposits	594,025	421,587
Interest income on short term investments	1,173,281	276,840
Interest income on delayed payments	-	67,189
	1,767,306	765,616
29. FINANCE COST		
Interest on long term financing	-	26,567
Unwinding of discount on provision for decommissioning cost	762,003	720,421
Exchange loss / (gain)	34,008	(110,444)
Interest on Workers' Profit Participation Fund	3,714	1,783
Bank charges	2,035	1,401
	801,760	639,728
30. PROVISION FOR TAXATION		
Current	9,218,286	4,576,011
Deferred	1,162,960	341,193
	10,381,246	4,917,204

	2019 (Percentage)	2018 (Percentage)
30.1 Reconciliation of effective tax rate		
*Applicable tax rate	51.67	49.45
Tax effect of depletion allowance and royalty payments	(20.15)	(22.44)
Others	(1.61)	(2.78)
Effective tax rate	29.91	24.23

* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.

30.2 Management has assessed that tax provision made in the financial statements is sufficient. Income tax liability as per financial statements for the last three tax years is Rs 6.7 billion as compared to Rs 5.5 billion as per latest tax assessments.

	2019	2018 Restated
31. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees in thousand)	24,327,088	15,374,340
Distributable earnings (Rupees in thousand)	759,843	709,928
Number of ordinary shares outstanding (in thousand)	121,275	121,275
Earnings per ordinary share (in Rupees)	200.59	126.77
Distributable earnings per ordinary share (in Rupees)	6.27	5.85

There is no dilutive effect on the basic earnings per ordinary share of the Company.

Total number of shares and earnings per share for the year ended June 30, 2018 have been restated taking into account the effect of bonus shares @ 10% issued during the year as explained in note 4.2.

31.1 Distributable earnings reflect return to shareholders for the year ended June 30, 2019 @ 44.29% (2018: 44.40%) per annum on shareholders' funds as referred to in the "Revised Agreement".

32. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Cash and bank balances	6,635,818	7,268,908
Short term investments	20,700,000	8,437,354
	27,335,818	15,706,262

33. EMPLOYEE BENEFITS

The results of the actuarial valuation carried out as at June 30, 2019 and June 30, 2018 are as follows:

33.1 Funded benefits

	2019		2018	
	Management Gratuity	Non- Management Gratuity	Management Gratuity	Non- Management Gratuity
	(Rupees in thousand)			
Reconciliation of payable to defined benefit plan				
Present value of defined benefit obligations	2,336,934	992,460	1,613,836	818,258
Fair value of plan assets	(1,536,696)	(785,100)	(1,335,878)	(696,927)
Liability recognized in statement of financial position	800,238	207,360	277,958	121,331
Movement in payable to defined benefit plan				
Balance as at beginning of year	277,958	121,331	152,637	28,096
Expense for the year	800,238	207,360	277,958	121,331
	1,078,196	328,691	430,595	149,427
Contribution to fund during the year	(277,958)	(121,331)	(152,637)	(28,096)
Balance as at end of year	800,238	207,360	277,958	121,331

Notes to and Forming Part of the Financial Statements
For the year ended June 30, 2019

	2019		2018	
	Management Gratuity	Non-Management Gratuity	Management Gratuity	Non-Management Gratuity
(Rupees in thousand)				
Movement in the present value of defined benefit obligation				
Present value of defined benefit obligation at beginning of the year	1,613,836	818,258	1,375,739	723,867
Current service cost	169,473	36,314	149,356	31,644
Past service cost	430,352	-	-	-
Interest cost on defined benefit obligation	144,206	73,459	110,280	53,142
Actual benefits paid during the year	(219,037)	(44,271)	(95,431)	(59,844)
Benefits payable to outgoing members	-	(34,206)	-	-
Re-measurements: Actuarial loss on obligation	198,104	142,906	73,892	69,449
Present value of defined benefit obligation at end of the year	2,336,934	992,460	1,613,836	818,258
Movement in fair value of plan assets				
Balance as at beginning of year	1,335,878	696,927	1,223,102	695,771
Contributions during the year	277,958	121,331	152,637	28,096
Interest income on plan assets	119,190	62,464	98,450	50,917
Benefits payable by the Fund	-	(34,206)	-	-
Remeasurement gain / (loss) on plan assets	22,707	(17,145)	(42,880)	(18,013)
Benefits paid during the year	(219,037)	(44,271)	(95,431)	(59,844)
Balance as at end of year	1,536,696	785,100	1,335,878	696,927
Plan assets comprise of:				
Deposit with banks and mutual funds	1,536,696	785,100	1,335,878	696,927
Expense for the year:				
Recognized in statement of profit or loss				
Current service cost	169,473	36,314	149,356	31,644
Past service cost	430,352	-	-	-
Interest cost	144,206	73,459	110,280	53,142
Interest income on plan assets	(119,190)	(62,464)	(98,450)	(50,917)
	624,841	47,309	161,186	33,869
Recognized in statement of comprehensive income				
Remeasurement loss / (gain) on obligations				
- effect of experience adjustment	198,104	142,906	73,892	69,449
Remeasurement loss / (gain) on plan assets	(22,707)	17,145	42,880	18,013
	175,397	160,051	116,772	87,462
Total expense for the year	800,238	207,360	277,958	121,331
Actual return on plan assets	141,897	45,319	55,570	32,904

	Management Gratuity	Non-Management Gratuity
	(Rupees in thousand)	
Projected benefit payments from gratuity fund are as follows:		
For the year 2020	324,309	80,117
For the year 2021	317,130	204,872
For the year 2022	180,528	117,307
For the year 2023	229,178	146,604
For the year 2024	502,606	190,018
For the years 2025-29	2,660,930	1,111,685

33.2 Un-funded benefits

	2019		2018			
	Post Retirement Leaves	Post Retirement Medical	Pension	Post Retirement Medical		
(Rupees in thousand)						
Reconciliation of payable to defined benefit plan						
Present value of defined benefit obligations	511,409	75,047	73,704	427,678	74,893	70,494
Movement in payable to defined benefit plan						
Balance at beginning of the year	427,678	74,893	74,519	363,152	73,148	70,494
Expense / (credit) for the year	125,749	2,886	(815)	80,731	5,214	4,025
	553,427	77,779	73,704	443,883	78,362	74,519
Payments during the year	(42,018)	(2,732)	-	(16,205)	(3,469)	-
Balance at end of the year	511,409	75,047	73,704	427,678	74,893	74,519
Expense for the year:						
Recognized in statement of profit or loss						
Current service cost	44,137	1,924	2,600	38,091	1,855	2,320
Interest cost	38,491	6,548	6,808	28,144	5,624	5,532
Immediate recognition of actuarial loss / (gain)	43,121	-	-	14,496	-	-
	125,749	8,472	9,408	80,731	7,479	7,852
Recognized in statement of comprehensive income						
Remeasurement loss / (gain) on obligations:						
Effect of experience adjustment	-	(5,586)	4,395	-	(2,265)	433
Effect of changes in financial assumptions	-	-	(14,618)	-	-	(4,260)
	-	(5,586)	(10,223)	-	(2,265)	(3,827)
Total expense for the year	125,749	2,886	(815)	80,731	5,214	4,025

33.3 The principal actuarial assumptions used in the actuarial valuation of the defined benefit plans are as follows:

	2019	2018
	(Per annum)	
- Discount rate	14.00%	9.00%
- Expected rate of salary increase	14.00%	9.00%
- Expected rate of pension increase	9.25%	4.25%
- Increase in cost of medical benefits	14.00%	9.00%

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

33.4 Sensitivity analysis and weighted average number of years:

	Weighted average number of years as at June 30, 2019	Effect on payable to defined benefit plan of			
		Discount rate		Salary/Medical rate	
		0.5% point increase	0.5% point decrease	0.5% point increase	0.5% point decrease
		(Rupees in thousand)		(Rupees in thousand)	
Management Gratuity	7.57	(85,518)	91,598	91,184	(85,882)
Non-Management Gratuity	5.24	(25,397)	26,646	26,527	(25,507)
Management Post Retirement Medical	7.58	(2,844)	3,050	34	(34)

33.5 The employee benefit expenses (funded and unfunded) including provident fund expense for the year amounting to Rs 83.03 million (2018: Rs 72.50 million) are recognized in statement of profit or loss for the year as per following details:

Description	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Salaries, wages and benefits - Operating expenses	750,590	286,380
Employees medical and welfare - Operating expenses	44,301	16,047
Mobile dispensary and social welfare - Operating expenses	16,595	6,102
Mari Drilling Unit - Other income	54,871	41,333
Mari Seismic Unit - Other income	22,741	9,389
Mari Seismic Processing Centre - Other income	9,707	4,370
	898,805	363,621

34. OPERATING SEGMENTS

34.1 Basis of segmentation

As explained in note 3.23, the Company has three strategic divisions based on the main types of activities, which are considered its reportable segments. The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Exploration and Production	includes all upstream business activities
Mari Seismic Unit	includes 2D/3D seismic data acquisition
Mari Drilling Unit	includes onshore drilling services

The Chief Executive Officer and the Board of Directors review the internal management reports of each division quarterly.

34.2 Information about reportable segments

Information related to each reportable segment is set below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating

the results of the respective segment. Accordingly, information about segment assets and liabilities is not presented.

	Exploration and Production	Mari Seismic Unit	Mari Drilling Unit	Total
(Rupees in thousand)				
Year ended June 30, 2019				
Revenue from external customers	117,542,103	1,268,513	519,178	119,329,794
Inter-segment revenue	-	1,381,252	1,605,831	2,987,083
	117,542,103	2,649,765	2,125,009	122,316,877
Operating expenses	9,134,028	2,189,748	1,173,539	12,497,315
Depreciation and amortization	2,578,946	397,662	234,567	3,211,175
Cost of dry and abandoned wells written off	313,321	-	-	313,321
Other income / (expenses)	346,973	-	(13,368)	333,605
Finance income	1,767,306	42,350	-	1,809,656
Finance cost	801,760	28	-	801,788
Profit before taxation	34,729,220	104,677	703,535	35,537,432
Year ended June 30, 2018				
Revenue from external customers	100,042,839	110,927	233,437	100,387,203
Inter-segment revenue	-	1,182,051	968,652	2,150,703
	100,042,839	1,292,978	1,202,089	102,537,906
Operating expenses	6,899,006	968,815	947,876	8,815,697
Depreciation and amortization	3,086,405	282,668	283,874	3,652,947
Cost of dry and abandoned wells written off	609,525	-	-	609,525
Other income	110,016	27,109	-	137,125
Finance income	765,616	39,444	-	805,060
Finance cost	639,728	62	-	639,790
Profit / (loss) before taxation	20,983,406	53,768	(29,661)	21,007,513
34.3 Reconciliation of segments' revenue and profit before taxation				
		2019 (Rupees in thousand)	2018 (Rupees in thousand)	
i)	Revenue from reportable segments	122,316,877	102,537,906	
	Elimination of inter-segment revenue - Mari Seismic Unit	(1,381,252)	(1,182,051)	
	Elimination of inter-segment revenue - Mari Drilling Unit	(1,605,831)	(968,652)	
	Revenue of the Company	119,329,794	100,387,203	
ii)	Revenue of the Company comprises:			
	- Gross sales to customers	117,542,103	100,042,839	
	- Mari Seismic Unit - other income / (expenses)	1,268,513	110,927	
	- Mari Drilling Unit - other income / (expenses)	519,178	233,437	
		119,329,794	100,387,203	

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
iii) Profit before taxation from reportable segments	35,537,432	21,007,513
Elimination of inter-segment profit - Mari Seismic Unit	(56,441)	(375,015)
Elimination of inter-segment profit - Mari Drilling Unit	(772,657)	(340,954)
Profit before taxation of the Company	34,708,334	20,291,544

Other information

Revenue from external customers is disclosed in note 23 and note 27.

Revenue from major customers related to sale of hydrocarbons constitutes 97% of the total revenue from sale of hydrocarbons during the year ended June 30, 2019 (2018: 97%).

	Amortized Cost	
	2019 (Rupees in thousand)	2018 (Rupees in thousand)
35. FINANCIAL INSTRUMENTS		
35.1 Financial assets and liabilities		
Financial assets		
Maturity up to one year		
Trade debts	148,939,878	95,294,994
Loans and advances	2,419,279	1,128,407
Interest accrued	105,747	103,183
Short term investments	20,700,000	8,437,354
Cash and bank balances	6,635,818	7,268,908
Maturity after one year		
Long term loans and advances	39,755	35,411
Long term deposits	230,979	62,870
	179,071,456	112,331,127
Financial liabilities		
Maturity up to one year		
Trade and other payables	8,586,119	5,790,399
Unclaimed dividend	32,563	19,371
Unpaid dividend	7,544	11,514
Maturity after one year		
Provision for compensated leave absences	285,977	242,707
	8,912,203	6,063,991

35.2 Credit quality of financial assets

The credit quality of 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), JCR - VIS Credit Rating Company Limited (JCR-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.

	Rating	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Trade debts			
Counterparties with external credit rating	A1+	118,425,563	81,894,777
	A1	6,497,861	3,547,786
	A2	136,717	301,649
Counterparties without external credit rating		23,879,737	9,550,782
		148,939,878	95,294,994
Loans and advances			
Counterparties without external credit rating			
Joint operating partners and employees with no default in the past		2,419,279	1,128,407
Interest accrued			
Counterparties with external credit rating	A1+	100,302	100,542
	A1	5,445	2,641
		105,747	103,183
Short term investments			
Counterparties with external credit rating	A1+	18,700,000	7,837,354
	A1	2,000,000	600,000
		20,700,000	8,437,354
Bank balances			
Counterparties with external credit rating	A1+	6,606,549	7,266,568
	A1	27,317	686
		6,633,866	7,267,254
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees with no default in the past		39,755	35,411
Long term deposits			
Counterparties without external credit rating			
Deposits with counter parties with no default in the past		230,979	62,870

35.3 Financial risk management

35.3.1 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 the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 and cash and cash equivalents. 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 written off.

The Company conducts transactions with the following major types of counterparties:

Customers

Trade debts are essentially due from fertilizer companies, power generation companies, distribution companies and refineries and the Company does not expect these companies to fail to meet their obligations.

An impairment analysis is performed at each reporting date in accordance with impairment requirements of IFRS 9. The Company evaluates the concentration of risk with respect to trade debts as insignificant, as 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 to measuring expected credit losses which uses a lifetime expected loss allowance for trade debts.

As of June 30, 2019, trade debts (excluding amounts mentioned in note 18.3) of Rs 28,314 million (2018: Rs 10,638 million) were past due but not impaired. The ageing analysis of past due trade debts is as follows:

	2019		2018	
	(Rupees in thousand)			
	Past due but not impaired	Doubtful debts provided for	Past due but not impaired	Doubtful debts provided for
Due from associated companies				
Past due 0-30 days	455,208	-	279,112	-
Past due 30-60 days	464,951	-	341,341	-
Past due 60-90 days	442,991	-	319,098	-
Over 90 days	3,583,998	238,000	1,844,454	238,000
	4,947,148	238,000	2,784,005	238,000
Due from others				
Past due 0-30 days	3,394,824	-	1,060,681	-
Past due 30-60 days	3,164,458	-	459,625	-
Past due 60-90 days	2,108,418	-	520,512	-
Over 90 days	14,937,560	-	6,051,419	-
	28,552,408	238,000	10,876,242	238,000

Banks

The Company limits its exposure to credit risk by maintaining bank accounts only with approved counterparties that have a credit rating of at least A. 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.

Others

Advances to employees are secured by an amount due to the employee against provident fund, hence, the risk of loss is considered minimal by the management. 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 bank balances and the Company's financial assets are in excess of financial liabilities by Rs 170,159 million (2018: Rs 106,267 million).

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of statement of financial position to the maturity date. The amounts disclosed in the table are undiscounted cash flows:

	Less than 1 year	Between 1 to 5 years	Over 5 years
	(Rupees in thousand)		
As at June 30, 2019			
Trade and other payables	8,586,119	-	-
Unclaimed dividend	32,563	-	-
Unpaid dividend	7,544	-	-
Provision for compensated leave absences	-	-	285,977
As at June 30, 2018			
Trade and other payables	5,790,399	-	-
Unclaimed dividend	19,371	-	-
Unpaid dividend	11,514	-	-
Provision for compensated leave absences	-	-	242,707

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's income 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

i) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income 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:

	2019		2018	
	(Rupees in thousand)		(US\$ in thousand)	
Cash and bank balances	1,891,704	796,606	11,500	6,551
Trade debts	8,574	1,591	52	13
Loans and advances	2,396,250	1,106,350	14,567	9,098
Trade and other payables	(3,108,355)	(1,448,460)	(18,896)	(11,912)
Net financial assets	1,188,173	456,087	7,223	3,750

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2019	2018	2019	2018
	(Rupees)		(Rupees)	
US\$ 1	137.67	110.59	164.50	121.60

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
	(Percentage)	(Rupees in thousand)	
2019			
US\$	+10%	57,424	57,424
	-10%	(57,424)	(57,424)
2018			
US\$	+10%	22,804	22,804
	-10%	(22,804)	(22,804)

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:

	2019	2018
	(Rupees in thousand)	
Financial assets		
Bank balances	6,555,803	7,191,349
Short term investments	20,700,000	8,437,354
	27,255,803	15,628,703

The effective interest rates for the financial assets are mentioned in respective notes to the financial statements.

Interest rate sensitivity analysis

At June 30, 2019 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, 2019 would increase/ decrease by Rs 659 million (2018: increase/ decrease by Rs 367 million).

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 financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

35.3.2 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as 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.

35.4 Fair value of financial instruments

The carrying values of financial assets and liabilities approximate their fair values.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

36. INFORMATION ABOUT JOINT OPERATIONS

The Company's working interests in the following operated and non operated fields / blocks in Pakistan are disclosed in note 25.

	Non current assets	Current assets	Non current liabilities	Current liabilities
	(Rupees in thousand)			
As at June 30, 2019				
Share in joint operations operated by the Company				
Zarghun Field	1,379,534	841,445	297,509	80,166
Ziarat Block	1,321,405	693,966	425,747	127,745
Karak Block	3,588,573	694,372	471,677	64,045
Hanna Block	39,672	5,573	-	-
Harnai Block	-	51,133	-	6,685
Sujawal Block	3,458,895	105,576	782,345	31,144
Sukkur Block	345,365	186,969	313,815	316,436
Ghauri Block	3,011,745	767,298	270,245	849,898
Peshawar East Block	-	61	-	165
Bannu West Block	147,616	719,450	-	39,323
Khetwaro Block	-	16,884	-	139
Share in joint operations operated by others				
Hala Block	2,550,516	5,722	628,697	211,382
Kohat Block	229,756	7,768	55,121	257,587
Kohlu Block	-	304	-	1,937
Kalchas Block	-	-	-	-
Zindan Block	-	3,346	-	200
Shah Bandar Block	832,891	-	6,853	30,697
Bela West Block	1,126,228	-	-	-
	18,032,196	4,099,867	3,252,009	2,017,549

	Non current assets	Current assets	Non current liabilities	Current liabilities
	(Rupees in thousand)			
As at June 30, 2018				
Share in joint operations operated by the Company				
Zarghun Field	541,568	67,856	113,853	47,670
Ziarat Block	245,914	119,207	187,828	182,173
Karak Block	4,026,066	97,261	395,159	170,773
Hanna Block	-	3,627	-	5,561
Harnai Block	-	1,526	-	31,277
Sujawal Block	3,154,934	158,998	338,376	29,758
Sukkur Block	237,759	101,073	230,547	130,003
Ghauri Block	1,300,578	566,961	148,685	474,714
Peshawar East Block	-	1,351	-	2,609
Bannu West Block	-	106,071	-	115,578
Khetwaro Block	-	16,916	-	2,793
Share in joint operations operated by others				
Hala Block	2,350,549	11,892	404,949	-
Kohat Block	-	6,974	38,805	12,547
Kohlu Block	-	3,293	-	9,273
Kalchas Block	-	288	-	598,850
Zindan Block	-	8,045	-	201
Shah Bandar Block	155,180	-	-	178,111
Block 28	-	-	-	5,708
	12,012,548	1,271,339	1,858,202	1,997,599

37. DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES AND THE COMPANIES LISTED ON ISLAMIC INDEX

Description	Explanation	Rupees in thousand
i) Bank balances as at June 30, 2019	Placed under interest arrangement	5,404,729
	Placed under Shariah permissible arrangement	1,229,137
		6,633,866
Short term investments as at June 30, 2019	Placed under interest arrangement	10,200,000
	Placed under Shariah permissible arrangement	10,500,000
		20,700,000
ii) Interest income on bank deposits for the year ended June 30, 2019	Placed under interest arrangement	545,124
	Placed under Shariah permissible arrangement	91,251
		636,375
Interest income on short term investments for the year ended June 30, 2019	Placed under interest arrangement	723,646
	Placed under Shariah permissible arrangement	449,635
		1,173,281
iii) Exchange loss		34,008

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Description	Explanation
iv) Relationship with banks having Islamic windows	1. Askari Bank Limited (Islamic & Conventional both) 2. Bank Alfalah Limited (Islamic & Conventional both) 3. Meezan Bank Limited 4. Al Baraka Bank (Pakistan) Limited

Disclosures other than above are not applicable on the Company.

38. 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:

	2019		2018	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousand)			
Managerial remuneration	5,907	665,447	5,137	585,024
Company's contribution to provident fund	591	58,728	514	49,760
Company's contribution to gratuity fund	2,527	544,587	967	258,867
Housing and utilities	7,147	672,949	7,421	571,933
Other allowances and benefits	7,712	1,185,638	7,806	707,626
Bonuses	10,385	1,283,628	8,290	848,167
	34,269	4,410,977	30,135	3,021,377
Number of persons including those who worked part of the year	1	256	1	216

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 schooling and subsidized club facilities.

In addition 13 (2018: 13) directors were paid aggregate fee and reimbursable expenses of perquisite nature of Rs 19,288 thousand (2018: Rs 13,273 thousand).

	2019	2018
39. NUMBER OF EMPLOYEES		
Total number of employees as at the year end	1,228	1,187
Average number of employees during the year	1,212	1,150

40. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED COMPANIES

RELATED PARTIES

The related parties of the Company comprise of entities having significant influence over the Company, 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 directly or indirectly. The Company considers its Chief Executive and Directors to be key management personnel.

Nature of relationship	Nature of transaction / balance	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Entities with significant influence over the Company			
Fauji Foundation	Dividend paid	301,754	249,275
	Bonus shares	44,100	-
	Corporate Social Responsibility	17,000	8,000
	Dividend payable	9,526	6,990
OGDCL	Dividend paid	150,878	124,638
	Bonus shares	22,050	-
	Dividend payable	4,763	3,495
	Share (various fields/blocks) payable	251,668	26,958
	Share (various fields/blocks) receivable	441,245	23,253
Employees' retirement funds			
Gratuity funds (Management and Non-Management)	Contribution	399,289	180,733
Provident fund	Contribution	76,052	72,504

Transactions with key management personnel are disclosed in note 38 to the financial statements.

ASSOCIATED COMPANIES

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Askari Bank Limited		
Bank balances	4,631,566	5,541,678
Short term investments	3,500,000	637,000
Interest accrued	39,913	9,734

Amounts receivable from / payable to related parties and associated companies other than above have been disclosed in relevant notes to these financial statements.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

41. DETAIL OF RELATED PARTIES AND ASSOCIATED COMPANIES

41.1 Related Parties

Name of Related Party	Basis of relationship	Percentage of Shareholding
Fauji Foundation	Entity with significant influence over the Company	40%
OGDCL	Entity with significant influence over the Company	20%
Gratuity funds (Management and Non-Management)	Post employment benefit plan	-
Provident fund	Post employment benefit plan	-
Chief Executive and Directors	Key management personnel	-

41.2 Associated Companies

Name of Associated Company	Basis of relationship	Percentage of Shareholding
Fauji Fertilizer Company Limited	Fauji Group Company, Common directorship	-
Askari Bank Limited	Fauji Group Company, Common directorship	-
Foundation Power Company		
Daharki Limited	Fauji Group Company, Common directorship	-
Foundation Gas	Fauji Group Company, Common directorship	-

42. NON - ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on July 30, 2019 have proposed (i) final cash dividend for the year ended June 30, 2019 @ Rs 2.0 per share, and (ii) issuance of Bonus Shares in ratio of one share for every ten shares held (i.e. 10%), for approval of the members in the Annual General Meeting.

43. INFORMATION RELATING TO PROVIDENT FUND

Mari Petroleum Company Limited (MPCL) Employees' Provident Fund is a defined contribution plan for benefit of employees of the Company. The details are as follows:

	Un-audited	
	2019	2018
Net assets (Rupees in thousand)	1,049,955	956,264
Cost of investments made (Rupees in thousand)	921,825	818,423
Percentage of investments made (Percentage)	88%	86%
Fair value of investments (Rupees in thousand)	921,825	818,423
Break-up of investments:		
Bank, term deposits and mutual funds (Rupees in thousand)	921,825	818,423

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.

44. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following is the summary of significant transactions and events that have affected the Company's financial position and performance during the year:

- Dividend declared by the Company during the year, aggregated to Rs 760.725 million.
- Bonus shares issued by the Company during the year, amounting to Rs 110.250 million.
- Increase in wellhead prices resulting in increase in cash and cash equivalents and profit.

45. CORRESPONDING FIGURES

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

	Rupees in thousand
Statement of Financial position	
Amount reclassified to "Trade and Other Payables" from "Current maturity of long term financing"	119,045
Amount reclassified to "Trade and Other Payables" from "Interest accrued on long term financing"	10,180
Statement of profit or loss	
Amount reclassified to "Other income / (expenses)" from "Exploration and prospecting expenditure"	375,015

46. GENERAL

46.1 Capacity and Production

Product	Unit	Actual production for the year
Gas	MMSCF	257,137
Condensate	Barrels	110,613
Crude Oil	Barrels	294,442
LPG	Metric ton	19.83

Due to the nature of operations of the Company, installed capacity of above products is not relevant.

46.2 These financial statements have been authorized for issue by the Board of Directors of the Company on July 30, 2019.



Muhammad Asif
General Manager Finance/CFO



Lt Gen Ishfaq Nadeem Ahmad, HI (M), (Retd)
Managing Director / CEO



Ayla Majid
Director

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

ACA	Associate Chartered Accountant
AFIC	Armed Forces Institute of Cardiology
AGM	Annual General Meeting
API	American Petroleum Institute
ATL	Active - Tax Payer List
B2B	Business to Business
BBLs	Barrels
BI	Business Intelligence
BOE	Barrel of Oil Equivalent
BOQS	Bill of Quantities
BPD	Barrels Per Day
BSCF	Billion Standard Cubic Feet
BTU	British Thermal Unit
CA	The Companies Act, 2017
CATS	Cross Application Timesheet
CCG	Listed Companies (Code of Corporate Governance) Regulations, 2017
CDC	Central Depository Company of Pakistan Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMS	Competency Management System
COO	Chief Operating Officer
COT	Corporate Objectives & Targets
CS	Company Secretary
CSP	Civil Service of Pakistan
CSR	Corporate Social Responsibility
D&P	Development and Production
DCO	District Coordination Officer
DGPC	Directorate General of Petroleum Concessions
DRP	Disaster Recovery Plan
DST	Drill Stem Test
E&P	Exploration and Production

EBITDA	Earnings Before Interest Taxes Depreciation and Ammortization
EFPP	Employers' Federation of Pakistan
EOGM	Extraordinary General Meeting
EPS	Earnings Per Share
ERM	Enterprise Risk Management
ESD	Emergency Shut-Down
EWT	Extended Well Test
FATA	Federally Administered Tribal Areas
FCA	Fellow Chartered Accountant
FDS	Functional Design Specification
FEC	Full Economic Costing
G&G	Geological and Geophysical
GDS	Gas Development Surcharge
GIDC	Gas Infrastructure Development Cess
GM	General Manager
GoP	Government of Pakistan
GPA	Gas Wellhead Price Agreement
HAZOP	Hazard and Operability Study
HCDPU	Hydrocarbon Dew Point Unit
Hi(M)	Hilal-e-Imtiaz (Military)
HIA	Head of Internal Audit
HMI	Human Machine Interface
HOD	Head of Department
HR&R	Human Resource and Remuneration
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
HSEQ	Health, Safety, Environment, and Quality
IASB	International Accounting Standards Board
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan

IEA	International Energy Agency
IEE/EIA	Initial Environmental Examination / Environmental Impact Assessment
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IHRDC	International Human Resource Development Corporation
IMS	Integrated Management System
ISMS	Information Security Management System
ISO	International Standards Organization
IWD	International Women's Day
JV	Joint Venture
KIBOR	Karachi Inter-Bank Offer Rate
KPIs	Key Performance Indicators
KPK	Khyber Pakhtunkhwa
KUFPEC	Kuwait Foreign Petroleum Exploration Company
LLIs	Long Lead Items
LPG	Liquefied Petroleum Gas
LTIs	Lost Time Incidents
MAP	Management Association of Pakistan
MCS	Management Control Systems
MD	Managing Director
MDCPF	Mari Deep Central processing Facility
MDU	Mari Drilling Unit
MGCL	Mari Gas Company Limited
MMSCF	Million Standard Cubic Feet
MNA	Member of National Assembly
MOU	Memorandum of Understanding
MPA	Member of Provincial Assembly
MPCL	Mari Petroleum Company Limited
MSD	Mari Services Division
MSPC	Mari Seismic Processing Centre
MSPC	Mari Seismic Data Processing Center
MSPs	Management System Procedures
MSU	Mari Seismic Unit
MW	Megawatt
NDU	National Defense University
NEQS	National Environmental Quality Standards
NIMUN	NUST International Model United Nations
NITL	National Investment Trust Limited

NTN	National Tax Number
OCM	Operating Committee Meeting
OGDCL	Oil & Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment Series
P/E	Price to Earnings Ratio
PCAs	Petroleum Concession Agreement
PMS	Plant Maintenance System
PPEPCA	Pakistan Petroleum Exploration and Production Companies Association
PPIS	Pakistan Petroleum Information Service
PSI	Pounds Per Square Inch
PSIG	Pounds Per Square Inch Gauge
PSO	Pakistan State Oil
PSX	Pakistan Stock Exchange
RCCI	Rawalpindi Chamber of Commerce and Industry
RFQ	Request for Quotation
RTB	Request for Travel Booking
SAARC	The South Asian Association for Regional Cooperation
SAFA	South Asian Federation of Accountants
SAP	Systems, Applications and Products
SCADA	Supervisory Control and Data Acquisition
SECP	Securities and Exchange Commission of Pakistan
SML	Sui Main Limestone
SOPS	Standard Operating Procedures
SOW	Statement of Work
SRO	Statutory Regulatory Order
SSGCL	Sui Southern Gas Company Limited
SUL	Sui Upper Limestone
TCM	Technical Committee Meeting
TD	Target Depth
TORs	Terms of Reference
TRCF	Total Recordable Case Frequency
VDI	Virtual Desktop Infrastructure

ڈائریکٹرز رپورٹ

ہم اپنی ڈائریکٹرز رپورٹ کے ساتھ 30 جون 2019 کو ختم ہونے والے سال کے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے اور اس پر آڈیٹرز رپورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج
مذکورہ سال کے لیے منافع اور اس کی تقسیم درج ذیل ہے:

منافع	"000" روپے
تجس کی ادا کی گئی کے بعد رواں سال کا منافع	24,327,088
دیگر پیش آنے والے نقصانات	(151,372)
آگے لایا گیا غیر منقسم منافع	26,286,128
	50,461,844
تقسیم	
30 جون 2018 کو ختم ہونے والے سال کے لیے حتمی نقد منافع 25 فیصد کی شرح سے	(103,635)
30 جون 2019 کو ختم ہونے والے سال کے لیے پہلا عبوری نقد منافع 40 فیصد کی شرح سے	(485,100)
غیر منقسم شرح منافع کی منظوری	(271,546)
سیلف انشورنس ریوزرو	(1,000,000)
رواں سال کا بچاؤ	(1,860,281)
	48,601,563

زیر جائزہ سال کے دوران مجموعی سبز 117,542 ملین روپے کی بے مثال سطح تک پہنچی ہیں جبکہ گزشتہ سال مجموعی سبز 100,043 ملین روپے تھیں۔ اس اضافے کی سب سے اہم وجہ سبز کی قیمتوں میں اضافہ ہے۔ کمپنی نے گزشتہ سال قومی خزانے کو 70,409 ملین روپے کا قاعدہ پھلپایا تھا جبکہ اس سال یہ رقم بڑھ کر 77,046 ملین روپے ہو گئی۔ اس سال آپریٹنگ اخراجات 11,713 ملین روپے رہے جبکہ گزشتہ سال یہ اخراجات 9,985 ملین روپے تھے۔

اس سال کے مالیاتی گوشوارے آپریٹنگ نتائج میں 24,327 ملین روپے کا صحت مند منافع ظاہر کرتے ہیں جبکہ گزشتہ سال منافع 15,374 ملین روپے تھا۔ منافع میں اضافے کی خاص وجہ خالص سبز، دیگر آمدنی اور ٹرانس اگم میں اضافہ ہے۔ تاہم یہ منافع راہگامی، آپریٹنگ اخراجات، دوسرے مالیاتی اخراجات اور ان کے متعلقہ چارجز ٹرانس کے خرچے اور ٹیکسز میں اضافے سے جزوی طور پر آف سیٹ ہوا ہے۔

گزشتہ سال کے 126.77 روپے فی شیئر آمدن (EPS) کے مقابلے میں اس سال فی شیئر آمدن بڑھ کر 200.59 روپے ہو گئی ہے۔ قابل تقسیم منافع کی بنیاد پر فی شیئر آمدن گزشتہ سال 5.85 روپے فی شیئر سے بڑھ کر 6.27 روپے فی شیئر ہو گئی ہے۔

اس سال فی شیئر مالکان کے منافع کی شرح تیز ہوا اور اس کی بنیاد پر 44.29 فیصد ہو گئی ہے۔

کیش فلو کی حکمت عملی

گزشتہ سال کے 15,706 ملین روپے کے مقابلے میں اس سال کیش اور اس کی مساوی رقم 27,336 ملین روپے ہیں۔ اس سال کے دوران کمپنی کی آپریٹنگ سرگرمیوں سے 20,436 ملین روپے کمائے گئے جنہیں تلاش اور ترقی کی سرگرمیوں، سرمایے کے اخراجات اور منافع کی ادا کی گئی کے لیے استعمال کیا گیا۔

کمپنی نے 30 جون 2019 کو ختم ہونے والے سال کے لیے 4.00 روپے فی عمومی شیئر (40 فیصد) کے لحاظ سے عبوری ڈیویڈنڈ کا اعلان کیا۔ علاوہ ازیں 30 جون 2018 کو ختم ہونے والے سال کے لیے حتمی کیش ڈیویڈنڈ / منافع 2.50 روپے فی شیئر (25 فیصد) کا اعلان بھی رواں سال کے دوران کیا گیا۔ جبکہ رواں سال کے لیے 10 فیصد شرح کے حساب سے بونس شیئر زونے کا بھی اعلان کیا گیا۔

پراکسی فارم

برائے سالانہ اجلاس عام
ماتی پٹرولیم کمپنی لمیٹڈ

21-ماڈرن پلا، قمر ڈروڈ، سیکٹر 4/10-G، اسلام آباد، 2352859 فیکس، 051-111-410-410، ٹیل: 051-111-410-410



میں / ام _____ ساکن _____ بلور نمبر (زائد) پٹرولیم _____
کمپنی لمیٹڈ مال _____ عام حصص، رجسٹرڈ فیلو / ای ڈی سی اکاؤنٹ نمبر _____ مجرم _____
_____ فیلو / ای ڈی سی اکاؤنٹ نمبر _____ (اگر نمبر ہو) ساکن _____
_____ پان کے حاضر ہونے کی صورت میں مجرم _____
_____ فیلو / ای ڈی سی اکاؤنٹ نمبر _____ (اگر نمبر ہو) ساکن _____
_____ کو اپنے / ادارے / نام پر کمپنی کے بروز منسلک مورخہ 22 اکتوبر 2019ء کو ہونے والے ہتھیاریوں (35) اجلاس عام میں شرکت کرنے اور حق رائے دی استعمال کرنے کے لیے یا کسی بھی اقدام کی صورت میں اپنا / ادارہ / نام (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

نما کنندہ (پراکسی) کے دستخط _____
پان روپے کے رسیدی گٹ پر ممبر کے دستخط _____

گواہان
1. _____
2. _____
نام _____
پتہ _____
شناختی کارڈ نمبر _____
پاسپورٹ نمبر _____

نوٹ:

1- اجلاس ہذا میں شرکت اور ووٹ دینے کا مستحق ممبر ووٹ اور شرکت کے لیے اپنی نمائندگی کے ذریعے کسی دوسرے شخص کو اپنا نمائندہ (Proxy) مقرر کر سکتا ہے۔ پراکسی تقرری کی دستاویز کمپنی کے رجسٹرڈ دفتر واقع 21-ماڈرن پلا، قمر ڈروڈ، سیکٹر 4/10-G، اسلام آباد میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً موصول ہو چانی چاہیے۔

2- ممبران، جن کے حصص سٹائل اپنا لاری کمپنی آف پاکستان لمیٹڈ میں ہیں، ان کو ہدایت ہے کہ اجلاس میں شرکت کے لیے اپنے اصلی قومی شناختی کارڈ نمبر ڈی سی پرائیویٹ ID اور اکاؤنٹ نمبر ممبر ہونے لائیں۔

3- کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد / قرارداد، یادگار قرارداد یا نمائندگی (پراکسی) کے دستخط کے ساتھ کمپنی کو پیش کرنا ہو گا۔

ویڈیو کانفرنس کی سہولت کے لیے ہارم

میں / ام _____ ساکن _____ بلور نمبر (زائد) پٹرولیم کمپنی لمیٹڈ مال _____ عام حصص، رجسٹرڈ فیلو / _____

ای ڈی سی اکاؤنٹ نمبر ویڈیو کانفرنس کی سہولت مہتمم _____ چاہیں گے۔

ڈائریکٹرز رپورٹ

غیر ملکی ذرمبادلہ کی بچت اور حکومتی حاصل (روپیہ)

MPCL قومی مصیبت میں اہم کردار ادا کرتی ہے۔ کمپنی کے باڈی فیلڈ اور دیگر مشترکہ منصوبوں سے نکلنے والی قدرتی گیس، کنڈلیٹ، خام تیل اور ایل پی جی کی پیداوار کا حصہ مابقی سال 2018-19 میں توتائی کے لحاظ سے 33,638,101 بیرل تھا۔ اس کے نتیجے میں رواں سال کے دوران غیر ملکی ذرمبادلہ کی بچت تقریباً 329 ملین روپے (2018: 237 ملین روپے) ہوئی جس کا حساب لگانے کے لیے رواں مالی سال میں خام تیل کی اوسط قیمت 570.99 ڈالر فی بیرل جبکہ ڈالر کے ساتھ تھالے کی اوسط شرح 137.67 روپے فی گیلو (2018: خام تیل کی اوسط قیمت 62.90 ڈالر فی بیرل جبکہ ڈالر کے ساتھ تھالے کی اوسط شرح 110.59 روپے)۔

اس کے علاوہ MPCL نے سال کے دوران سرکاری خزانے کو 77,046 ملین روپے (18-2017 کے دوران 70,409 ملین روپے) کا قلمداد پہنچایا۔ یہ رقم گیس ڈولپمنٹ سرچارج، گیس انفراسٹرکچر ڈولپمنٹ سیس، سیلز ٹیکس، ایکسائز ڈیوٹی اور مالی، ورکرز فنڈ اور اگم ٹیکس کی مد میں دی گئی۔

آپریٹنگ

باڈی فیلڈ سے گزشتہ 5 دہائیوں سے زائد عرصے سے فراہم کردہ گیس کبھی بھی ختم کی ایک گھنٹے کے لیے بھی معطل / منتقل کا شکار نہیں ہوئی۔ کمپنی نے اپنی دیرینہ روایت کو جاری رکھتے ہوئے اپنے تمام صارفین کو سال 2018-19 کے دوران گیس کی بلا منتقل فراہمی جاری رکھی۔

صارفین کی ضرورت کے مطابق باڈی فیلڈ سے (روزانہ 673 MMSCF کی اوسط سے) مجموعی طور پر 245,603 MMSCF گیس اور 17,774 بیرل کنڈلیٹ (49 بیرل روزانہ) نکالے گئے جبکہ پچھلے سال اسی مدت کے دوران (667 MMSCF یومیہ کی اوسط سے) 243,403 MMSCF گیس اور 17,369 بیرل کنڈلیٹ (48 بیرل یومیہ) نکالے گئے۔

علاوہ ازیں مشترکہ منصوبوں سے اس مدت کے دوران 11,534 MMSCF گیس (32 MMSCF یومیہ اوسط) اور 92,839 بیرل کنڈلیٹ (254 بیرل یومیہ اوسط) (294,442 بیرل خام تیل (807 بیرل یومیہ) اور 19.83 میٹرک ٹن ایل پی جی (0.05 میٹرک ٹن یومیہ) کی پیداوار اور فروخت ہوئی جبکہ گزشتہ سال کے دوران 13,752 MMSCF گیس (38 MMSCF یومیہ اوسط) اور 99,870 بیرل کنڈلیٹ (274 بیرل یومیہ اوسط) اور 426,581 بیرل خام تیل (1,169 بیرل یومیہ) کی پیداوار اور فروخت ہوئی تھی۔

کمپنی کے صارفین میں اینگرو فریڈرکس، سٹیٹ لیمینٹ، فوجی فریڈرکس، سٹیٹ لیمینٹ، فاطمہ فریڈرکس، سٹیٹ لیمینٹ، قادیان پاور سٹیٹ لیمینٹ، سنٹرل پاور جنریشن سٹیٹ لیمینٹ، سوئی گارڈرن گیس پائپ لائن لیمینٹ، سوئی گارڈرن گیس سٹیٹ لیمینٹ، فوجی فریڈرکس، سٹیٹ لیمینٹ، ایک آئل ریفرنری لیمینٹ، میٹیل ریفرنری لیمینٹ، پاکستان ریفرنری لیمینٹ، پاک عرب ریفرنری لیمینٹ، پاک عرب فریڈرکس لیمینٹ، EGAS (پرائیویٹ) لیمینٹ، پیٹرون سی این بی (پرائیویٹ) لیمینٹ اور قادیان پاور سٹیٹ لیمینٹ شامل ہیں۔

ملاش، آپریٹنگ اور ترقیاتی سرگرمیاں

پاکستان میں آن شور ہارڈ اسٹیل فیلڈ میں کمپنی کے زیر کار مفادات درج ذیل ہیں:-

10-	بنوں ویسٹ بلاک	55 فیصد	ایک پی سی ایل
11-	بلاک 28	95 فیصد	ایک پی سی ایل
12-	ہال بلاک	35 فیصد	پی پی ایل
13-	شاہوند بلاک	32 فیصد	پی پی ایل
14-	بٹلا ویسٹ بلاک	25 فیصد	پی پی ایل
15-	کوٹلا بلاک	30 فیصد	او بی ڈی سی ایل
16-	کچاس بلاک	50 فیصد	او بی ڈی سی ایل
17-	کوہاٹ بلاک	33.33 فیصد	او بی ڈی سی ایل

منصوبہ بندی میں شامل کنویں کی صورت حال کا جائزہ 2018-19

ضلع ہالکس اور D&P

کنویں	قسم	بلاک / فیلڈ	سٹیٹس
18HRL کنویں	ترقیاتی	ماری فیلڈ	ماری ڈی اینڈ پی لیز کے اندر صیحب راہی ریزروائر کے پیداواری علاقے کو بڑھانے کے لیے ڈرنلگ مہم کامیابی سے مکمل ہو چکی ہے
نچو-2	تجزیاتی / ترقیاتی	ماری فیلڈ	یہ کنویں نوٹر گورنڈر B sand کے ریزروائر میں گیس پر ڈیوچ سر کے طور پر عمل کیا جا چکا ہے
پرواز-1	تشخیصی	ماری فیلڈ	DST کا جائزہ لیا جا رہا ہے
شاہن-2	تجزیاتی / ترقیاتی	ماری فیلڈ	یہ کنویں SML ریزروائر میں گیس پر ڈیوچ سر کے طور پر عمل کیا جا چکا ہے
5 واں آزمائشی کنویں	تشخیصی	سجاد	کنویں پر کام ہلتی کر دیا گیا ہے کیونکہ اس سے متعلقہ خطرات کو ابھی تک کم نہیں کیا جا سکا
ڈھاریاں-1 ایس ٹی 3	تشخیصی	غوری	تیل کی دریافت کے بعد کنویں سے EWT پیداوار جاری ہے
مراتھ-1	تشخیصی	غوری	ڈرنلگ کا کام جاری ہے
سر فرخ-1 X	تشخیصی	کرک	کنویں کا زمینی کام 16 اگست 2018 کو شروع ہو چکا ہے اور امید ہے کہ ایل کی کام مئی 2020 تک مکمل ہو جائے گا۔ کنویں کا کام تعمیراتی کام کے لیے زمین مشکل ہونے کے باعث تاخیر کا شکار ہو رہا ہے۔ اس کی تعمیراتی کام بھی جاری تھا
بولان ایسٹ-1	تشخیصی	زیارت	صوبہ بلوچستان میں چٹن اور سورو / مغل کوٹ ہار میٹریس تیل کی اہم دریافت ہوئی ہیں
پیدا آزمائشی کنویں	تشخیصی	بنوں ویسٹ	Zipper-1 قریبی ڈی Seismic Data کا حصول، اس کی پروسیسنگ اور تجزیہ مکمل ہونے کے بعد ایل کی کام جون 2020 تک متوقع ہے

غیر ضلع ہالکس

کنویں	قسم	بلاک / فیلڈ	سٹیٹس
قرم-1 X	تشخیصی	ہالا	کوٹلا اور بند کر دیا گیا
چٹاری-1 X ایس ٹی 2	تشخیصی	شاہوند	نوٹر گورنڈر A سینٹر میں گیس کی دریافت ہوئی
بٹلا ویسٹ-1 X ایس ٹی 1	تشخیصی	بٹلا ویسٹ	18 جولائی 2019 تک کنویں 4345 میٹرک ٹن پیداوار کیا ہے
نورخ-1	تشخیصی	کوہاٹ	2019 کو حاصل ہونے والے کنویں کو ٹیسٹ کرنے کی تیاریاں جاری ہیں

نمبر	بلاک / فیلڈ نام	ایک پی سی ایل کلر کا حصہ	آپریٹنگ نام
1-	باڈی فیلڈ	100 فیصد	ایک پی سی ایل
2-	زرخون ساتھ فیلڈ	35 فیصد	ایک پی سی ایل
3-	سجاد بلاک	100 فیصد	ایک پی سی ایل
4-	کرک بلاک	60 فیصد	ایک پی سی ایل
5-	غوری بلاک	65 فیصد	ایک پی سی ایل
6-	سکھر بلاک	100 فیصد	ایک پی سی ایل
7-	زیارت بلاک	60 فیصد	ایک پی سی ایل
8-	ہرنائی بلاک	60 فیصد	ایک پی سی ایل
9-	بٹلا ویسٹ بلاک	98.16 فیصد	ایک پی سی ایل

ڈائریکٹرز رپورٹ

کنویں سے گیس کی حتمی مقدار کے لیے متعدد آپٹیز پر غور کیا گیا۔ فیلڈ لیول پر ہونے والے تجزیوں کے بعد یہ فیصلہ کیا گیا کہ سب سے اچھا آپشن یہی ہے کہ اسے 4-PKL کے موجودہ نیٹ ورک سے جوڑا جائے۔

شاپن-2 کنویں

اس تحقیقی / ترقیاتی کنویں کی کھدائی کا کام 26 اپریل، 2019 کو شروع ہوا اور اسے 1175 میٹر کی گہرائی تک کھودا گیا تاکہ ایس ایم ایل اور ایس یو ایل ذخائر کے علاقوں میں دریافت کی تحقیق کی جاسکے۔ یہ کنویں SML ذخیرہ میں گیس پر دؤبے سر کے طور پر عمل ہو چکا ہے۔ تحقیق کی جانچ کا ٹیسٹ مکمل ہو چکا ہے تاہم بہاؤ کو چیک کرنے کے لیے ٹیسٹ اپنے سر میں ٹیسٹنگ سیٹ اپ اور سلک الٹرنیٹ کو استعمال کرتے ہوئے کیا جائے گا، اس سے تقریباً ایک لاکھ امریکی ڈالر کی بچت آئے گی۔

شہباز شمالی کنویں

ماری ڈی اینڈی لیز میں تحقیقی کنویں شہباز North تقریباً 1200-11 میٹر تک کھودا جائے گا۔ کنویں کی کھدائی میں استعمال ہونے والے سامان کا انتظام کر لیا گیا ہے اور امید ہے کہ کھدائی کا کام مارچ 2020 میں شروع ہو گا۔

ماری ڈی اینڈی لیز میں سرگرمیاں

HRL ذخائر کے لیے مراحاتی قیمتیں فراہم کرنا اب مشکل ہو گیا ہے۔ اس سلسلے میں کئی کھدائیاں کرنے والے تمام صارفین کے ساتھ مسلسل رابطے میں ہے تاکہ سالانہ تعمیر و مرمت کے سلسلے میں ہونے والی بندش کی منصوبہ بندی اور اس پر عمل کیا جاسکے، اور وقت کی بھی بچت ہو۔ 19-2018 کے شیڈول کے مطابق کھدائیاں کرنے والے تمام صارفین نے سالانہ تعمیر و مرمت کے حوالے سے اپنے اہداف کو پورا کیا ہے۔

پید اواری مراکز کی ترقی، کھدائی اور تعمیر

650 MMSCFD کے پید اواری ٹیم میں اضافہ کرنے کے لیے اضافی گیس کی قیمت سے متعلق فائدہ کو برقرار رکھنے کے لیے صیغہ رہی لائم سٹون ذخیرہ میں اضافی 19 ترقیاتی کنویں کی کھدائی کی منصوبہ بندی کی گئی (ایک کنویں 18-2017 میں اور 18 کنویں 19-2018 میں)۔ اس کے ساتھ ساتھ نئی سپر (spur) کنز کی تعمیر اور موجودہ کنز کی مرمت کا کام بھی جاری رکھا گیا۔ کھدائی کی اس ٹیم کی تحقیق کے لیے جون 2019 کا ہدف مقرر کیا گیا تھا تاہم یہ 21 اپریل، 2019 کو مکمل ہو چکا ہے (دو ماہ قبل)۔ وقت کے لحاظ سے اس اہم بچت کے ساتھ ساتھ رگ کو چھانپنے، ڈرائنگ کی ٹائمنگ، دیگر بلاکس سے بچنے ہوئے سامان کے استعمال اور گارے (Drilling Mud) میں شامل میٹیکلز کے جدید استعمال کی ہدایت 10 مہینے ڈالر کی بچت بھی کی گئی ہے۔

یہ بات اہم ہے کہ کھودے گئے 19 کنویں میں سے 12 میں زمین پر درکار سہولیات کی صیغہ کے بعد پید اواری کا کام شروع ہو چکا ہے۔

SCADA / ایلی میٹری سسٹم

نیچے کے زیادہ بہاؤ والے کنویں پر قابل بھروسہ کنٹرول کو برقرار رکھنے اور ماری فیلڈ میں بیٹائی SML کنویں سے پاک حرب فرینڈل ریزرو گیس کی فراہمی کی ڈیجیٹل سہولتوں کے لیے SCADA / ایلی میٹری سسٹم کو زبردستی غور لایا گیا ہے۔ کئی ان پلاس کام شروع کیا اور کام کے قابل آپٹیز کے لیے آپریشنس فلاحی کو حتمی شکل دی۔ پراجیکٹ کے مرکزی اہداف میں مکمل طور پر خود کار طریقے سے ESD تلفظ اور سی ایم ایف II میں نیچے کنویں اور پید اواری کی سہولیات کی ریویٹ کنٹرول / انٹیلیجنٹ کے ساتھ ساتھ جیتوں کے تلف اور اسے واپس گیس کے حجم کے مطابق تقسیم کے عوامل تیار کرنے کے لیے مالی بنائیں مقرر کرنا شامل ہے۔

اس بات کو ذہن میں رکھتے ہوئے نیچے اور CMF-II کنویں میں ڈیزائن، انجینئرنگ، صیغہ اور SCADA / ایلی میٹری نظام کی کیٹک کے کام کا نقشہ تیار کیا گیا ہے۔ یولیوں کی درخواست کے جواب میں موصول ہونے والی یولیوں کا تحقیقی / کاروباری تفصیلی جائزہ دیا گیا، اس کی خریداری کا آرڈر دے دیا گیا ہے۔

پراجیکٹ کی تحقیق کی سرعت سے انجام دینے اور مقررہ اوقات میں حاصل کرنے کے لیے کام کرنے والی فریم پر نظر رکھی جارہی ہے۔ وینڈرنے اور ورنی سامان کی تیاری اور آلات کے آرڈر کا کام مکمل کر لیا ہے۔ نیچے اور CMF-II کنویں میں کنٹرول کی تحقیق اور ESD فلاحی پر ایلی میٹری سسٹم کے ذریعے عملدرآمد کے جائزے کے لیے تمام سلیک ہولڈرز سے تفصیلی ملاحظات کی گئی ہے۔ پراجیکٹ کی ESD فلاحی اور کنویں کے نقشے کا کام مکمل کر لیا گیا ہے۔ کنٹرول سسٹم نے FDS دستاویزات جمع کروادی ہیں اور اس وقت انتظامیہ ان کا

2019-20 میں کنویں

فعال بلاکس اور ڈی اینڈی لیز

کنویں	قسم	بلاک / فیلڈ	تعلیق
شہباز تھ	تحقیقی	ماری فیلڈ	مارچ 2020 میں کھدائی کا کام ہو گا
پلائنک 3/7، لوز گورو (بگائی)	تحقیقی	ماری فیلڈ	اپریل 2020 میں تک کھدائی کا کام ہونے کی توقع ہے، تاہم اس کا داروہ دار خطرات کے حوالے سے ہونے والی موجودہ سٹریک کے نتائج پر ہے
زرغون ساؤتھ-4	ترقیاتی	زرغون ساؤتھ فیلڈ	زرغون ساؤتھ-4 کے حاصل ہونے والے 2 ڈی ٹیک ڈیٹا کی تشریح کی بنیاد پر کنویں کی لوکیشن کا کام ستمبر / اکتوبر 2019 تک مکمل ہو جائے گا جس کے بعد کنویں کی کھدائی کا کام نومبر / دسمبر 2019 تک ہو گا
سرغر-X	تحقیقی	سزک	کنویں کا زمینی کام 16 اگست 2018 کو شروع ہو چکا ہے اور امید ہے کہ کھدائی کا کام مئی 2020 تک مکمل ہو جائے گا۔ کنویں کا کام تعمیراتی کام کے لیے زمین مشکل ہونے کے باعث تاخیر کا شکار ہوا نیز رسائی کے لیے سزک کی تعمیر کا کام بھی جاری تھا
معراف-1	تحقیقی	غوری	ڈرائنگ کا کام جاری ہے
پیدا آرائشی کنویں	تحقیقی	بنوں ویسٹ	Zipper-1 غوری ڈی Seismic Data حاصل، اس کی پروسیسنگ اور تجزیہ مکمل ہونے کے بعد کھدائی کا کام جن 2020 تک شروع ہے

غیر فعال بلاکس

کنویں	قسم	بلاک / فیلڈ	تعلیق
آٹھوں آرائشی کنویں	آرائشی	۱۱	فروری 2020 میں کنویں کی کھدائی کا کام شروع ہونے کی توقع ہے تاہم اس کا اھتمام خطرات کے کم ہونے پر ہے
بلاڈیسٹ X-1	آرائشی	بلاڈیسٹ	18 جنوری 2019 تک کنویں 4345 میٹر تک کھودا جا چکا ہے
ٹورج-1	آرائشی	کوہاٹ	9 جولائی 2019 کو حاصل ہوا۔ کنویں کو ٹیسٹ کرنے کی تیاریاں جاری ہیں

ماری ڈی اینڈی لیز

G&G سرگرمیاں

1079 مربع کلومیٹر ماری ڈی سٹیک ڈیٹا کی پری سٹیک ڈیٹا ہائیکریشن (PSDM) پروسیسنگ کا کام GRL چائنہ میں جاری ہے اور وسطی نتائج کا جائزہ لیا جا رہا ہے۔ سیمز CGG UK میں کور سڈیٹا لوجی (Core Sedimentology) سٹڈی اور سیمز ویدر فورڈ میں نیچے سٹیک سٹڈی جاری ہے، اس کا مقصد لوز گورو میں SML, B-Sand اور سیمز آرائشی کنویں کا کام شروع ہونے سے قبل خطرات کو کم کرنا ہے۔

نیچے-2 کنویں

اس تحقیقی / ترقیاتی کنویں کی کھدائی کا کام 11 جنوری 2019 کو شروع ہوا۔ اس کنویں کو 2838 میٹر گہرائی تک کھودا گیا تاکہ لوز گورو ریٹ کے ذخیرے میں نیچے 1 کے دریافت کے علاقے کی تحقیق کی جاسکے۔ یہ کنویں لوز گورو ریٹ کے ریزروائر میں گیس پر دؤبے سر کے طور پر مکمل ہو چکا ہے۔

پرداز-1 کنویں

آرائشی کنویں پرداز-1 کی کھدائی کا کام 9 مارچ 2019 کو شروع ہوا، اس کا مقصد ایس ایم ایل اور ایس یو ایل ذخائر میں ہائیکر روکار بنیو نیٹھل کا پتہ چلانا ہے، یہ کنویں 1237 میٹر تک کھودا گیا۔ یہ ماری ڈی اینڈی لیز میں کئی طرف سے گہرے بلاک میں ہائیکر روکار بنیو نیٹھل کا سراغ لگانے کی پہلی کوشش تھی۔

ابتدائی منصوبہ بندی کے مطابق کھدائی کا کام 15 دن میں مکمل ہونا تھا تاہم موثر منصوبہ بندی اور مستعد انٹیلیجنٹ کے باعث 5 دن کی بچت ہوئی۔ اوپن ہول لاگز سے حاصل ہونے والی معلومات اور MDT کی بنیاد پر تجزیہ کیا گیا اور SML 48 مہینوں میں DST کو جاری رکھا گیا جس میں گیس کم مقدار میں پائی جاتی ہے۔ گیس کے کم حجم اور کم پریشر کے باعث پرداز

ڈائریکٹرز رپورٹ

جانزولے رہی ہے۔ پراجیکٹ اپنے شیڈول کے مطابق آگے بڑھ رہا ہے اور اس کا مقصد MDCPF موجودہ SCADA فیصلے کے خاص طور پر تیار کرنا، نئی ایو من مشین انٹر فیس کی تشکیل اور موجودہ ایو من مشین انٹر فیس کو بہتر بنانا ہے۔

G&G سرگرمیاں

سیمک ڈیٹا کے حصول کی ہم کے سلسلے میں زر خون ساؤتھ کے دریاقی علاقے میں ماری سیمک پوائنٹ Beta Crew نے 102 لائن کلومیٹر ڈیٹا 25 مئی، 2019 تک کامیابی سے حاصل کر لیا ہے۔ سیمک ڈیٹا کے حصول کا مقصد فیملڈ ڈیٹا پوائنٹ پلان کے تحت زیادہ سے زیادہ پیداوار کے لیے اضافی ترقیاتی کنویں / سائڈ ٹریک کھودنا ہے۔ اس وقت ماری سیمک پروسیسنگ سٹریٹ میں 255 لائن کلومیٹر ڈیٹا کی 2D پروسیسنگ آری پروسیسنگ کا کام جاری ہے۔ اس کے بعد 32 سیمک ڈیٹا کی تخریب کے بعد ستمبر / اکتوبر 2019 میں ZS-4 کنویں کی جگہ کا انتخاب کر لیا جائے گا اور اس کے مطابق نومبر / دسمبر 2019 میں کنویں کی کھدائی کا کام شروع ہو گا۔

ZS-4 ترقیاتی کنویں

ZS-4 کنویں کو تقریباً 2,200 میٹر تک کھودنے کے لیے منصوبہ بندی اور ڈیزائننگ کا کام مکمل کر لیا گیا ہے اور اس حوالے سے جوائنٹ وینچر کے شراکت داروں سے مشاورت کر لی گئی ہے۔ کھدائی میں استعمال ہونے والا سامان پہنچا گیا ہے۔ کھدائی کے لیے رگ ماری-1 کو استعمال کرنے کی منصوبہ بندی کی گئی ہے۔

سپائل D&P

سپائل D & P ڈیزیز کی سرگرمیاں

سپائل X-1 اور تھین-1 کنویں سے پیداوار میں کمی کے باعث 2017 میں کیمپیشن سسٹم متعارف کروایا گیا تھا۔ اسی طرح تھین-1 کنویں کے لیے کیمپیشن سسٹم کی منصوبہ بندی کی گئی ہے اس سے پہلے کہ وہاں سے قدرتی بہاؤ ختم ہو جائے۔ اس حوالے سے کیمپیشن مشین کا آرڈر دیا جا چکا ہے جو ستمبر 2019 تک پہنچنے کی توقع ہے۔ آرڈر کیے گئے کیمپیشن کے لیے HFC ریفریگیٹرز اور بلیو کس مینجنگ کی بھی منظوری دی جا چکی ہے۔ HAZOP سٹڈی اور سپائل X-1 کنویں پر کیمپیشن کی تعینات کی سرگرمی بھی مئی 2019 میں مکمل ہو چکی ہے۔ HAZOP سرگرمی کی تھوریز کو پائپنگ کے منصوبے، ESD، مانیٹرنگ اور سیکورٹی کی تعینات کی تعینات کی لیے انجینئرنگ کونسلٹنٹ کی طرف سے فراہم کیے گئے منصوبے میں شامل کر لیا گیا ہے، بعد ازاں جانزولے کے بعد اسے حتمی شکل دے دی گئی ہے۔ تعمیراتی کام کی بنیادوں کا ڈیزائن زمین کے تحقیقی معائنے کے بعد فائنل کر لیا گیا ہے اور اسے تعمیراتی کام کے کنٹریکٹور کے SOW میں شامل کر لیا گیا ہے۔

کیمپیشن کے انضمام کے لیے hook-up میٹریل اور دیگر مینیکل، الیکٹریکل اور سول تعمیراتی کام کے لیے خدمات کے حصول کا کام بھی شروع کر دیا گیا ہے۔ درکار سامان اور کام کے لیے RFQ جاری کیا جا چکا ہے اور اس سلسلے میں اب بولیوں کا انتخاب ہے۔ مینوفیکچرنگ کیمپیشن کے FAT (Factory Acceptance Test) شیڈول کے بارے میں بھی آگاہ کر دیا ہے۔

یہ ذکر کرنا بھی ضروری ہے کہ پیداوار میں بتدریج کمی کے ساتھ ساتھ سپائل X-1 کنویں کے بہاؤ کے دباؤ کو مارچ 2019 کے دوران دیکھا گیا تھا۔ پیداوار میں مزید کمی کو کنٹرول کرنے کے لیے لٹروالوٹی برقی درجے کے اقدام کے طور پر ایک خاص ترکیب تیار کی گئی جس میں کھونج کے وقفے کے مطابق ڈیزائن کیا گیا تھا اور اسے کوالٹائیٹی بنگ کے ذریعے سسٹم میں شامل کیا گیا۔ معائنے کے بعد، کنویں سے پیداوار کی کام شروع کیا گیا اور پیداوار کے اعداد و شمار میں شاندار بہتری دیکھی گئی۔ فی الحال، کنویں ایف ای سی کے ذریعے 1.3 ایم ایم ایس ای ایف ڈی گیس کی پیداوار دے رہا ہے جس میں کنویں کے بہاؤ کے ساتھ BCPD 12 گیس کی پیداوار بھی شامل ہے۔

فعال بلاکس

کرک بلاک

لاہور میں سرگرمیاں

لاہور-1A کنویں سے گیس میں قدرتی کمی کے محاذ رحمان ٹیشن نظر کنویں کے ویل ہیڈ کمپریشن (Wellhead Compression) کے لیے مختلف قابل عمل طریقے وضع کیے گئے اور ان کا اقتصادی جائزہ لیا گیا تھا۔ اقتصادی جائزے کے نتائج کی بنیاد پر انتظامیہ نے MMSCFD 04 کیمپیشن مینجنگ لگانے کی منظوری دے دی۔

جوائنٹ وینچر کے اپنے کیمپیشن کے نتیجے کے تحت کوہ نظر رکھتے ہوئے یہ فیصلہ کیا گیا تھا کہ کیمپیشن ابتدا ہی طور پر کرانے پر حاصل کیا جائے گا۔ کرانے پر کیمپیشن کے حصول کے لیے بولیاں وصول کی گئی تھیں تاہم ان کے جانزولے سے بچتا ہے کہ کوئی بھی آپشن ٹھیک اور معاشی بنیادوں پر تامل عمل نہیں۔ جوائنٹ وینچر کی منظوری کے بعد فیصلہ کیا گیا کہ بولی کے اس عمل کو دوبارہ شروع کیا جائے گا جس میں دوبارہ خریداری کا آپشن بھی دیا جائے گا۔ ان تھوریز کا تفصیلی ٹھیکہ جانزولہ لیا گیا اور ٹھیکہ مطابقت کی حامل تھوریز کے کاروباری تجزیے کے بعد مختلف آپشنز کا معاشی تجزیہ کیا گیا۔ معاشی تجزیے کے نتائج کو جوائنٹ وینچر کی ٹھیکہ ورکشاپ میں بھی پیش کیا گیا۔ جوائنٹ وینچر کے شراکت داروں نے ٹھیکہ ورکشاپ میں منظوری دی کہ دوبارہ خریداری کے آپشن کے ساتھ کرانے کے کیمپیشن کا حصول مناسب رہے گا۔

دوبارہ خریداری کے آپشن کے ساتھ کرانے کے کیمپیشن کے حصول کے لیے LOI جاری کیا گیا تھا کہ ٹھیکہ طور پر مستعد اور سب سے سستے وینڈر کا انتخاب کیا جائے۔ انجینئرنگ کونسلٹنٹ کو کیمپیشن کی تعمیراتی بنیادوں اور پائپنگ پلان کی ڈیزائننگ کے کام میں لگا دیا گیا ہے۔ اس دوران درکار پائپنگ میٹریل کے لیے اندازے کے مطابق BOQ تیار کر لیے گئے ہیں اور Material hook-up استعمال ہونے والی اشیاء اور تعمیراتی کیمپیشن کام کے لیے کنٹریکٹرز کی بائرننگ کا کام شروع کر دیا گیا ہے۔ سائٹ پر آلات کی فراہمی کا کام جولائی 2019 تک مکمل ہونے کی توقع ہے۔

پرفارمنس کنویں سرگرمی

کرک بلاک میں سرگرمی X-1 کنویں کو تقریباً 6,000+ میٹر تک کھودنے کے لیے پہلی سی وی سٹیج پر منصوبہ بندی اور ڈیزائننگ کی جا چکی ہے اور اس کے بارے میں مشورہ وینچر کے شراکت داروں کے ساتھ تبادلہ خیال کر لیا گیا ہے۔ لاگنگ لیڈ انجینئرنگ کے حصول کے لیے کوٹیشن طلب کی جا چکی ہیں۔ سائٹ کی ابتدائی جانچ پڑتال اور کنویں کی جگہ کا جائزہ مکمل ہو چکا ہے۔ سیمز سیک اس مقام کا جغرافیائی سروے کر چکا ہے۔ کنویں کے مقام کے بارے میں حتمی فیصلے کے بارے میں جانچ وینچر کے شراکت داروں کے ساتھ بات چیت جاری ہے۔

غوری بلاک

G&G سرگرمیاں

غوری مشورہ وینچر بروڈ ویسٹ 100 مربع کلومیٹر ڈیٹا حاصل کرنے کے لیے منصوبہ بندی کر رہی ہے تاکہ Prospect کرنے یا نہ کرنے کی منصوبہ بندی کی جاسکے۔ ڈیٹا کے حصول کا کام میٹرز BGP کو دیا جا چکا ہے۔ اس کے مطابق پراجیکٹ اگست 2019 تک مکمل ہو گا۔

پروسیسنگ آری پروسیسنگ کے بعد امکانات واضح ہونے پر مارچ 2021 میں پورے آرنائی کنویں کی کھدائی کا کام شروع ہو جائے گا۔

غوری بلاک

دھاریاں-1 ایس ٹی-3 کنویں

غوری بلاک میں دوسرے آرنائی کنویں کی کھدائی کا کام 21 دسمبر 2017 کو شروع ہوا۔ کھدائی کے دوران متعدد جغرافیائی مشکلات کا سامنا کرنا پڑا تاہم یہ کنویں ST-3 کی کھودنے کا مشین میں ایم ڈی 4770 میٹر / 4472 میٹر TVD کی گہرائی تک پہنچا

ڈائریکٹنگ کے امید افزا نتائج، اس کے ڈرلنگ اور G&G ڈیٹا کے ساتھ ارتقاء کے بعد ٹیسٹنگ کے لیے مختلف ذخائر میں روزانہ کا انتخاب کیا گیا ہے۔ تمام چیلوں کا ڈرل سٹیٹ ٹیسٹ کیا گیا، ان میں سے کھودنے کا مشین میں خام تیل کے ذخائر کا پتہ چلا۔ کھودنے کا مشین میں ڈرل سٹیٹ ٹیسٹ کے دوران 64/140 (چوک پر 590 BPD) بہاؤ ریکارڈ کیا گیا جبکہ Gravity API 29 WHFP 32 سے 61 اور 60 BS&W فیصد ریکارڈ کیا گیا۔ یہ کنویں کھودنے کا مشین میں تیل کی دریافت کے طور پر مکمل ہو چکا ہے۔ اس وقت کنویں سے پیداوار کا کام جاری ہے۔ پیدا ہونے والے خام تیل کے بارے میں مشاہدہ کیا گیا کہ اس میں منفی بہاؤ کا رجحان ہو سکتا ہے اس لیے اس کنویں کو مصنوعی لفٹ نظام کے ذریعے تیزی سے مکمل کیا گیا۔ دریافت کی تکمیل اور جلد آمدن کو یقینی بنانے کے لیے EWT پراجیکٹ فاسٹ ٹریک بنیادوں پر انجام دیا گیا۔ سول، الیکٹریکل اور میکانیکل سرگرمیوں کو ایک ساتھ شروع کیا گیا تاکہ نام لائن کے ہدف کو حاصل کیا جاسکے۔ سپورٹ ڈیپارٹمنٹ کی مربوط اور انتھک کوششوں کی بدولت جلد پیداوار کی سہولیات کی تعینات کی گئی، ان کی تعینات اور ٹیسٹنگ کا کام ریکارڈ 15 دن میں مکمل کیا گیا، اس دوران رگ کو بھی ڈی موبائز کیا گیا۔ اس کنویں کو حکومت کی ضروری منظوری کے بعد 20 مئی، 2019 کو EWT کے لیے آن لائن کر دیا گیا۔

دھاریاں-1 ایس ٹی-3 کنویں

سراج-1 کنویں

غوری بلاک میں تیسرے آرنائی کنویں کی کھدائی کا کام 4 مئی، 2019 کو شروع ہوا، اس کا مقصد سیکس اور کھودنے کا مشین میں پائپنگ ریکارڈنگ پینڈنگ پتہ چلانا ہے۔ ابتدائی ہدف کے تحت کھودنے کا مشین میں تقریباً 5270 میٹر کھدائی کی جائے گی۔ اب تک 26 اچھے اور سب سے 17 اچھے کنویں کی کھدائی ہو چکی ہے اور ان کی سیکنگ کا کام بھی 20 اچھے اور 13

ڈائریکٹرز رپورٹ

8/3 اچے کے ساتھ مکمل ہو چکا ہے۔ سائز 17 اچے سورج کی کھدائی کے دوران پانی کے ایک بڑے اخراج کا سامنا کرنا پڑا جس کو کامیابی سے منجم کر دیا گیا۔ 18 جولائی، 2019 تک 12% اچے کے سورج کو میٹر گہرائی تک کامیابی سے کھود لیا گیا ہے۔ کھدائی اور ٹیسٹنگ کام فروری 2020 تک مکمل ہونے کی توقع ہے۔

نوری 1-X میں سرگرمیاں

نوری 1-X کنویں میں تیل کی پیداوار قدرتی طور پر ختم ہو رہی ہے اور 19-2018 کے چیکل سہ ماہی کے دوران پیداوار کم ہو کر 360 بیرل یومیہ کی شرح سے دسے رہا تھا۔ 14 ستمبر 2018 کو پیداوار اچانک بند ہو گئی، ممکنہ طور پر ایسا گہرائی میں بیٹ پمپ میں خرابی کے باعث ہوا۔ اس مسئلے کے حل کے لیے مختلف تجاویز پر غور کیا گیا۔ اسلٹ لائن کے ذریعہ پمپ کو ٹھیک کرنے کی کوشش کی گئی تاہم کوئی کامیابی نہیں ہوئی۔ اس کے بعد کواکس ٹیوننگ کے ذریعے تھرڈ ٹیوننگ آلات کو استعمال کرتے ہوئے پمپ کو درست کرنے کی کوشش کی گئی، یہ آلات متحدہ عرب امارات سے منگوائے گئے، تاہم اس کے باوجود کوئی کامیابی نہیں ہوئی۔

نوری 1-X سے خام تیل کی پیداوار بحال کرنے کے لیے رگ ماری-1 کو وہاں پہنچایا گیا اور کام شروع کیا گیا۔ رگ آپریشن کے دوران پرانی تار کو نکال لیا گیا اور نیوب میں پھنسے ہوئے بیٹ پمپ کو نکال لیا گیا۔ نوری 1-X کو روایتی ٹائم ہول اسبل (BHA) کے ذریعے دوبارہ مکمل کیا گیا اور کنویں کو بیٹ پمپ آپریشن کے ذریعے چلانے کی کوشش کی گئی تاہم کوئی کامیابی نہیں ہوئی۔ اس کے بعد جھیل کے لیے استعمال ہونے والے پمپ کو نکال لیا گیا اور بیٹ پمپ کو SSD میں دوبارہ نصب کر کے مکمل کیا گیا۔

اس آپریشن کی کامیابی کے بعد بیٹ پمپ کو SSD میں اسلٹ لائن سے نصب کیا گیا اور کنویں سے پیداوار 11 جنوری 2019 کو بحال ہو گئی۔ یہ بات باعث افتخار ہے کہ کنواں اب روانی سے پیداوار دے رہا ہے اور اس وقت یومیہ پیداوار 250 بیرل ہے۔

سکرپٹنگ

G&G سرگرمیاں

میسرز SINOPEC نے میان میرولینڈ میں منصوبہ بندی میں شامل 359 مربع کلومیٹر سیک ڈیٹا میں سے 17 جولائی، 2019 تک 143 مربع کلومیٹر تھرڈ ڈی ڈیٹا حاصل کر لیا ہے، اس کا مقصد لوگورویٹرز میں ہائڈروکاربن پینڈیشن کا پتہ چلانا ہے۔ یہ Seismic Data ہم اگست 2019 تک مکمل ہونے کی توقع ہے۔

پروسیسنگ کے بعد ڈیٹا کی Interpretation کام ہو گا تاکہ فروری 2021 تک آزمائشی کنویں کی کھدائی کا کام ہو سکے تاہم اس کا انحصار لوگورویٹرز پر امکانات کے مضبوط ہونے پر ہے۔

زیارت ہاک

بولان ایسٹ-1 کنواں

زیارت ہاک میں آزمائشی کنویں کو 22 مئی، 2018 کو کھودا گیا تھا اور بولان ایسٹ-1 ST 1 کو چلتن فارمیشن میں 106 اگست، 2018 تک 1500 میٹر گہرائی تک پہنچ گیا۔ دائر لائن لاکڑ کی تھریج اور ڈرٹنگ کے اعداد و شمار کے ساتھ اس کے ارتقاء کی بنیاد پر، چلتن فارمیشن کا ڈرل سٹم ٹیسٹ (DST-1) کیا گیا تھا، جس کا بہاؤ "32/64 @ 134-167 psi چوک سائز کے کنویں کے بہاؤ کے ساتھ API 15.6° گرے پٹی آگس کا بہاؤ 810 بیرل یومیہ تھا۔ مورد / مغل کوٹ کی فارمیوں میں DST کا ٹیسٹ کیا گیا تھا، جس کا بہاؤ 15.6° API گرے پٹی آگس کا 690 بیرل یومیہ تھا اور پانی کے 177 بیرل یومیہ کا "32/64 @ 142-158 psi Wellhead Flowing Pressure چوک سائز تھا۔

ڈیورڈر ریانت اس لحاظ سے منفرد ہے کہ صوبہ بلوچستان میں چلتن اور مورد / مغل کوٹ کی فارمیوں میں یہ تیل کی سب سے پہلی دریافت ہے اور اس سے پہلے کبھی بلوچستان میں تیل پیدا نہیں ہوا۔

بنوں ویسٹ ہاک

G&G سرگرمیاں

تمام مشکلات اور سیوریٹی مسائل کے باوجود MSU الفا کریو نے 1-Zipper میں 17 جولائی 2019 تک 420 مربع کلومیٹر رقبے کا 33 ڈیٹا ریکارڈ کر لیا ہے، جبکہ 640 مربع کلومیٹر سیک ڈیٹا کی منصوبہ بندی کی گئی تھی۔ 33 ڈیٹا کے حصول کے بعد ڈیٹا کی پروسیسنگ اور اسٹیڈی کام شروع ہو گا تاکہ ڈیٹا کے امکانات کو مزید بہتر بناتے ہوئے پہلے آزمائشی کنویں کی کھدائی کا کام جون 2020 تک شروع کیا جاسکے، اس کا انحصار 1-Zipper میں مقررہ وقت کے مطابق ڈیٹا کی تکمیل پر ہے۔

32 ڈی اور 33 ڈی ڈیٹا کی پروسیسنگ / رپورٹنگ کام چین کی کمپنی میسر GRI میں جاری ہے۔ مزید برآں علاقے کی پیچیدگی کو مد نظر رکھتے ہوئے ماری سیکس سنٹر میں بھی متوازی طور پر پروسیسنگ کیا جائے گا۔ اس متوازی پروسیسنگ کا مقصد پروسیسنگ کی مشکلات کا فوری اندازہ لگانا اور GRI کے ساتھ ڈیٹا کے معیار میں بہتری کے حوالے سے بات چیت کرنا ہے۔

پہلا آزمائشی کنواں

بنوں ویسٹ ہاک میں تقریباً 5990 ± میٹر گہرائی کے آزمائشی کنویں کی کھدائی کے لیے منصوبہ بندی اور ڈیٹا کالنگ کا کام پہلے ہی مکمل ہو چکا ہے۔ کنویں کی کھدائی میں استعمال ہونے والے سامان کا آرڈر دیا جا چکا ہے۔ کنویں کی کھدائی کا کام جون 2020 میں شروع کرنے کی منصوبہ بندی کی گئی ہے۔

ہاک 28

G&G سرگرمیاں

زرغون ساؤتھ میں ڈی Seismic منصوبہ کی تکمیل کے فوری بعد ماری Beta Crew Seismic کوکٹ 28 کی طرف موٹا کر لیا جا رہا ہے تاکہ 1487 لائن کلینٹر (900 لائن کلومیٹر فرم اور 587 لائن کلومیٹر بلائی) ڈیٹا حاصل کیا جاسکے۔ Seismic ہم کی تکمیل اور پروسیسنگ، تھریج اور تمام تکنیکی ڈیٹا کے انضمام کے بعد سب سے مضبوط امکانات کی حامل لوکیشن پر دوسرے کے مطابق دسمبر 2021 میں پہلا آزمائشی کنواں کھودا جائے گا۔ تاہم پوری کوشش کی جارہی ہے کہ منصوبے پر تیزی سے عمل کیا جائے اور اس کے بعد پہلے آزمائشی کنویں کی کھدائی کا کام سال 2019-2020 کے آخر تک شروع ہونے کی توقع ہے، تاہم اس کا انحصار چاکر لیز میں 500 لائن کلومیٹر ڈی ڈیٹا کی بروقت تکمیل، سیوریٹی کی بروقت فراہمی اور امکانات کے مضبوط ہونے پر ہے۔

غیر فعال ہاکس

ہاک 1-X

قرہ-1 کنواں

ہاک 1-X میں تجرباتی کنویں کی کھدائی کا کام 28 جون 2018 کو شروع کیا گیا تھا۔ یہ کنواں 4607 میٹر تک کھودا گیا۔ کھدائی کے دوران حاصل ہونے والی معلومات کی بنیاد پر Massive sand میں DST کیا گیا۔ نتائج حوصلہ افزا نہ ہونے کے باعث کنویں کو بند کر دیا گیا ہے۔

شاہ بندر ہاک

بناری 1-X ایسٹ-2 کنواں

شاہ بندر ہاک میں پہلے آزمائشی کنویں کی کھدائی کا کام 22 مئی 2018 کو شروع کیا گیا، اس کا مقصد Lower مورد فارمیشن میں upper and massive sands میں ہائڈروکاربن کا سراغ لگانا ہے، اس کنویں کی کھدائی 3470 میٹر / MD 3221.7 میٹر TVD تک کی گئی۔ اس کنویں سے اپر مورد "A" Sand لیل سے گیس کی دریافت کا کام مکمل ہو چکا ہے۔

جلا ویسٹ ہاک

جلا ویسٹ 1-X

جلا ویسٹ ہاک میں پہلے تجرباتی کنویں کی کھدائی کا کام 26 نومبر 2018 کو شروع ہوا۔ اس کا مقصد رنگولی اور ہگور میں ہائڈروکاربن ذخائر کی موجودگی کا پتہ چلانا تھا۔ یہ کنواں تقریباً 5,000 ± میٹر تک کھودا جائے گا۔ اس ڈیٹا کے حصول کا مقصد ایک سطح اور دو ذیلی سطح کی شناخت کے امکانات کو مضبوط کرنا یا انہیں مسترد کرنا ہے۔ ڈیٹا کے حصول کی یہ ہم اگست / ستمبر 2019 تک مکمل ہونے کی توقع ہے۔

کلیاس ہاک

G&G سرگرمیاں

OGDCL کے Seismic کریو نے 17 جولائی 2019 تک 128 لائن کلومیٹر ڈی Seismic ڈیٹا حاصل کر لیا ہے، جبکہ 306 لائن کلومیٹر مضبوط اور 19.5 لائن کلومیٹر بلائی ڈیٹا کے حصول کی منصوبہ بندی کی گئی تھی۔ اس ڈیٹا کے حصول کا مقصد ایک سطح اور دو ذیلی سطح کی شناخت کے امکانات کو مضبوط کرنا یا انہیں مسترد کرنا ہے۔ ڈیٹا کے حصول کی یہ ہم اگست / ستمبر 2019 تک مکمل ہونے کی توقع ہے۔ سیک ڈیٹا کے حصول کی اس ہم کے نتیجے میں پہلے آزمائشی کنویں کا کام اگست 2020 تک شروع ہونے کی توقع ہے۔

ڈائریکٹرز رپورٹ

کوہٹ بلاک
فورغ-1 کنویں

کوہٹ بلاک میں تیسرے آزمائشی کنویں کی کھدائی کا کام 30 مارچ 2019 کو شروع کیا گیا، اس کا مقصد Lumshival (پڑی)، Lockhart اور Samanasuk (خانوی) قدرتی گیسوں میں ہائیڈروکاربن کے امکانات کا جائزہ لینا ہے۔ یہ کنویں منصوبے کے مطابق 3200 میٹر تک گودا جا چکا ہے۔ کنویں کو ٹیسٹ کرنے کی تیاریاں کی جا رہی ہیں۔ فورغ-1 کنویں کی ٹیسٹنگ کا کام اگست 2019 میں مکمل ہونے کی توقع ہے۔

ماری سرو سز ڈویژن (MSD)

ماری سرو سز ڈویژن، اپنی جدید ٹیکنالوجی کی حامل ڈرائنگ رگز، 32/33 ڈی سیٹنگ ڈیٹا حاصل کرنے کے یونٹ، 32/33 ڈی سیٹنگ ڈیٹا کے پروسیسنگ یونٹ، AVO انورژن سرو سز کے ساتھ عالمی آئل فیلڈ معیارات کے مطابق خدمات، بالخصوص سکیورٹی کے لحاظ سے حساس علاقوں میں فراہم کر رہا ہے اور مستقبل میں خدمات کی ضروریات کو پورا کرنے کے لیے پوری طرح تیار ہے۔

ماری Seismic سرو سز یونٹ (MSU)

الفاکرے (Alpha Crew)

MSU کے الفاکرے یونٹ کامیابی کے ساتھ 4 پراجیکٹس مکمل کیے ہیں، ان میں دو 33 ڈی جیکے دو 32 ڈی پراجیکٹ شامل ہیں۔ ان پراجیکٹس کی کم ترین ریکارڈ مدت میں تکمیل اور اعلیٰ معیار کے ڈیٹا کے حصول سے MSU کو مقامی توانائی ویٹرویلیم مارکیٹ کو حاصل کرنے میں نمایاں مدد ملی ہے۔ اس وقت Alpha کیریور یارڈنگ یونٹ Sercel 508 XT کا حامل ہے، بنوں ویسٹ بلاک میں 640 مربع کلومیٹر 33 ڈی ڈیٹا کے حصول میں مصروف ہے، اس سے قبل وہ 98.75 لائن کلومیٹر 33 ڈی ڈیٹا حاصل کر چکا ہے۔ دہشت گردی کا شکار قبائلی ضلع شمالی وزیرستان میں سکیورٹی کی صورت حال خراب ہونے کے باوجود پراجیکٹ پر پیشرفت جاری ہے اور امید ہے دسمبر 2019 تک مکمل ہو جائے گا۔

بتا کیریور (Beta Crew)

MSU کی Seismic 3 ڈیٹا کو حاصل کرنے کی صلاحیت میں اضافے کے لیے 2019 کے آغاز میں MSU بتا کیریور قائم کیا گیا، اسے پہلے پراجیکٹ کے طور پر زرغون ساؤتھ-2 ڈی ڈی ڈیٹا توثیق کیا گیا۔ مئی 2019 کو موہاڑا کیا گیا اور پراجیکٹ تیزی اور درستی کے ساتھ 25 مئی، 2019 کو مکمل ہو گیا۔ یہ پراجیکٹ میں دشاوار زمین سٹریک اور بلوچستان کے حساس سکیورٹی والے علاقے میں سرانجام دیا گیا۔ بتا کیریور بلاک-28 میں 1487 لائن کلومیٹر 33 ڈی ڈیٹا کے حصول کے لیے موہاڑا کیا جا رہا ہے۔

ماری ڈرائنگ سرو سز یونٹ (MDU)

MDU تین ڈرائنگ رگز پر مشتمل ہے۔ ان میں 5000 میٹر تک کھدائی کا حامل رگ ماری 1 (1500 HP)، 1200 میٹر تک کھدائی کی صلاحیت کا حامل رگ ماری 2 (Sky Top) Brewster (300 HP) اور رگ ماری 3 (2500 HP) شامل ہیں، یہ 8000 میٹر تک کھدائی کی غیر معمولی صلاحیت رکھتا ہے۔ رگ ماری 3 اس وقت فوری بلاک میں معراج 1 کنویں کی کھدائی میں استعمال ہو رہی ہے۔

ماری Seismic پروسیسنگ سرو سز سنٹر (MSPC)

MSPC 2014 میں قائم کیا گیا اس کا مقصد MPCL میں ڈیٹا کی پروسیسنگ کی امداد دینی صلاحیت پیدا کرنا تھا۔

MSPC نے 5,500 لائن کلومیٹر 32 ڈی اور 3,164 مربع کلومیٹر 33 ڈی اور 3600 مربع کلومیٹر 33 ڈی Seismic ڈیٹا کو پیکسٹل کر کے لیے ہیں۔ MPCL کی جارحانہ ایکویپمنٹیشن حکمت عملی اور تیزی سے کام کو مکمل کرنے کے نفاذ سے MSPC کی شاندار کارکردگی کی اہم وجوہات ہیں۔

19-2018 کے دوران MSPC نے سکھر-32 (2700 لائن کلومیٹر) PSTM پروسیسنگ، بنوں ویسٹ ڈی (99 لائن کلومیٹر)، غوری-33 (275 مربع کلومیٹر)، ماری-33 (1080 مربع کلومیٹر) کی PSDM اور ماری-33 ڈی کی پری سٹیبل انورژن (1080 مربع کلومیٹر) مکمل کی۔ اس وقت MSPC بنوں ویسٹ-33 ڈی (850 مربع کلومیٹر) اور زرغون-32 ڈی (255 لائن کلومیٹر) کی بروقت پروسیسنگ میں مصروف ہے۔

صنعتی تعلقات

ماڈرن فیلڈ سمیت کئی کے تمام منصوبوں کے مقدمات پر کام کا ماحول اور مجموعی صنعتی تعلقات انتہائی خوشگوار رہے۔ ان مقدمات پر تفریقی اور حوصلہ افزا سرگرمیوں سے کام کے ماحول میں ہم آہنگی پیدا ہوئی اور مختلف مقدمات / فیلڈز پر ملازمین نے ان سرگرمیوں کو بہت سراہا۔

سلاش کے پورٹ فولیو / Portfolio کی وسعت۔ مقامی اور عالمی سطح پر

کئی کے طویل المدتی استحکام، ترقی کے حصول اور ختم ہوتے ڈھانچے کے تناظر میں MPCL دستیاب ڈھانچے کی ملکیت کو وسعت دینے کے لیے مقامی اور عالمی طور پر تیزی سے کوششیں کر رہی ہے۔ ڈھانچے کے حصول کے لیے کی جانے والی کوششیں حسب ذیل ہیں:

پورٹ فولیو میں وسعت

- بنیاد ویسٹ بلاک (25 فیصد) DGPC نے میمرز PPL سے میمرز MPCL کو 25 فیصد ورکنگ انٹرسٹ کی منتقلی 28 جنوری 2019 کو منظور دی ہے جس کے بعد ڈیڈ آف انگریسٹ پر دستخط کے لیے کام جاری ہے۔
- سکھر بلاک (41.2 فیصد) DGPC نے میمرز PEL سے میمرز MPCL کو 41.2 فیصد ورکنگ انٹرسٹ کی منتقلی کی منظوری دے دی ہے جس کے بعد ڈیڈ آف انگریسٹ پر دستخط کے لیے کام جاری ہے۔

مقامی بلاکس کی جانچ

- بلاکس کی جانچ: مستقبل میں نئے بلاکس کے حصول کے حوالے سے ڈیٹا کا جائزہ اور امکانات کے حامل مختلف توانائی ویٹرویلیم کینیڈا کے بلاکس کے جائزہ کا کام جاری ہے تاکہ پورٹ فولیو کو وسعت دی جاسکے۔
- نئے بلاکس کے لیے درخواست: انڈس آف شور میں 2424.8 مربع کلومیٹر کے علاقے پر EL کے حصول کے لیے ایک نئی درخواست، ضرر بلاک (3-2267)، 28 مارچ 2019 کو جمع کروائی گئی ہے۔
- بلاکس کی پوری کا عمل 2018: ٹونگ اور اول ویسٹ بلاکس کے حتمی PCAs اور کارپوریٹ ڈیٹا DGPC کو باترتیب 28 جون اور 4 جولائی 2019 کو جمع کروا دیے گئے ہیں۔ متحدہ راجہ PCAs پر دستخط کی تقریب جلد منعقد ہوگی۔

عالمی بلاکس کی جانچ

کئی کے تسلیم کے ساتھ فارم ان مواقع اور پوری کے ذریعے بلاکس کے حصول کے لیے مثبت عالمی بلاکس / ممالک کی جانچ کا کام جاری رکھے ہوئے ہے۔ گزشتہ دو سالوں کے دوران کئی نے مختلف ممالک میں متعدد اچھے مواقع کی نشاندہی اور ان کی جانچ کی ہے اور بڑے ڈیٹا بینک کے ساتھ ان مواقع کے بارے میں معلومات اکٹھی کی ہیں، اب کئی ایک پر مزمع نمبر کے ساتھ دنیا کے ترقی یافتہ علاقوں میں بہترین عالمی مواقع کی جانچ کرنے اور تجویز کرنے کے لیے تیار ہے۔

مندرجہ بالا کو مد نظر رکھتے ہوئے کئی نے اچھے بلاکس کی جانچ کی ہے اور ان کے نمونہ حصول کے لیے پیشرفت کی ہے۔ تاہم ان مواقع کو زرمبادلہ کی پابندیوں کی وجہ سے عملی جامد نہیں پہنایا جاسکتا۔ اس سلاش اور بلاکس کی جانچ کے سلسلے میں کئی نے عراق میں بلاک کے حصول کی تجویز دی ہے، اسی طرح تاجکستان میں بھی تیل پیدا کرنے والی فیلڈز اور ایکویپمنٹیشن کے ورکنگ انٹرسٹس حاصل کرنے کی بھی تجویز دی ہے، اس سلسلے میں ڈیٹا روم اور فیلڈ تک رسائی کی درخواست کی گئی ہے تاکہ خوردخوش کے بعد موزوں فیصلہ کیا جاسکے۔

مزید برآں گیون، کاکو، منڈفا سکر، گھانا، سوڈان، مصر، ابو ظہبی اور یوگنڈا میں بھی فعال یونٹوں کے راکوڈز کا جائزہ لیا گیا ہے تاکہ بیرون ملک بلاکس اور پیداواری اجائے حاصل کیے جاسکیں۔

مزید برآں، PPL نے بھی MPCL سے رابطہ کیا ہے تاکہ ADNOC یونٹوں کے راکوڈز 2019 میں شریکیاں دی جاسکیں۔

ڈائریکٹرز رپورٹ

انسانی وسائل کی ترقی

E&P کمپنیوں کی کامیابی بلاشبہ ان کے انسانی وسائل کے معیار میں پوشیدہ ہے۔ MPCL میں سب سے بنیادی اور قیمتی طاہری اثاثہ انسانی سرمایہ ہے۔ انسانی سرمایہ سے مراد صرف اس ادارے میں کام کرنے والے لوگ ہی شامل نہیں ہیں بلکہ یہ ان کے تجربات، رویوں، صلاحیتوں، ثقافت اور مہارتوں وغیرہ کا ایک وسیع اجتماع ہے۔ کمپنی اپنے ملازمین کے لیے کام کا شاندار ماحول فراہم کر کے ان کی روزمرہ ذمہ داریوں کی ادائیگی کے حوالے سے ان کی صلاحیتوں میں اضافہ کرنے کی بھرپور کوشش کرتی ہے تاکہ ملک بھر میں اپنے معیار نام کو وسعت دے سکے۔

انفارمیشن ٹیکنالوجی

کمپنی اپنے تکنیکی اور عملی شعبوں کے درمیان تعاون و اشتراک کو مضبوط بنانے پر سختی سے توجہ مرکوز کرتی ہے جو اس کے انفارمیشن سسٹم کے انتخاب اور عمل درآمد کو تیز کرنے میں مدد کرتی ہے۔ معلومات کے نظام کا عمل درآمد مختلف E&P کی سرگرمیوں کے دوران موثر منصوبہ بندی، ہم آہنگی اور فیصلہ سازی کو فروغ دینے کے لیے مختلف ٹیموں کے مابین تعاون و اشتراک فراہم کرتا ہے۔

ہمارے تلاش اور ذخائر کے شعبے صنعت کی نمایاں G & G تخریب اور ذخائر کے ڈائلنگ Software استعمال کرتے ہیں جن میں معروف کمپنیوں جیسے Schlumberger اور Halliburton نے تیار کیا ہے۔ مربوط کام طبیعات دانوں اور ماہرین ارضیات کو باہمی تعاون پر مبنی استعداد ادا کار فراہم کرتا ہے جس سے بہتر جنرل ایٹمی بہسرت حاصل ہوتی ہے۔ یہ نظام دریا تھوں کی کامیابی کی شرح کو بہتر بنانے میں مدد کرتے ہیں اور کمپنی کو E&P سیکٹرز میں ممتاز مقام دلاتے ہیں۔

اصلی کارکردگی کے حامل نظام اور انفراسٹرکچر G&G Applications/Software کے لیے ضروری ہوتے ہیں جس کے لیے بھاری بھر کم سرمایہ کاری کرنی ہوتی ہے۔ درچونگل ڈینک ٹاپ انفراسٹرکچر (VDD) نظام G & G اور ریوردار ٹھنڈے ٹیبل کیلنڈر کے لیے مقامی طور پر تیار اپنی ٹیم نے تیار کیا ہے۔ اس کے نتیجے میں کمپنی کے اجرائی ہونے والے ڈرک اسٹیشن بارڈر پر اپنے دائرے اجرائی کی کچھ ہوتی ہے۔ اس نظام نے تکنیکی سافٹ ویئر اپنی کیلنڈر کے لیے درکار اعلیٰ کارکردگی کے لیے مرکزی پروڈیونگ استعداد کو تیز کیا ہے۔

ایم ایس پی بی اعلیٰ معیار اور بہترین کارکردگی کی حامل 2 ڈی اور 3 ڈی ڈیٹا پروڈیونگ سروس فراہم کر کے ایک اہم کردار ادا کر رہی ہے جس سے کمپنی کو تکنیکی طور پر اور زیادہ موثر فیصلے کرنے میں مدد ملتی ہے۔ اس کا انفراسٹرکچر Seismic تصویق اور ڈیٹا خصوصیات کے مکمل نظام میں جدید جنرل ایٹمی ٹیکنالوجی کا اطلاق کرتا ہے۔ ایم ایس پی بی کی تلاش کی سرگرمی کو صحت کے لیے ایسٹیمٹس پی ایچ سی Computation استعداد کا اضافہ مطلوب ہے۔ اس نظام کو Computational پائونڈ اپ گریڈ کر دیا گیا ہے جس سے ایم ایس پی بی کی کھائی اور وقت کے حوالے سے پروڈیونگ سروس کو بہتر معیار اور کم از کم وقت میں فراہم کرنے کے قابل ہو گئی ہے۔ ایم ایس پی بی اس آپ گریڈیشن کے ساتھ مختلف 2 ڈی اور 3 ڈی کے وقت اور گہرائی کو ایک ساتھ کنٹرول کرنے کے قابل بنائے گی۔

درست اور معیاری ڈیٹا کی دستیابی تلاش و پیہ اور (E&P) کی کمپنیوں کی جان ہوتا ہے۔ انھیں تجزیہ، ڈرنگ کے اہداف کے صحیح انتخاب اور ٹیل اور ٹیس پیوہ کرنے والے ذخائر کے موثر انتظام کے لیے ڈیٹا کا براہم سنبھالنے کی ضرورت ہوتی ہے۔ موثر اور مربوط E&P ڈیٹا مینجمنٹ سسٹم پر عمل درآمد MPCL کو کمپنی کے کام کے معیاری ڈیٹا کی مینجمنٹ کے حوالے سے صنعت کے بہتر طریقوں سے متعارف ہونے اور انھیں اپنانے کا موقع مہیا ہے۔ یہ نظام E&P کے متعلقہ لائف سائیکل کے دوران موثر منصوبہ بندی، تعاون اور بروقت فیصلہ سازی کے لیے تلاش، آپریشن اور ذخیرہ کے پیشہ ورانہ افراد کی مدد کر رہا ہے۔

کمپنی SAP کے ذریعے مالیاتی ڈیٹا اور پروڈیونگ / ایچ آر ریکارڈز سمیت اپنے دیگر امور کی انجام دہی میں انفارمیشن ٹیکنالوجی کا وسیع تر استعمال بھی کر رہی ہے۔

صحت، تحفظ اور ماحول (HSE)

کمپنی کی قیادت، انتظامیہ اور تمام ملازمین کی طرف سے سال 2018-19 کے دوران بھی صحت، تحفظ اور ماحول کے انتظام کے نظام پر یکسوئی کے ساتھ مملدراہ جاری رہا۔ ہر وقت موجودہ کیرنگ اور احساس کرنے والی قیادت HSE کے مقاصد "لوگوں اور ماحول کو کوئی نقصان نہیں پہنچانا چاہیے" کے حصول میں سب سے مددگار عنصر ہے۔ مربوط HSE مینجمنٹ سسٹم پر عملدرآمد سے ہی HSE کے حوالے سے ہمارے اہداف، مقاصد اور کارکردگی حاصل کی جاسکتی ہے۔

مالی سال 2019-2018 کے دوران کمپنی اپنی تاریخ میں ریکارڈ کم ترین "ٹوٹل ریکارڈ ایبل ٹیس ریکورڈ" حاصل کی (TRCF) اپنے ہدف 0.40 کے مقابلے میں محض 0.09 رہی۔ یہ معیار اثرات کی حامل اس صنعت میں ایک نمایاں کامیابی ہے، اس کا حصول صرف اور صرف HSE معیارات اور ملازمین کی طرف سے تمام سطحوں پر طرز عمل سے ہی ممکن ہوا ہے، مشکل اور چیلنجیجے بھرچر رعیت سامت اور سخت ماحول میں یہ ایک اہم کامیابی ہے۔

ماحول پر کمپنی کے کاروبار کے اثرات

MPCL کا بطور توانائی اور پٹرولیم کی بڑی کمپنی کے معاشرے اور معیشت میں اہم کردار ہے۔ توانائی اور پٹرولیم کا کاروبار تحفظ کے لحاظ سے بڑے خطرات کا حامل شعبہ ہے اور اس کے ماحول پر بر اور است اور بالواسطہ بڑے اثرات مرتب ہوتے ہیں۔ MPCL نے 2007ء سے عالمی معیارات ISO 14001 حاصل کیے ہیں اور کمپنی ماحولیات کے حوالے سے اپنی ذمہ داریوں کو سمجھنے کی سے ملتی ہے۔ تمام مجوزہ آپریشنز جیسا کہ سیکمک، ڈرنگ یا پلانٹ آپریشن کے لیے ہمیشہ ایک ماحولاتی مٹائی کروائی جاتی ہے۔ پراجیکٹ کی تمام مدت کے دوران سروسے رپورٹس ریکوریڈر کی تھریڈ کو سمجھتی جاتی ہیں اور تمام قانونی ذمہ داریوں کو پورا کیا جاتا ہے۔

MPCL میں ماحولاتی انتظام اتنیالی مسرہ کار اور ماحولاتی اثرات کو کم سے کم سطح پر رکھنے کے لیے مستعد انتظامیہ کے اصولوں پر کام کرتا ہے۔ پوری تنظیم میں ماحولاتی امور کو اخفی اور عمودی طور پر نمٹایا جاتا ہے۔ کارپوریٹ لیول پر فیصلہ سازی کے مرحلے اور مختلف امور کے دوران ماحولاتی مسائل کو مخصوص سطحوں پر دیکھا جاتا ہے۔ کارپوریٹ لیول پر ماحولیات کے حوالے سے کارکردگی کے اہم اشاریے معیاری رپورٹنگ کے مسلسل کا حصہ ہوتے ہیں اور یہ سالانہ اور ماہانہ بنیاد پر رکھے جاتے ہیں اور اس بات کو یقینی بنایا جاتا ہے کہ وہ قومی ماحولاتی قوانین معیارات (NEQS) کے مطابق ہوں۔

MPCL کے کنٹرولڈ اور سپائزڈ کو بھی MPCL کے سب اہل۔ احداث اور اس کے ماحولاتی معیارات پر عمل کرتا پڑتا ہے۔

کارپوریٹ مسابلی ذمہ داریاں (CSR)

MPCL CSR پروگرام بڑی ٹیکسٹرز میں تقسیم کیا گیا ہے:

- سالانہ CSR ذمہ داریاں (پٹرولیم کنسٹیشن، انگریسنٹ کے مطابق کمینٹ)
- اضافی کام - ذمہ داریوں کے علاوہ
- باری فیلڈ ڈھر کی میں CSR
- پیہ اور باری بوس (تخصیص شدہ فنڈز / سماجی بہبود کی ٹیکسوں کے فنڈز، متعلقہ مقامی انتظامیہ کو فراہم کردہ فنڈز)

2018-19 پر ایک نظر

مالی سال 2018-19 کی تیسری سہ ماہی کے دوران MPCL کی CSR حکمت عملی کی توجہ آپریشنز کے علاقوں میں اور ان سے باہر کی آبادیوں کو معیاری ماحولیات اور تعلیم، صحت اور متعلقہ پراجیکٹس کی فراہمی پر مرکوز رہی ہے۔

مالی سال 2018-19 کے لیے سماجی بہبود کا فنڈ بائٹ و سچر کے متعلقہ اکاؤنٹ میں جمع کروا دیا گیا ہے جو کہ PCAs کے مطابق متعلقہ مقامی انتظامیہ کے ماتحت ہوتا ہے۔

داخلی کنٹرولز

داخلی کنٹرول فریم ورک اور داخلی آڈٹ کا کردار

فہرست شدہ کمپنیاں (کارپوریٹ گورننس) ضوابط، 2017 کے تقاضوں کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے داخلی آڈٹ کا نظام قائم کیا ہے جو داخلی آڈٹ کے زیر نگرانی ہو گا۔ داخلی آڈٹ کے سربراہ بورڈ آف ڈائریکٹرز کی آڈٹ کمپنی کو جو ابده ہوں گے۔

داخلی آڈٹ کے فرائٹس کار کی انجام دہی ایک آزادانہ تقیین دہانی اور باقاعدہ مشاورت کا نظام ہے جو باری پٹرولیم کمپنی لمیٹڈ کے آپریشن کو بہتر بنانے کے لیے قائم کیا گیا ہے۔ یہ کمپنی کو درپیش خطرات کے انتظام، کنٹرول اور نگرانی کے طریقہ کار کا جائزہ لینے اور اسے موثر بنانے کے لیے ایک منظم اور مربوط طریقے کے ذریعہ اپنے مقاصد کو پورا کرنے میں معاونت فراہم کرتا ہے۔

داخلی کنٹرول فریم ورک کے مقاصد درج ذیل ہیں:-

- آپریشنز کی افادیت اور کارکردگی؛
- بااختیار داخلی اور خارجی رپورٹنگ؛
- قوانین، قواعد و ضوابط کی تعمیل؛ اور
- کمپنی کے اثاثوں کی حفاظت

ڈائریکٹرز رپورٹ

داخلی کنٹرول فریم ورک کے مقاصد کو حاصل کرنے کے لیے داخلی آڈٹ ڈیپارٹمنٹ کے ذریعے داخلی کنٹرول کے درج ذیل اجزاء کا جائزہ لیا جاتا ہے۔

- (a) کنٹرول ماحول: یہ کمپنی کا اصول مقرر کرتا ہے اور اہلکاروں کے شعور پر اثر انداز ہوتا ہے۔ یہ داخلی کنٹرول کے دیگر اجزاء کی بنیاد ہے جس میں نظم و ضبط کی فراہمی شامل ہے۔
- (b) خطرے کی تشخیص: داخلی کنٹرول فریم ورک کے مقاصد کو حاصل کرنے کے لیے متعلقہ خطرات کی مناسب تشخیص اور تجزیہ کو یقینی بنانے کے لیے کمپنی کی انتظامی ذمہ داری ہے؛
- (c) کنٹرول سرگرمیاں: یہ پالیسیاں اور طریقہ کار ہیں جو اس بات کو یقینی بناتے ہیں کہ انتظامی ہدایات پر موثر طریقے سے عمل جاری ہے؛
- (d) معلومات اور مواصلات: متعلقہ معلومات کی موثر انداز میں بروقت فراہمی کو یقینی بنانا تاکہ ملازمین اپنی ذمہ داریوں کی انجام دہی کے قابل بن سکیں؛ اور
- (e) نگرانی: داخلی آڈٹ ڈیپارٹمنٹ کے ذریعے داخلی کنٹرول سسٹم کی نگرانی کی جاتی ہے۔ یہ عمل داخلی کنٹرول فریم ورک کے معیار کا تعین کرتا ہے۔

اس کے علاوہ داخلی آڈٹ بھی بورڈ کی آڈٹ کمیٹی کی طرف سے حسب ہدایت خصوصی کام کرتا ہے۔ داخلی آڈٹ موجودہ نظام اور عمل میں کمزوریوں کو نمایاں کرنے اور مجموعی کنٹرول کے نظام کو مضبوط بنانے کے لیے ضروری موثر کنٹرول کے عمل کو یقینی بنانے میں مرکزی کردار ادا کرتا ہے۔

داخلی آڈٹ کے سربراہ کی آڈٹ کمیٹی تک رسائی

کارپوریٹ گورننس کے تقاضوں کے مطابق داخلی آڈٹ کے سربراہ کو صدر اور آڈٹ کمیٹی کے دیگر اراکان تک براہ راست رسائی حاصل ہوتی ہے۔

داخلی مالیاتی کنٹرول (IFCA) کی موزونیت کے بارے میں رائے

کمپنی کے پاس ایک جامع IFC فریم ورک ہے جو سائبر سیٹھ کے آئی سی آئی کے پرنسپلز کی پیروی سے مناسبت رکھتا ہے۔ فریم ورک کو معتبر مالیاتی اور عملی معلومات فراہم کرنے، قابل اطلاق قوانین کی تعمیل، غیر مجاز استعمال سے انٹوش کی حفاظت، مناسب اجازت کے ساتھ ٹرانزیکشنز کو برقرار رکھنے اور کارپوریٹ پالیسیوں اور ضوابط کے مطابق تعمیل کو یقینی بنانے کے حوالے سے مناسب یقین دہانی کرانے کے لیے تیار کیا گیا ہے۔

کمپنی کی طرف سے قائم اور برقرار رکھے جانے والے داخلی مالی کنٹرول کے فریم ورک کی بنیاد پر داخلی اور خارجی آڈٹرز کی طرف سے کام انجام دیا جاتا ہے اور منجنت اور متعلقہ آڈٹ کمیٹی سمیت متعلقہ بورڈ کمیٹیوں کی طرف سے اس کا جائزہ لیا جاتا ہے کہ کمپنی کے داخلی مالی کنٹرولز کو سال 2018-19 کے دوران مناسب اور موثر طریقے سے برقرار رکھا گیا۔

داخلی طور پر مناسب مالیاتی کنٹرول کے حوالے سے ڈائریکٹرز کی ذمہ داری

کمپنی بورڈ آف ڈائریکٹرز کی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائے کہ داخلی مالیاتی کنٹرولز مناسب طور پر بنائے جائیں اور کمپنی میں ان پر عملدرآمد ہو نیز یہ کنٹرولز درست اور موثر طور پر کام کر رہے ہوں۔

موجودہ کاروباری حالات اور طریقہ کار کے تحت بننے والے کنٹرولز کو رواں سال کے دوران جانچا گیا ہے اور ان کی تیاری یا افادیت میں کوئی قابل ذکر کمزوری نہیں پائی گئی۔ مالیاتی رپورٹنگ کے دوران داخلی مالیاتی کنٹرول کے فریم ورک کی داخلی اور خارجی آڈٹرز نے جانچ کی ہے۔

داخلی کنٹرول کا نظام

کمپنی کے پاس مضبوط بنیادوں پر قائم داخلی کنٹرول کا نظام موجود ہے۔ اس میں مالیاتی رپورٹنگ کی درجہ یقینی بنانے کے لیے داخلی مالیاتی کنٹرولز بھی شامل ہیں۔ ان کنٹرولز کی بدولت مستند، بااحتیاط اور متعلقہ ریکارڈز کی تعمیل اور قابل بھروسہ مالیاتی اور انتظامی معلومات کی فراہمی میں معاونت ملتی ہے۔ یہ داخلی کنٹرولز نافذ العمل قوانین اور ضابطوں سے ہم آہنگی کو یقینی بنانے کے علاوہ سائبر سیٹھ کے بہترین استعمال، کمپنی کے انٹوش اور فریقین کے مفادات کے تحفظ میں بھی معاون ثابت ہوتے ہیں۔

کمپنی کے پاس مناسب طور پر تیار کردہ تنظیمی ڈھانچہ اور منجنت سسٹم کے طریقہ کار کے ہر عمل کو دستاویزی شکل دینے کا نظام موجود ہے۔ اس کا مقصد کاروباری امور کی ترتیب وار انجام دہی کو یقینی بنانا ہے۔ جدید ٹیکنالوجی کا حامل ERP / SAP) نظام موجود ہے، جس میں مختلف عوامل کی تصدیق کے کنٹرولز بھی موجود ہیں۔ اس سے کنٹرول کا ماحول مزید

بہتر ہونے کے علاوہ معلومات کا بلا تھقل تبادلہ یقینی ہو جاتا ہے۔ مزید برآں کام کی جگہ پر فین، دھوکہ دہی اور دیگر فلاح کاموں کو روکنے کے لیے کمپنی نے خطرات سے آگاہی کی پالیسی بھی بنائی ہے۔

خطرات کو روکنے کے لیے داخلی کنٹرول کے نظام کا باقاعدگی سے جائزہ لیا جاتا ہے اور بدلتے ہوئے حالات کے مطابق اس میں ضروری ترامیم کی جاتی ہیں۔

انٹرنل ایئرمرک منجنت (ERM)

خطرات کا انتظام کاروباری کارکردگی اور کارپوریٹ گورننس کا اہم جزو ہے، تنظیمی مقاصد کے حصول میں اس کا اہم کردار ہے۔ کمپنی کی رسک منجنت حکمت عملی یہ ہے کہ پوری تنظیم میں ایک مثبت رسک کلچر تشکیل دیا جائے اور تنظیم کی تمام سطحوں پر کاروباری لیول کی سرگرمیاں جیسا کہ سٹرٹیجک پلاننگ سے لے کر بزنس پلانٹ پر دسٹیں تک تمام سرگرمیوں میں رسک منجنت کو شامل کیا جائے۔ کمپنی نے انٹرنل ایئرمرک کی سطح پر رسک منجنت کا طریقہ کار اختیار کیا ہے تاکہ خطرات کے انتظام کی ایک مستند، مناسب اور جاندار اپروچ کو یقینی بنایا جاسکے۔

MPCL کے رسک منجنت پروگرام میں اس بات کو یقینی بنایا گیا ہے کہ مندرجہ ذیل اہم اصولوں پر کاربند رہا جاسکے:

- ذمہ داریوں اور جوابدہی کی واضح تشخیص؛
- کاروبار کی سطح پر خطرات کے انتظام کا معیاری فریم ورک اور پروسیس؛
- مستقبل کے ایسی غیر یقینی واقعات کی نشاندہی اور انتظام جو کاروباری منصوبوں اور سٹرٹیجک مقاصد کے حصول پر اثر انداز ہو سکتے ہوں؛
- خطرات کے انتظام کی سرگرمیوں کو کمپنی فیصلہ سازی کے عمل کا حصہ بنانا۔

کمپنی کا بورڈ آف ڈائریکٹرز خطرات کی تلاش، کمپنی کا خطرات کو برداشت کرنے کا لیول متعین کرنا، خطرات کے انتظام کی پالیسیاں اور فریم ورک بنانے کا ذمہ دار ہے۔ اس کا انتظام رسک منجنت اینڈ گورننس انفراسٹرکچر کے ذریعے چلایا جاتا ہے، اس میں بورڈ کی توجہ اور کاروباری خطرات کی کمیٹی شامل ہوتی ہے (BDERC)۔ یہ کمیٹی خطرات پر نظر رکھنے کی ذمہ داری ہے، اور یہ دیگر کے علاوہ خطرات کے انتظام کی پالیسیوں اور پروسیس کی مناسبت، مضبوطی اور موثریت کو یقینی بنانے کی ذمہ دار ہے۔ آڈٹ کمیٹی انٹرنل آڈٹ ڈیپارٹمنٹ کے ذریعے خطرات کی منجنت کے نظام کی مستعدی اور موثریت پر نظر رکھتی ہے اور خطرات میں تخفیف کے منصوبوں کی کامیابی کا جائزہ لیتی ہے، یہ وہ منصوبے ہیں جو باہمی خطرات کے مقابلے میں تیار کیے جاتے ہیں۔

MPCL میں ایک پر عزم ERM ڈیپارٹمنٹ اس بات کو یقینی بناتا ہے کہ پوری تنظیم کے اندر آسانی سے اور بغیر کسی رکاوٹ کے ERM پر عملدرآمد کیا جائے، نیز اس کا کام مختلف شعبوں کو خطرات کے حوالے سے تجاویز، رہنمائی اور معاونت فراہم کرنا بھی ہے۔ عملدرآمد میں مزید آسانی کے لیے ہر شعبے میں خطرات سے احسن طریقے سے نمٹنے کے قابل افراد کی نشاندہی کی جاتی ہے اور انھیں شامل کیا جاتا ہے، وہ خطرات کو کنٹرول کرنے کے لیے اپنی ٹیموں کی سطح پر اقدامات کرتے ہیں۔

کمپنی کا رسک فریم ورک

MPCL میں مجموعی ERM فریم ورک کی تشکیل کا کام آئی آر سی کے طرف سے انجام دیا گیا، برطانیہ میں قائم ہے اور وہ ایک ERM کونسلٹنٹس اور خطرات کی تلاش اور عمل فراہم کرتا ہے۔ MPCL کی خطرات کی تلاش کی اپروچ ISO 31000:2018 پر مبنی ہے، جو کہ اہم ترین سٹرٹیجک، مالیاتی، آپریشنل، تعمیل اور گورننس کے خطرات کی نشاندہی کے لیے رہنمائی فراہم کرتا ہے، یہ وہ خطرات ہیں جو اپنے کاروباری و سٹرٹیجک اہداف کے حصول میں کمپنی کو پیش آسکتے ہیں۔ خطرات کو ان کے وقوع پزیر ہونے کے امکانات اور اثر کے لحاظ سے تقسیم کیا جاتا ہے اور تخفیف کے مناسب اقدامات تشکیل دیے جاتے ہیں۔ کمپنی کے سٹرٹیجک مقاصد کو لاحق اہم خطرات پر نظر رکھی جاتی ہے اور BDERC کو رپورٹ کی جاتی ہے۔

کمپنی کا کاروبار

مالیاتی سال کے دوران کمپنی کے کاروبار کے حوالے سے بنیادی سرگرمیاں، پیشرفت اور کارکردگی

کمپنی بنیادی طور پر ہائیڈروکاربن کی تلاش، پیداوار اور فروخت کا کام کرتی ہے۔ 2018-19 کے دوران تیل کی قیمتوں میں اضافے کی بدولت توانائی اور پٹرولیم کی صنعت کی ترقی میں مدد ملی ہے اور اس کا کاروبار MPCL پر بھی مثبت اثر ہوا ہے اور اس کے محصولات میں اضافہ ہوا ہے۔ سال 2018-19 کے دوران MPCL کو کل 1 ڈسکوری میں ڈیولپمنٹ اور پیداوار کے حقوق دیئے گئے۔

ڈائریکٹرز رپورٹ

پیداوار میں اضافے اور ذخائر میں آنے والی کمی پر قابو پانے کے لیے حیرت انگیز تلاش کی ضرورت ہوتی ہے جس کے لیے تلاش کا وسیع رقبہ موجود ہونا چاہیے۔ MPCL نے PEL سے سکھر بلاک میں (41.1765 فیصد) اضافی درکنگ انٹرسٹ حاصل کیے، اسی طرح غوری بلاک میں (30 فیصد) MOL سے بھی درکنگ انٹرسٹ حاصل کیے گئے، اور بلاویٹ بلاک میں PPL سے 25 فیصد درکنگ انٹرسٹ حاصل کرنے کا پروتیس جاری ہے۔ حکومت پاکستان کی طرف سے منعقد ہونے والے بلاکس کی بیلیوں کے گزشتہ عمل کے دوران MPCL نے دلی ویٹ بلاک (100 فیصد) اور ٹونگ بلاک (60 فیصد) پر بیڈ شپ کے ساتھ (حقوق کے حصول کے لیے کامیابی سے بولیاں دیں) MPCL کے پاس اس وقت تمام صوبوں اور وفاقی کے زیر انتظام علاقوں میں تلاش اور پیداوار کے مقاصد کے لیے وسیع علاقے موجود ہیں۔

مالی سال کے دوران کمپنی کے کاروباری نویمت کے حوالے سے ہونے والی کوئی تبدیلی

زیر جائزہ مالی سال کے دوران کمپنی کے کاروباری نویمت کے حوالے سے کوئی بڑی تبدیلی رونما نہیں ہوئی۔

مستقبل میں کمپنی کے کاروباری ترقی، کارکردگی اور پوزیشن کو متاثر کرنے والے عوامل اور مرکزی رجحانات

کمپنی مستقبل طور پر ایسے کاروباری امکانات کی تلاش میں رہتی ہے جو توانائی اور پٹرولیم کے شعبے کو مجموعی طور پر متاثر کرنے والے خطرات کے مقابلے میں کمپنی کے مفادات کا تحفظ کر سکیں۔ اس کے نتیجے میں کمپنی توانائی کے شعبے میں ایسے ایویوز تلاش کر رہی ہے جن کی بدولت کمپنی کی دلیویہ میں اضافہ ہو جبکہ کمپنی قیمتوں کے حوالے سے خطرات کا بھی مقابلہ کر سکے۔ مزید برآں کمپنی بین الاقوامی سطح پر بھی تیل کی تلاش کے علاقے حاصل کرنے کے لیے سرگرداں ہے اور ایسی لیڈز پر کام کر رہی ہے تاکہ باہر کے ممالک سے کمپنی کے منافع میں اضافے کا باعث بنیں۔ حکومت کی لیکٹیو کمپنی OGDCL کے علاوہ MPCL پاکستان میں توانائی پٹرولیم کے شعبے کی واحد کمپنی ہے جس کے پاس ڈرنگ اور سبک سروسز کی صلاحیت موجود ہے اس طرح اس کے پاس وسیع ترچک اور منافع کمانے کی صلاحیت موجود ہے۔ مزید برآں، سکیورٹی کے خصوصی انتظامات موجود ہیں جن کی بدولت ہم ایسے علاقوں میں بھی کام کرتے ہیں جہاں دیگر کمپنیاں جاتے ہوئے چھپاتی ہیں۔

کمپنی کم درجے کی BTU گیس کے لیے متعدد آپشنز پر غور کر رہی ہے۔ ایک آپشن کے طور پر MPCL مجوزہ پاور پراجیکٹ کے لیے فیوٹیلنٹ میٹھی مکمل ہو چکی ہے اور کمپنی کا ارادہ ہے کہ اگلے مالی سال کے دوران درکاری ریگولیشنز منظوری حاصل کی جائے۔ کمپنی کو اس وقت آمدن کے ذرائع بڑھانے کی ضرورت ہے، اور اس ضرورت کے پیش نظر MPCL کے پاور پراجیکٹ کی جلد تکمیل کو یقینی بنایا جائے گا۔ کمپنی نے سٹریم اور ڈاکون سٹریم میں بھی شراکت کا جائزہ لے رہی ہے۔ "فوبی کنسورٹیم" جو کہ فوبی فاؤنڈیشن، فوبی فریڈا کر کمپنی لیڈر اور MPCL پر مشتمل ہے، نے فرعیو آئل کمپنی-1 / فرعیو ورکس آرگنائزیشن کے زیر انتظام چلنے والے ٹینکے - تھیلان - تاروچہ وائٹ آئل پمپ لائن پراجیکٹ میں دلچسپی ظاہر کی ہے۔

بیس معاہدے کے بعد ہونے والی پٹرولیم کے تناظر میں MPCL توانائی اور پٹرولیم کے شعبے کے بدلے رجحانات پر نظر رکھے ہوئے ہے اور تیل کی عالمی صنعت کے تبدیل ہونے والے ماحول سے بھی آگاہ ہے۔ MPCL ایسے مواقع پر عرصہ طویل کی سرمایہ کاری کرنے کے لیے پرمزم ہے جو عالمی ماحول کے تحفظ اور عالمی کمیونٹی کے ساتھ چلنے میں معاون ثابت ہوتے ہوں۔ فوبی سٹیج پر MPCL ملکی ذراعت میں حصہ نمایاں ہے کیونکہ وہ ملک میں بننے والی 80 فیصد پوریا کے لیے گیس بلور نام مال فراہم کرتی ہے۔

کمپنی کو درپیش اہم خطرات اور غیر یقینی حالات

MPCL کو درپیش اہم خطرات اور غیر یقینی حالات کا تعلق ختم ہوتے ذخائر سے ہے جن کا پہلے ہی بیلیو بیڑ میں اضافے کے ذریعے تدارک کیا جا چکا ہے۔ دیگر خطرات میں خام تیل کی قیمتوں میں اتار چڑھاؤ اور تیل و گیس کے شعبے کو درپیش بیرونی ریگولیشنز شامل ہیں۔ پچھلے عشرے کے دوران پاکستان میں گیس کی کم دریاہٹوں کا نتیجہ قدرتی گیس کے موجود ذخائر میں تیزی سے کمی کی صورت میں نکلا ہے، جن پر کہ توانائی کی ہماری اندرونی پیداوار اور مرکزی طور پر انحصار ہے۔ سب سے اہم وجہ سکیورٹی کے مسائل کی وجہ سے نئے علاقوں تک رسائی ہے، کیونکہ اس کی وجہ سے سیمک ڈینا کے حصول اور ڈرنگ کی سرگرمیاں تاخیر کا شکار ہوتی ہیں۔ پاکستان میں توانائی اور پٹرولیم کی دیگر کمپنیوں کی طرح MPCL بھی اس چیلنج کا سامنا کر رہی ہے اور اسے دریافت کے نئے علاقوں تک رسائی کی ضرورت ہے تاکہ ذخائر کے ختم ہونے کے رجحان پر قابو پایا جاسکے۔

تیل کی عالمی قیمتوں میں اتار چڑھاؤ دراصل ایک کمیل ہے جس کا تعلق جغرافیائی-سیاسی حالات سے ہوتا ہے۔ عالمی سطح پر تمام اندازوں کی بنیاد کچھ مفروضوں پر ہوتی ہے جو ہو سکتا ہے مستقبل میں قائم رہیں یا نہ رہیں۔ آزادانہ تجزیہ کاروں کے مطابق برینٹ سپاٹ پرائسز 20-2019ء کے دوران 65 سے 75 ڈالر کے درمیان رہیں گی۔ قیمتوں میں اوپر کی جانب جانے کے خطرات کا تعلق سیاسی حالات کے باعث چلائی کی کم ہونے اور اوسط سے کم انویسٹمنٹ کی حامل مارکیٹ سے ہوتا ہے، اس کے ساتھ اوپیک کی اضافی خام تیل کی پیداوار کی صلاحیت بھی کم ہے۔ اس کے برعکس قیمتوں میں کمی کے حوالے سے خطرات کا تعلق طلب سے ہوتا ہے، اگر معاشی نمو قوتوں سے کم رہے تو اس کے نتیجے میں تیل کی طلب میں کمی واقع ہوگی جس کے نتیجے میں اس کی مواد قیمتوں میں بھی کمی آنے گی۔

جہاں تک پٹرولیم سے متعلق پالیسیوں اور ریگولیشنز کا تعلق ہے، MPCL کو سال 2018-19 کے دوران کسی بڑی تبدیلی کا سامنا نہیں کرنا پڑا۔

مستقبل میں منافع جات کے امکانات

MPCL کے لیے مستقبل قریب میں پائیدار ترقی اور منافع جات میں اضافے کا ہدف مقرر کیا گیا ہے۔ مزید برآں، نئے بلاکس کے حصول، اس کے ساتھ ساتھ بہتر امکانات کے حامل تلاش / پیداوار کے بلاکس میں اضافی دلچسپی، دیگر بہتر مواقع کے حامل نمکذ مواقع، مقامی اور عالمی طور پر تلاش کی جگہوں میں اضافے کی بدولت ذخائر میں اضافہ ہو گا اور پیداواری محصولات بڑھیں گے، نیز عرصہ طویل کے لیے منافع جات میں اضافہ ہو گا۔ مزید برآں تیل کی قیمتیں بڑھنے کی بدولت، جن کے بارے میں توقع ہے کہ وہ اب اگلے کچھ سالوں تک دوبارہ 2015ء کی سطح تک نہیں گریں گی، کمپنی کے منافع جات میں اضافہ ہو گا، کمپنی کو کیش فلو کے سلسلے میں خطرات پر قابو پانے میں بھی مدد ملے گی، ان منافع جات کی متنوع سرمایہ کاری کی بدولت کمپنی کے منافع جات میں اضافہ ہو گا جو شیئرز ہولڈرز کے لیے پائیدار منافع کا باعث ہوں گے۔

کارپوریٹ گورننس / تہداتی نظم و نسق

بورڈ کا ڈھانچہ

نمبر	ڈائریکٹر	کمیٹی
فوبی فاؤنڈیشن کی نمائندگی		
1-	لیٹینینٹ جنرل سید طارق ندیم گیلانی (ر)	نان ایگزیکٹو ڈائریکٹر
2-	لیٹینینٹ جنرل اشفاق ندیم احمد (ر)	ایگزیکٹو ڈائریکٹر
3-	ڈاکٹر ندیم عنایت	نان ایگزیکٹو ڈائریکٹر
4-	سید مجرب جنرل جاوید اقبال نصر (ر)	نان ایگزیکٹو ڈائریکٹر
5-	جناب رحمان نسق	نان ایگزیکٹو ڈائریکٹر
6-	سید افتخار سعید	نان ایگزیکٹو ڈائریکٹر
حکومت پاکستان کی نمائندگی		
7-	جناب اسد حیات الدین	نان ایگزیکٹو ڈائریکٹر
8-	جناب ساجد محمود قاضی	نان ایگزیکٹو ڈائریکٹر
9-	جناب شاہد یوسف	نان ایگزیکٹو ڈائریکٹر
ادنیٰ ذی سی ایل کی نمائندگی		
10-	جناب زاہد میر	نان ایگزیکٹو ڈائریکٹر
11-	جناب احمد حیات لک	نان ایگزیکٹو ڈائریکٹر
عوام الناس کی نمائندگی		
12-	جناب عدنان آفریدی	آزاد نان ایگزیکٹو ڈائریکٹر
13-	محمد مہر مہر محمد	آزاد نان ایگزیکٹو ڈائریکٹر

* فی الوقت ایم سی ایل کا بورڈ 12 مرد اور ایک خاتون ڈائریکٹرز پر مشتمل ہے۔ مزید برآں اس میں 10 نان ایگزیکٹو ڈائریکٹر، 2 آزاد نان ایگزیکٹو ڈائریکٹر اور 1 ایگزیکٹو ڈائریکٹر ہے۔

چیز میں بورڈ کے علاوہ سی ای او

لیٹینینٹ جنرل سید طارق ندیم گیلانی (ر) بورڈ کے چیئرمین ہیں اور لیٹینینٹ جنرل اشفاق ندیم احمد (ر) کمپنی کے چیف ڈائریکٹر / سی ای او ہیں۔ لہذا چیئرمین اور سی ای او کے مہدوں پر دو مختلف افراد قائم ہیں۔

ڈائریکٹرز رپورٹ

ایسے افراد کے نام جو مالی سال کے دوران کمپنی کے ڈائریکٹر تھے:

- جناب قیصر جاوید
- بریگیڈیئر راشد ولی جنجوعہ (ر)
- قاضی محمد سلیم صدیقی
- انجینئر ایس ایچ مہدی بھال
- جناب منظور احمد
- جناب عبد الجبار سمن

بورڈ آف ڈائریکٹرز کی کمپنیاں

کمپنی کے بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز / منصوبوں اور معاملات کا نہایت موثر طریقے سے جائزہ لیتے ہیں۔ جلد امور کی موثر انجام دہی کے لیے بورڈ نے چار کمپنیاں تشکیل دی ہیں۔ ان کمپنیوں کو ان کے متعلقہ شعبوں سے متعلق قوری انتظامی فیصلوں کو چھینی بنانے کے لیے ذمہ داری سونپی گئی ہے۔

آڈٹ کمپنی:

تفصیلی وترجیح

بورڈ کی آڈٹ کمپنی فی الحال مندرجہ ذیل ڈائریکٹرز پر مشتمل ہے:-

ڈائریکٹر	مہمہ
محترمہ عائشہ مجید	صدر (آزاد تان ایگزیکٹو ڈائریکٹر)
جناب رحمان لائق	رکن
جناب شاہد یوسف	رکن
جناب احمد حیات لنگ	رکن
جناب عدنان آفریدی	رکن

تفصیلی کمپنی:

تفصیلی وترجیح

بورڈ کی تفصیلی کمپنی فی الحال مندرجہ ذیل ڈائریکٹرز پر مشتمل ہے:-

ڈائریکٹر	مہمہ
جناب سید افتخار سعید	صدر
جناب رحمان لائق	رکن
جناب شاہد یوسف	رکن
جناب زاہد میر	رکن
جناب ساجد محمود قاضی	رکن

HR اور معاوضے کی کمیٹی:

تفصیلی وترجیح

HR اور معاوضے کی کمیٹی فی الحال مندرجہ ذیل ڈائریکٹرز شامل ہیں:-

ڈائریکٹر	مہمہ
جناب عدنان آفریدی	صدر (آزاد تان ایگزیکٹو ڈائریکٹر)
میجر جنرل جاوید اقبال نصر (ر)	رکن
جناب احمد حیات لنگ	رکن
محترمہ عائشہ مجید	رکن

متنوع اور کاروباری رسک مینجمنٹ کمیٹی

تفصیلی وترجیح

بورڈ کی متنوع اور کاروباری رسک مینجمنٹ کمیٹی میں فی الحال مندرجہ ذیل ڈائریکٹرز شامل ہیں:-

ڈائریکٹر	مہمہ
جناب ندیم عنایت	صدر (ٹان ایگزیکٹو ڈائریکٹر)
سید افتخار سعید	رکن
جناب رحمان لائق	رکن
جناب ساجد محمود قاضی	رکن
جناب زاہد میر	رکن

بورڈ، بورڈ کی کمیٹیوں اور انفرادی ڈائریکٹرز کی سالانہ کارکردگی کا جائزہ اور اس کے لیے استعمال کردہ طریقہ کار

سلسلہ کنیزنگ کمپنیوں 2017 کی شیڈول (3)(b) کے مطابق بورڈ، اس کے ممبران اور بورڈ کی کمیٹیوں کی کارکردگی جانچنے کے لیے ایک باقاعدہ اور موثر نظام موجود ہے۔

بورڈ کی اپنی کارکردگی جانچنے کے لیے طریقہ کار کی منظوری MPCL بورڈ کے 30 ستمبر 2014 کو ہونے والے اجلاس میں دی گئی۔ منظور کردہ کارکردگی کے طریقہ کار میں کارکردگی کے 36 عوامل ہیں۔ ان میں بورڈ اور اس کی کمیٹیوں کے قیام، کام اور کارکردگی، گورننس کے ڈھانچے اور کام، اور کمپنی کے مانیٹرنگ نظام جیسے شعبوں کو شامل کیا گیا ہے۔

بورڈ کی کمیٹیوں کی کارکردگی جانچنے کے لیے طریقہ کار کی منظوری 16 اپریل 2018 کو بورڈ کے ہونے والے اجلاس میں دی گئی۔ اس طریقہ کار میں کارکردگی کے 15 معیارات کو شامل کیا گیا ہے۔ ان میں کمیٹی کے قیام کا طریقہ کار، اختیارات اور کام کا طریقہ کار، کمیٹی کے چیئرمین کا کردار، عمومی ماحول اور کمیٹی ممبران کے کردار جیسے عوامل کو شامل کیا گیا ہے۔

بورڈ ممبران کی انفرادی کارکردگی کو جانچنے کے لیے طریقہ کار کی منظوری 31 مئی 2018 کو ہونے والے بورڈ کے اجلاس میں دی گئی۔ اس طریقہ کار میں کارکردگی کے 24 معیارات کو شامل کیا گیا ہے۔ طریقہ کار میں ڈائریکٹرز کو موقع دیا جاتا ہے کہ وہ اپنی ذاتی کارکردگی پر توجہ دے سکیں۔ ان معیارات میں ڈائریکٹرز کے کردار، رویے اور بطور رکن کارکردگی کا جائزہ لیا جاتا ہے۔

ان نظام ہی کردہ عوامل کے علاوہ ڈائریکٹرز دہے گئے نمونے کے رائے پیکٹیشن میں اپنی موزوں آزاد فرام کر سکتے ہیں۔

بورڈ کے جائزہ کے نمونے اور انفرادی ڈائریکٹرز کے نمونے تمام بورڈ ممبران کو ارسال کیے جاتے ہیں جبکہ کمیٹیوں کو بھیجے جاتے ہیں۔ ڈائریکٹرز سے درخواست کی جاتی ہے کہ وہ اسکیمیں پر ہر ایک عنصر کے بارے میں 1 سے 5 نمبر لگائیں۔ ان سکورز کو خصوصی طور پر تیار کردہ ایک پروگرام کے ذریعے درج کیا جاتا ہے اور ہر ایک عنصر کے لیے بنیادی قدروں، معیاری اظہار اور ہر چارٹس کو شمار کیا جاتا ہے۔

ڈائریکٹرز رپورٹ

کمپنی CCG کے بہترین طریقوں پر عمل کرنے کی ہر ممکن کوشش کرتی ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بھی اندارج شدہ کمپنیز (کوڈ آف کارپوریٹ گورننس) قواعد و ضوابط 2017 کی تعمیل کے بیان کا جائزہ لیا گیا اور کمپنی کے بیرونی آڈیٹرز نے دستاویزی ثبوت کی بنیاد پر ان کی تصدیق کی۔

بعد ازاں Statement of Financial Position واقعات

بورڈ آف ڈائریکٹرز نے سالانہ اجلاس عام میں ارکان کی منظوری کے لیے 30 جولائی 2019 کو منعقدہ اپنے اجلاس میں 30 جون 2019 کو ختم ہونے والے سال کے لیے 2.0 روپے فی شیئر کی شرح سے ایک حتمی پیش دیویدہ اور ہر دس شیئرز کے لیے ایک شیئر کی شرح (یعنی 10 فیصد) کے لحاظ سے بونس شیئرز کے اجراء کی تجویز دی ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز سمیرز Deloitte Yousuf Adil، چارٹرڈ اکاؤنٹنٹس لپٹی خدمات سے سہدوش ہو جائیں گے۔ انھوں نے اپنی اہلیت کی بنیاد پر کمپنی کے آڈیٹرز کے طور پر اگلے سال کے لیے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔

آڈٹ کمپنی نے اگلے مالی سال 2019-20 کے لیے آڈیٹرز کی تقرری پر غور کیا اور سمیرز A.F Ferguson & Co زمر کی سفارش کی ہے۔ آڈٹ کمپنی کی سفارش کی بورڈ آف ڈائریکٹرز نے توثیق بھی کر دی ہے۔

اعتماد و ثقہ

بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کی کوششوں اور محنت و لگن کی تعریف کرتا ہے جنہوں نے انتظامیہ کو اس قابل بنایا کہ وہ کمپنی کو موثر طور پر چلائے اور اپنے صارفین کو ہائیڈروکاربن کی مسلسل پیداوار اور فراہمی کو سالانہ جاری رکھے۔ بورڈ ڈیپارٹمنٹ کے ساتھ ساتھ دیگر مقامات کی مقامی انتظامیہ، صوبائی حکومتوں، وفاقی حکومت کے مختلف محکموں خاص طور پر توانائی کی وزارت، وزارت خزانہ، تیل اینڈ گیس کی ریگولیٹری اتھارٹی، پیٹرولیم کنٹینین، آئل اینڈ گیس کے ڈائریکٹریٹ، فوجی ٹیکنالوجی، آئل اینڈ گیس ڈیولپمنٹ کمپنی لیبیٹ اور تعاون نافذ کرنے والے اداروں کے تعاون اور مسلسل مدد / معاونت فراہم کرنے پر ان کا شکریہ ادا کرتا ہے۔



مالک غیدری
ڈائریکٹر



ڈاکٹر خالد اعجاز (طبری)
ڈائریکٹر / سی ای او

اسلام آباد
30 جولائی 2019

اس طریقہ کار کے مطابق اگر کسی بھی کارکردگی کے عنصر کی بنیادی قدر 3 سے کم ہے تو اسے بہتر بنانے کی ضرورت ہے۔ اگر بنیادی قدر 3 سے زیادہ ہے تو پھر کارکردگی کا عنصر قابل قبول ہے۔ اس کے علاوہ معیاری انحراف کسی مخصوص عنصر کے خلاف بورڈ اراکین کی رائے میں پائے جانے والے فرق کے درجے کا بتاتا ہے۔ اگر معیاری انحراف کی قدر 1 سے کم ہے، تو بورڈ کی رائے میں اتفاق پایا جاتا ہے، اگر قدر 1 سے زیادہ ہے تو پھر بورڈ کی رائے اس کارکردگی کے عنصر کے خلاف تقسیم شدہ ہوتی ہے۔

مالی سال 2018-19 کے لیے جانچ کے نتائج

سال 2018-19 کے لیے بورڈ ایگریمنٹ کے مطابق کارکردگی کے تمام عوامل کے لحاظ سے اوسط درجہ 3 سے زیادہ رہی، جس سے ظاہر ہوتا ہے کہ ڈائریکٹرز کی رائے میں بورڈ کی تشکیل اور کارکردگی اور کمپنی کے معاملات کی مجموعی گورننس تسلی بخش رہی، کارکردگی کے تمام عوامل کے لحاظ سے اوسط درجہ 1.5 سے کم رہا، اس کا مطلب یہ ہے کہ ڈائریکٹرز میں تمام نمائندگی کے لحاظ سے رائے میں ہم آہنگی پائی جاتی ہے سوائے (i) آزاد اور غیر آزاد ڈائریکٹرز کے درمیان کا تناسب اور (ii) بورڈ میں اقلیتی ممبر ہولڈرز کی نمائندگی کے۔

مجموعت نے واضح کیا ہے کہ آزاد ڈائریکٹرز کی تعداد اور 2022 میں ہونے والی بورڈ کی تشکیل نو سے متعلق کمپنی نے SECP سے استیصال حاصل کیا ہے۔ لہذا آزاد ڈائریکٹرز کا معاملہ اسی وقت حل کیا جائے گا۔ اسی طرح اس وقت دو ڈائریکٹرز بورڈ میں اقلیتی ممبر ہولڈرز کی نمائندگی کر رہے ہیں۔

کمپنیاں اور انفرادی طور پر ڈائریکٹرز کی ایگریمنٹ سے معلوم ہوتا ہے کہ کارکردگی کے تمام عوامل کے لحاظ سے اوسط درجہ 3 سے زائد رہی ہے، اس کا مطلب یہ ہے کہ ڈائریکٹرز کی رائے میں کمپنیاں اور بورڈ میں ہر ڈائریکٹر کی انفرادی کارکردگی تسلی بخش رہی ہے۔ اوسط پھیلاؤ کارکردگی کے تمام عوامل کے لحاظ سے 1 سے کم رہا ہے، اس کا مطلب یہ ہے کہ ہر نمائندگی کے لحاظ سے ڈائریکٹرز کی رائے میں ہم آہنگی پائی جاتی ہے۔

ایگریمنٹ کے تمام نتائج ڈائریکٹرز کی تجاویز / آراء کے ساتھ بورڈ کی HR&R کمپنی 25 جولائی 2019 کو ہونے والی میٹنگ میں پیش کیے گئے اور اس کے بعد 30 جولائی 2019 کو ہونے والے بورڈ کے 178 ویں اجلاس میں پیش کیے گئے۔

ڈائریکٹرز کے معاوضے کی پالیسی

لیڈنگ کمپنیز ریگولیشنز 2017 (Code of Corporate Governance) کی شق 17 کے مطابق ایک ڈائریکٹرز کے معاوضے کی پالیسی بورڈ کی طرف سے اس کے 171 اجلاس میں 16 اپریل 2019 کو منظور ہوئی بورڈ کی منظور شدہ ڈائریکٹرز کے معاوضے کی پالیسی کے مطابق نان ایگزیکٹو ڈائریکٹرز ہر بورڈ اور کمپنی میٹنگ میں شرکت کے لیے مقررہ معاوضہ حاصل کرنے کے اہل ہیں۔ بورڈ کی طرف سے فیس مقرر کی جاتی ہے اور وہ مختار و متناہس پر نظر ثانی کی جاتی ہے۔ ایگزیکٹو ڈائریکٹرز کو کوئی فیس نہیں دی جاتی۔ مزید برآں کمپنی کے جرنل اجلاسوں میں شرکت کرنے پر بھی کوئی فیس نہیں دی جاتی۔ بورڈ کے چیئرمین یا ایک کمپنی کے صدر یا آزاد ڈائریکٹرز ہونے کی بنا پر بھی کوئی اضافی ادائیگی نہیں کی جاتی۔ تمام ڈائریکٹرز منظور شدہ MSP (سٹر اور منٹلی - منجمنٹ ملازمین) کے مطابق سٹر اور میٹراؤنسز لینے کے اس وقت اہل ہوتے ہیں جب وہ کمپنی کے کاروباری کام کے سلسلے میں سٹر کرتے ہیں۔

شیئرز دینے کا طریقہ

30 جون 2019 تک شیئرز دینے کے طریقے پر جی گو شوارڈ نمبر 125 سے 129 پر دیا ہے

مالیاتی گوشواروں کی تیاری اور پیش کاری کے لیے منجمنٹ کی ذمہ داری

پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق مالیاتی گوشواروں کو تیار اور پیش کرنا، منجمنٹ کی ذمہ داری ہوتی ہے اور اس طرح کے اندرونی کنٹرول کے لیے بھی منجمنٹ ذمہ دار ہے جو منجمنٹ کے نزدیک ضروری ہوں گا کہ مالیاتی گوشواروں کو اس انداز سے تیار کرے جو ہر قسم کی غلطی اور دھوکہ دہی سے پاک ہوں۔

مالیاتی گوشواروں کی تیاری کے سلسلے میں منجمنٹ ذمہ دار ہوتی ہے کہ وہ مستقبل قریب میں کمپنی کے فعال رہنے کے تصور کا جائزہ لے، اس کے فعال رہنے سے متعلق معاملات جو قابل اطلاق ہوں، ان کو اظہار کرے اور اس تصور پر مبنی صیاداری کے طریقہ کار کے استعمال کو جاری رکھے جب تک کہ منجمنٹ اپنی کمپنی کو سرمایہ کی فراہمی بند کرنے یا سرگرمیوں کو بند کرنے یا کوئی حقیقت پسندانہ تبادلہ رکھنے کا ارادہ نہ رکھتی ہو۔

کوڈ آف کارپوریٹ گورننس / ضابطہ برائے تجارتی نظم و نسق (CCG)

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اندارج شدہ کمپنیز (کوڈ آف کارپوریٹ گورننس) قواعد و ضوابط 2017 جاری کیا ہے تاکہ بہتر تجارتی نظم و نسق کا لاگو عمل اختیار کیا جائے اور ہر ایک اندارج شدہ کمپنی ان بہترین طریقوں پر عمل کرے۔

Form of Proxy
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 35th Annual General Meeting of the Company to be held on Tuesday, October 22, 2019 at 10:00 a.m., 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 _____ 2019.

Please affix appropriate Revenue Stamp

Signature of Member

Name: _____

Signature of Proxy: _____ 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)



www.mpcl.com.pk



HEAD OFFICE:
21-Mauve Area, 3rd Road,
Sector G-10/4, Islamabad-44000
UAN: +92 51 111 410 410 | **Fax:** +92 51 2352859

KARACHI LIAISON OFFICE:
D-87, Block-4, Kehkashan Clifton,
Karachi- 75600, P.O. Box: 3887
UAN: +92 21 111 410 410 | **Fax:** +92 21 35870273

DAHARKI FIELD OFFICE:
Daharki, District Ghotki
UAN: +92 723 111 410 410 | **Fax:** +92 723 660402

QUETTA LIAISON OFFICE:
26, Survey-31,
Defence Officers Housing Scheme,
Airport Road, Quetta
UAN: +92 81 2821052 | **Fax:** +92 81 2834465