



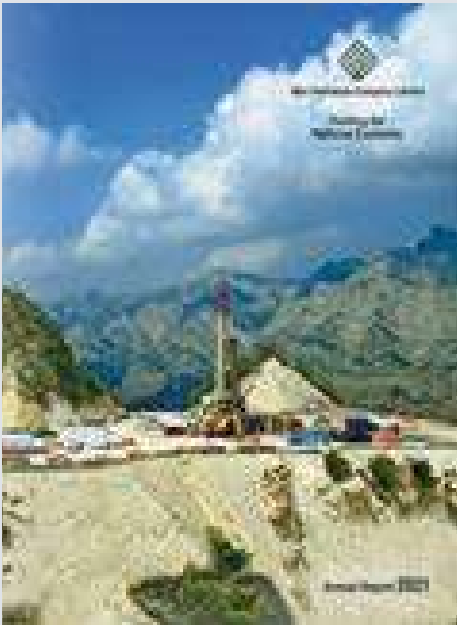
Mari Petroleum Company Limited

**Fuelling the
National Economy**



Annual Report 2021

Cover Story



Fuelling the National Economy

In pursuit of achieving the energy self-sufficiency for the nation, our exploratory efforts outside Mari Field are now mostly focused in the geologically challenging and security sensitive areas of Balochistan and KPK. The Company is currently engaged in drilling of two critical deep exploratory wells i.e. Surghar X-1 in Karak Block and Bannu West-1 in Bannu West Block in erstwhile FATA area.

The cover of our Annual Report is a view of ongoing drilling operations at exploratory well Surghar X-1. The well site is located on a treacherous mountainous terrain – with undulating slopes, deep gorges, an erratic drainage pattern and limited access. In addition to undertaking massive earthwork for the access track, well site and camp location, our men on ground had to deal with harsh weather conditions, security threats and supply chain issues to get the site ready, move men and heavy machinery, and commence drilling of this important well as per the planned timelines. Similar challenges were faced at the site of Bannu West-1. This is just a hint of a plethora of challenges that our teams face while we pursue the strategy of exploring deeper and farther.

Our teams overcome all the challenges and hardships with unflinching perseverance and willpower that are the hallmark of MPCL operational philosophy.

The challenges we face merely fuel our passion to do more and be more.

About this Report

Contents: MPCL Annual Report 2021 (the Report) provides all the relevant background information about the Company and its operations. It presents a comprehensive review of the Company’s financial and operational performance during the FY 2020-21, and the future plans, so that the readers are able to determine the current state of affairs and future outlook of the Company.

The financial data and figures are complemented by graphs, charts, pictures, analysis and narratives to provide data visualization and necessary explanations.

Scope and Boundary: The Report primarily covers the period from July 01, 2020 to June 30, 2021. However, subsequent events and developments up to the date of printing of the Report have also been included, where relevant, to keep the information up-to-date.

The Financial Statements have been prepared in compliance with the requirements of the International Financial Reporting Standards, as applicable in Pakistan, and the Companies Act, 2017.

Other information contained in the Report has been included in line with the best corporate reporting criteria of the Joint Committee of ICAP-ICMAP and the Pakistan Stock Exchange.

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

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

Disclaimer
All forward-looking statements are management’s present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.
Forward looking statements should not be relied upon for making investment or other decisions as the statements speak only as of the date they were made.

Contents

MANAGEMENT INFORMATION

04	Company Information
06	Notice of Annual General Meeting
12	Company Profile
14	Our History
16	Key Highlights
18	Our Vision & Mission
20	Our Commitments
21	Quality Policy
21	Integrated Management System Policy
22	Code of Conduct
23	Corporate Culture and Our Core Values
24	Profile: Board of Directors
29	Organogram
30	Chairman's Review
32	Managing Director's Outlook
38	Calendar of Major Events
40	Risks and Opportunities Report
46	Strategic Business Plan and Resource Allocation
50	Organisational Overview
54	Forward-Looking Statment
55	Competitive Landscape And Market Positioning
58	The Effect Of Technological Change, Societal Issues And Resource Shortages, On The Company Strategy And Resource Allocation.

66	Removal of Cap on Dividend Distribution and Declaration of Highest Ever Dividend
67	Mari Services Division
72	Mari's Production Enhancement Initiatives
76	Sustainability and CSR Initiatives
78	Health Safety and Environment
83	Human Resource - Management and Development
86	Value Added to the Shareholders' Net Worth
87	Corporate Social Responsibility
94	Information Technology
96	Awards and Recognitions
98	Corporate Governance
112	MPCL's Operated Blocks and Development & Production (D&P) Leases
113	MPCL's Non-Operated Blocks and D&P Leases
113	Financial Capital
116	Performance Indicators
118	Quarterly Analysis
119	Return on Equity (Dupont Analysis)
120	Summary of the Statement of Cash Flows
122	Horizontal Analysis - Statement of Financial Position
124	Horizontal Analysis - Statement of Profit or Loss
126	Vertical Analysis - Statement of Financial Position
128	Vertical Analysis - Statement of Profit or Loss 126

130	Six Years' Analysis of Financial Position, Performance & Cash Flows
132	Ten Years at a Glance
134	Statement of Value Added
135	Pattern of Shareholding
140	Directors' Report
172	Geographical Presence
173	Independent Auditors' Review Report
174	Statement of Compliance

FINANCIAL STATEMENTS

181	Independent Auditors' Report
188	Statement of Financial Position
190	Statement of Profit or Loss
191	Statement of Comprehensive Income
192	Statement of Changes in Equity
193	Statement of Cash Flows
194	Notes to and Forming Part of the Financial Statements
240	Definitions and Glossary of Terms
265	Directors' Report (Urdu)
267	Proxy Form (Urdu)
269	Form of Proxy (English)

Company Information

REGISTERED / HEAD OFFICE

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

FIELD OFFICE DAHARKI

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

KARACHI LIAISON OFFICE

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

QUETTA LIAISON OFFICE

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

EXTERNAL AUDITORS

A.F. Ferguson & Co.
Chartered Accountants
A member firm of PwC network
74-East, 2nd Floor,
Blue Area, Jinnah Avenue,
P.O. Box 3021,
Islamabad – 44000, Pakistan.
Tel: +92-51 2273457-60
Email: asim.masood@pwc.com
Web: www.pwc.com/pk

SHARES REGISTRAR

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

LEGAL ADVISOR

Ali Shah Associates
Advocates High Court
1-Ali 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
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
JS Bank Limited
Meezan Bank Limited
Muslim Commercial Bank Limited
National Bank of Pakistan
Standard Chartered Bank
United Bank Limited

REGISTRATION, NTN AND GST NUMBERS

Registration Number:
00012471

National Tax Number:
1414673-8

General Sales Tax Number:
07-01-2710-039-73

Symbol on Pakistan Stock Exchange:
Mari

Notice of Annual General Meeting



Notice is hereby given that the 37th Annual General Meeting (AGM) of the Shareholders of Mari Petroleum Company Limited (MPCL) will be held at the Registered Office of the Company on Tuesday, October 26, 2021 at 10:00 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2021 together with the Directors' and Auditors' reports thereon.
2. To approve, as recommended by the Board of Directors, the payment of final dividend @ Rs. 75/- per share (750 %) for the financial year ended June 30, 2021. This is in addition to interim dividends @ Rs.66/- per share (660%) already paid.

3. To appoint Auditors for the year 2021-22 and fix their remuneration.
4. Any other business with the permission of the Chair.

By order of the Board

Faiz Chapra
General Counsel/Company Secretary
October 04, 2021

NOTES:

CORONAVIRUS CONTINGENCY PLANNING FOR AGM:

In the wake of COVID-19, SECP has instructed listed companies to modify their usual planning for General Meetings for the safety and wellbeing of the shareholders and public at large. Accordingly, the Company intends to convene this AGM by minimal physical interaction with the shareholders while ensuring compliance with the quorum requirements and requests the shareholders to consolidate their attendance and voting at the AGM through proxies.

The Company, furthermore, has made arrangements to ensure maximum participation of shareholders in the AGM proceedings via video-link. Shareholders interested in attending the AGM through video-link are hereby requested to get themselves registered by

providing following information through email at corporate.affairs@mpcl.com.pk on or before Monday, October 25, 2021.

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



Notice of Annual General Meeting

Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. The login facility will remain open from 09:45 am till the end of the meeting on October 26, 2021.

The Shareholders can also provide their comments / suggestions on the agenda items of the AGM on +321-5555425 (WhatsApp) and corporate.affairs@mpcl.com.pk (Email).

BOOK CLOSURE

The Share Transfer Books of the Company will remain closed from October 19, 2021 to October 26, 2021 (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 18, 2021 will be treated as in time for the purpose of determining the entitlement for the payment of Final Dividend and to attend the AGM.

ATTENDING AGM IN PERSON OR THROUGH PROXY

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

In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced before the meeting. The shareholders/their representatives, must bring original National Identity



Cards or Passport and CDC Account and Participant ID Numbers to prove identity and verification at the time of meeting.

PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those physical shareholders who have not yet submitted their International Bank Account Number (IBAN No.) and CNIC details to the Company, are requested to provide the same on the Dividend Mandate Form available on Company's website at <http://mpcl.com.pk>. The shareholders of the Company in CDC are requested to provide the same to their Participants in CDC who maintain their accounts in CDC, and ensure that their IBAN details are updated. In case of unavailability of IBAN and valid CNIC, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

DEDUCTION OF INCOME TAX FROM DIVIDEND AND EXEMPTIONS FROM DEDUCTION

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

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

The income tax is deducted from the payment of dividend according to the Active Tax-Payers List (ATL) provided on the website of 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 and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)	

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

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

The shareholders, who want to avail exemption U/S 150 of the Income Tax Ordinance 2001, must provide valid Tax Exemption Certificate to our Shares Registrar before commencement of book closure otherwise tax will be deducted on dividend as per applicable rates.

TRANSMISSION OF ANNUAL AUDITED ACCOUNTS AND NOTICE OF ANNUAL GENERAL MEETING

The Company shall 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.

In accordance with the permission granted by the SECP through SRO 470(I)/2016 dated 31 May 2016, the annual audited accounts of the Company for the year ended June 30, 2021, are being dispatched to the shareholders through DVD.

Further, pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014, the shareholders can also opt to obtain Annual Report along with Notice of the AGM through email. To avail this facility, shareholders are requested to submit the duly filled request form [available on company's website] at the office of General Counsel/Company Secretary.

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 that 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.



36th Annual General Meeting in progress

Notice of Annual General Meeting

DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY

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

Accordingly, all shareholders of MPCL having physical folios/ share certificates are requested to convert their shares into book-entry form at the earliest. Maintaining shares in book-entry form will make the process of share handling more efficient and risk-free. Further, this will facilitate shareholders in safe custody of shares with the CDC, instant credit of entitlements (bonus shares and rights share), eliminate the risk of loss; and readily available for sale/purchase in the open market

etc. The shareholders may contact the Share Registrar of the Company, M/s Corplink (Pvt.) Limited for the conversion of physical shares into book-entry form.

UNCLAIMED DIVIDENDS AND SHARE CERTIFICATES

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

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

CHANGE OF ADDRESS AND ZAKAT DECLARATION STATUS

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

CONTACT DETAILS

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



Mari Colony at Mari Field, Daharki, Sindh



Zarghun South Gas Field, Balochistan

Company Profile

INTRODUCTION

MPCL is an integrated exploration and production company, currently managing and operating Pakistan’s largest gas reservoir at Mari Gas Field, Daharki, Sindh. With 21% market share, it is the second largest gas producer in Pakistan and owns the second highest reserves base. The Company’s net daily production is around 100,000 barrels of oil equivalent.

MPCL plays a pivotal role in ensuring food security of Pakistan as more than 90% urea production in the Country is based on MPCL supplied gas. It also supplies gas for power generation and distribution companies.

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

PRINCIPAL BUSINESS ACTIVITIES

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

MARKET SHARE

Product	Total Output	MPCL's Output	MPCL's Share
Gas (MMSCF)	1,279,243	272,745	21.3%
Oil & Condensate (BBLs)	27,568,461	679,689	2.5%

Source: Pakistan Petroleum Information Service by LMKR on behalf of DGPC. Based on the data for FY 2020-21

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 supplied to midstream and downstream customers. The Company also provides 2D/3D seismic data acquisition, seismic data processing, drilling and mud logging services.

MAJOR CUSTOMERS/MARKETS

The gas produced by MPCL is supplied to fertilizer manufacturers, power generation and gas distribution companies, while crude oil and condensate are supplied to the refineries for further

processing. The Company caters to local customers (including EPZ within Pakistan) with no activity in the export market.

GEOGRAPHIC PRESENCE

MPCL currently holds eight (08) D&P Leases and twelve (12) exploration licenses as an Operator. It is also a non-operating joint venture partner with leading E&P Companies in five (05) D&P Leases and seven (07) exploration licenses. Its exploration and production assets are spread across all the four provinces of Pakistan.

MPCL is continuously evaluating farm-in opportunities in overseas exploration as well as producing assets with upside potential and has recently won an offshore block in Abu Dhabi as part of a consortium of Pakistani National E&P Companies.

CERTIFICATIONS AND RECOGNITIONS:

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

MPCL is a blue-chip company at the stock exchange with the highest share price in oil & gas sector companies (all streams). It regularly wins awards and accolades from various independent bodies for its financial and operational performance, financial reporting, management, HR, HSE, and CSR practices.

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH GROUP COMPANIES

MPCL is a public limited company operating in the private sector. The Management of the Company is vested in Fauji Foundation. The Company is listed on Pakistan Stock Exchange with market capitalization

of over Rs. 200 billion as on August 31, 2021. 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 are the associated companies of MPCL.

Our History

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

2ND LARGEST GAS PRODUCER ENSURING FOOD SECURITY BY SUPPLYING GAS FOR PRODUCTION OF 90% UREA IN THE COUNTRY

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 fertilizer plants. The Company pursued appraisal activities within its Mari D&P Lease area by drilling step-out wells to determine the extent of the Habib Rahi Reservoir.

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

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

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

In 2014, an extension of five years in Mari lease period was approved by the Government, extending the development and production rights in the lease area till 2019. The extension has enabled MPCL to enhance the recovery and produce more natural gas, which is critically needed in the Country.

Since its inception, the Company had been operating on a cost-plus

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

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

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

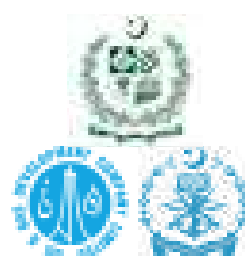
Mari Field marked its Golden Jubilee on December 22, 2017. These were 50 years of meticulous operations and true professionalism as evidenced by uninterrupted supply of hydrocarbons to the Company's customers.

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

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



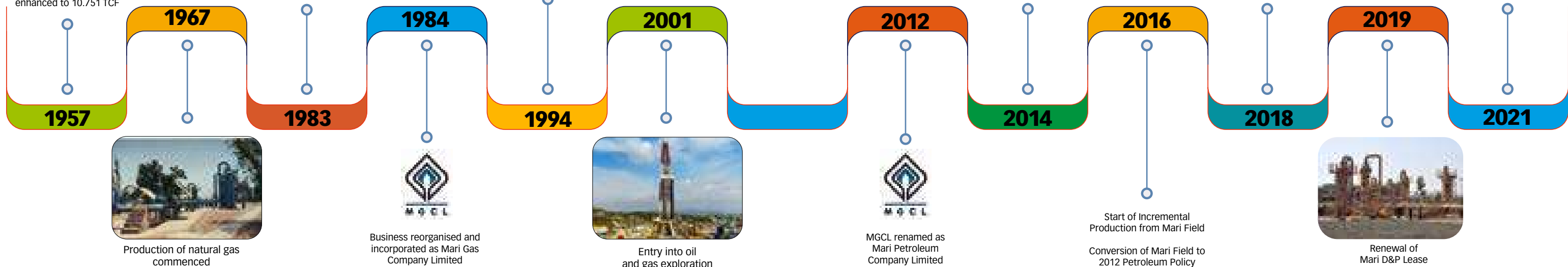
Mari Field discovered by Esso Eastern with original gas in place estimated at 2.38 TCF, later enhanced to 10.751 TCF



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



Listing on all Stock Exchanges of Pakistan



Key Highlights

		2020-21	2019-20
Exploratory, appraisal and development wells	Number	11*	3
Oil and gas discoveries	Number	2	2
Seismic survey - 2D	Line km	508.45	1,217.45
Seismic survey - 3D	Sq. km	271.25	805.24
Energy produced	MMBOE	35.8	33.4
Net sales	Rupees in million	73,018.27	72,026.37
Profit for the year	Rupees in million	31,444.91	30,312.87
Earnings per share - basic and diluted	Rupees	235.71	227.23
Dividend	Percentage	1,410.00**	61.00
Development and production assets - at cost	Rupees in million	28,901.77	22,195.95
Exploration and evaluation assets - at cost	Rupees in million	8,915.97	7,445.30
Property, plant and equipment - at cost	Rupees in million	53,587.07	35,809.64

* Drilling of 4 wells is in progress.

** This includes final dividend of 750% for the year ended June 30, 2021 proposed by the Board of Directors for approval of members in the Annual General Meeting to be held on October 26, 2021.

Zarghun South Gas Field, Balochistan

APPLICATION OF REVENUES EARNED 2020-21



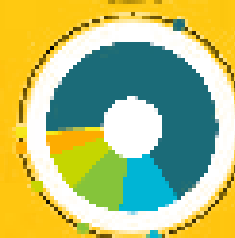
12.10% Operating and administrative expenses
10.30% Provision for income tax
10.70% Dividend
8.80% General sales tax
5.20% Operation and prospecting expenditure
3.50% Other charges
6.20% Others
36.00% Profit for the year

ASSETS 2020-21



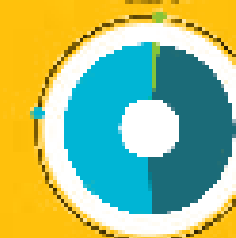
27.10% Short-term investments
25.00% Property, plant and equipment
16.60% Trade debts
10.80% Development and production assets
5.20% Cash and bank balances
4.91% Exploration and evaluation assets
4.67% Others
3.54% Loans and advances

EQUITIES AND LIABILITIES 2020-21



65.84% Share capital and
11.70% Reserves and provisions
10.00% Other income
10.00% Deferred income
4.75% Provision for contingencies
6.65% Others

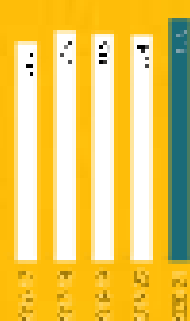
HUMAN RESOURCE 2020-21



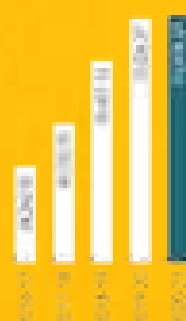
40% Male and 60% Female
40% Non-Managerial and
10% Managerial

The overall ratio of female employees

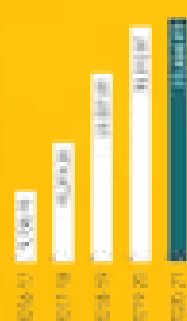
ENERGY PRODUCED (MMBOE)



NET SALES (Rupees in million)



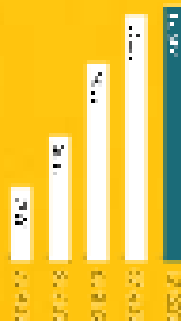
PROFIT (Rupees in million)



SHARE PRICE YEAR END (Rupee)



EARNINGS PER SHARE (Rupee)



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

Our Commitments



Quality Policy

In order to ensure that our products and services are of the highest quality, we engage skilled and qualified personnel, employ state of the art technology and adhere to the best industry practices. We have implemented a quality management system to ensure that all our operations and activities are in line with the requirements of ISO 9001:2008 (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 recognized management system and standards. We are devoted to maintain effectiveness and continual improvement of IMS by monitoring Company objectives, customer satisfaction and complying with the legal and other applicable requirements. Our top management is committed to provide all resources required to ensure compliance with its IMS Policy and to attain best international performance criterion.

Changes

From prior year

The Company's vision, mission, ownership and operating structure, principal business activities, and geographical locations of the Company are primarily the same. However, the Company has entered into mining exploration business and has acquired new exploration blocks within the Country and abroad. These developments will be reflected in the principal business activities and geographical locations. Further, due to removal of cap on dividend distribution, the dividend distribution model of the Company has also changed.



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.

Corporate Culture and Core Values



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.



Profile Board of Directors



Mr Waqar Ahmed Malik
Managing Director, Fauji Foundation
Chairman MPCL Board



Mr Faheem Haider
Managing Director/CEO
Mari Petroleum Company Limited



Dr Nadeem Inayat
Senior Director (Strategy and M&A)
Fauji Foundation



Syed Bakhtiyar Kazmi
Director Finance
Fauji Foundation



Maj Gen Ahmad Mahmood Hayat (Retd)
Director Health
Fauji Foundation



Maj Gen Naseer Ali Khan (Retd)
Director Education
Fauji Foundation

Mr. Waqar Ahmed Malik joined Fauji Foundation as Managing Director and Chief Executive Officer on 9th April 2020. Mr. Malik is a fellow of the Institute of Chartered Accountants in England and Wales and is also an alumnus of the Harvard Business School and INSEAD.

Earlier, his career with The ICI Plc Group based in the UK spanned over 27 years and then later with Akzo Nobel N.V. based in The Netherlands.

For around 10 years, he served as the Chief Executive Officer of ICI Pakistan Limited and also the Chief Executive Officer and Chairman of Lotte Pakistan Limited (formerly Pakistan PTA Limited). During his career with ICI and AkzoNobel, he worked in Europe and Americas in Corporate Finance and Strategy Departments.

Presently, he is serving as Chairman on the Boards of Fauji Group Companies; Mari Petroleum Company Limited, Fauji Fertilizer Company Limited, FFC Energy Limited, Fauji Fresh n Freeze Limited, Fauji Cement Company Limited, Askari Cement Limited, Askari Bank Limited, Fauji Akbar Portia Marine Terminal Limited, Fauji Trans Terminal Limited, Fauji Oil Terminal and Distribution Company Limited, Fauji Infraavest Foods Limited, Foundation Wind Energy-I & II Limited, Foundation Power Company Daharki Limited, Fauji Kabir Wala Power Company Limited, Fauji Fertilizer Bin Qasim Limited, FFBL Power Company Limited, Foundation Solar Energy (Private) Limited and Daharki Power Holdings Limited.

In addition, he holds directorships on the Boards of Raffhan Maize Products Company Limited, Pakistan Maroc Phosphore SA and Pakistan Mobile Communications Limited.

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

Earlier, Mr. Malik also served on boards of PPL – Chairman (Non-Executive & Independent), Engro Corporation Limited – Director (Non-Executive & Independent), Standard Chartered Bank Pakistan Limited – Director (Non-Executive & Independent), Engro Polymer and Chemicals Limited – Director (Non-Executive & Independent) and TPL Insurance Limited – Director (Non-Executive).

He has been playing an instrumental role in development of Pakistan's Regulatory System as well as for the advocacy to undertake economic reforms. Few of his other engagements have been as Director – State Bank of Pakistan, President – Overseas Chamber of Commerce & Industry (OICCI), President – Management Association of Pakistan (MAP) and Director – Pakistan Business Council (PBC).

Mr. Faheem Haider assumed the charge of Managing Director/CEO of the MPCL on August 12, 2020. Currently, he is the only executive director on the Board of MPCL.

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

During his professional career spanning over 27 years, he has held various technical and leadership positions with Union Texas Petroleum Pakistan, OMV (Pakistan) Exploration GmbH, Helix RDS Ltd in UK, BG Group in UK & Oman and Neptune Energy Group (formally Engie) in Egypt, France and United Kingdom.

He has a sound understanding of E&P projects life cycle from technical, operational and commercial perspective. Apart from handling core E&P operations in different parts of the world, he has hands-on experience of joint venture management, business development, strategy and growth delivery, operational efficiency, organisational development and transformation and stakeholders' management. Before joining MPCL, he was working with Neptune Energy as Head of Strategy and Business Development for North Africa and Asia pacific, based in London where he significantly contributed towards the growth of Neptune's business in Egypt, Indonesia and Australia.

Currently, he is also a non-executive director on the board of National Resource (Pvt) Ltd, representing MPCL shareholding.

Dr Nadeem Inayat joined MPCL Board on September 18, 2006. He is a non-executive Director and President of Investment Committee.

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

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

He holds a Doctorate in Economics and has over 28 years of diversified experience in corporate governance, policy formulation and deployment, project appraisal, implementation, monitoring & evaluation, restructuring and collaboration with donor agencies.

Syed Bakhtiyar Kazmi joined MPCL Board on November 18, 2020. He is a non-executive Director and President of Technical Committee and Member of Audit and Investment Committees.

Mr Kazmi is currently serving as Director Finance in Fauji Foundation.

He is an FCA with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance, tax reforms and strategic level advisory.

He served in KPMG for 35 years including 25 years as a partner. As a partner, he interacted with the leadership in almost every industry, gaining valuable understanding and insights. His rigorous exposure to a diverse range of sectors and projects enabled him to conceive and culminate strategic value additions for his diverse clientele in public and private sectors. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients, and a cross-functional integration with the advisory and taxation services that allowed a robust and comprehensive service delivery package to the clients.

As an auditor and an advisor, Mr Kazmi successfully delivered best-in-class and integrity driven services. With his career progression, he branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan. He almost single-handedly established advisory practice of KPMG in Islamabad about 2 decades ago, which today is the go to advisory in Islamabad. This initiative covered financial projections, feasibilities, information memoranda, internal audit assessments, HR assessments, manuals for processes and controls, valuations, and development advisory which included an assessment of the Punjab and Sindh governments.

Mr. Kazmi has served on a number of diverse forums / boards in the private sector, public sector & civil society organization. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation matters and issues, which are regularly published in reputable dailies.

Maj Gen Ahmad Mahmood Hayat, HI (M), (Retd) joined MPCL Board on September 07, 2020. He is a non-executive Director and member of HR&R Committee.

Presently, he is working as Director Health, Fauji Foundation.

He was commissioned in the Army on 06 Sep 1984. He is a graduate of Command and Staff College Quetta, Command and General Staff Course USA, and National Defence University Islamabad, Pakistan. He holds Master's Degree in War Studies from Quaid-e-Azam University Islamabad and Fort Leavenworth USA.

He has commanded an Armour Regiment, Independent Armoured Brigade Group, Infantry Brigade and Infantry Division. He also held various staff appointments including Adjutant/Instructor Pakistan Military Academy, Brigade Major of an infantry Brigade, General Staff Officer-2 and 1 at CGS Secretariat, General Staff Officer-1 at Military Operations Directorate, Chief of Staff at Corps Headquarter, Director General in Inter Service Intelligence Islamabad and Director General Defence Export Promotion Organization. In recognition of his outstanding services, he was awarded Hilal-i-Imtiaz (Military).

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

Maj Gen Naseer Ali Khan (Retd) joined MPCL Board on June 9, 2021. He is a non-executive Director and Member of the Technical and Investment Committees. He is currently serving as Director Education in Fauji Foundation.

He was commissioned in the First (Self-Propelled) Medium Regiment Artillery (Frontier Force) in 1983. He is a distinguished graduate of National Defence University Islamabad, US Army War College, French War College, Command and Staff College Quetta and School of Artillery Nowshera. He has three Masters and an M. Phil Degree to his credit.

During his illustrious military career, he held various prestigious Command, Staff and Instructional assignments, including GSO-III and BM of Infantry Brigades, Command of two Self-Propelled Artillery Regiments and Directing Staff at Command & Staff College Quetta and National Defence University Islamabad. He also served in Military Operations Directorate, GHQ on a key position. He commanded a Division Artillery and an Infantry Brigade in Operation Al-Mizan in South Waziristan. Later, on promotion to the rank of Major General, he served in HQ Southern Command as Chief of Staff, commanded an Infantry Division and served in Joint Staff Headquarters as Director General Operations and Advisor. He has broad exposure to Strategic Stability & Security issues and experience of executing tasks related to Strategic Management, Corporate Governance, Productivity Enhancement, Academic Research & Policy Development, Operational and Logistic Planning, Analytical Optimization, Training & Capacity-Building and Monitoring & Evaluation. He was awarded Hilal-e-Imtiaz (Military) by the Government of Pakistan in 2015.

Currently, he is also on the Boards of Fauji Fertilizer Company Limited, Askari Cement Limited, Fauji Cement Company Limited, and Daharki Power Holdings Limited.

Profile of Board of Directors



Dr Arshad Mahmood
Secretary for Petroleum Division,
Ministry of Energy, Govt. of Pakistan

Dr. Arshad Mahmood joined MPCL Board on June 01, 2021, as a non-executive Director.

He is currently serving as Secretary, Petroleum Division in Ministry of Energy, Government of Pakistan.

Dr. Arshad Mahmood belongs to Pakistan Administrative Service group and possesses 28 years of high profile experience in public, corporate and multi-lateral sectors. Previously, he has served as Secretary (Science & Technology), Additional Secretary (Finance), DG (CDNS), and Secretary to the Government of Punjab (for Finance, Mines & Minerals, Public Health Engineering, Housing and Urban Planning) apart from serving at the Chief Minister's Secretariat.

His corporate experience includes serving as Head of Investment Banking in the Bank of Punjab, Chairman, Punjab Provincial Cooperative Bank, and National Security Printing Company. He was also member on the Boards of PNSC, LESCO, CPGCL, CAA, NTC & others. He was the first Official appointed as External Auditor to audit 'Auditor General of Pakistan'.

He has proven track record of designing and structuring internationally benchmarked metallic mineral exploration programs and mega investment propositions, shaping public private partnerships, organisational alignment and restructuring, complicated procurements, financial syndications and brings diverse experience in capital market interactions. He was Secretary to the 'Think-Tank' which operated under Federal Finance Minister apart from representing the Ministry of Finance on SECP Policy Board.

He has also served with UNDP, National Audit Office, London and State Street Global Advisors, USA.

He is a British Chevening Scholar and got his MSc. in Finance & Management from Cranfield University, England. He is also a Hubert Humphrey Fellow (Fulbright) in 'Finance & Banking' from Boston University, USA from where he also did PGD in Entrepreneurial Management. He received his trainings in financial management at World Bank and IMF. He is also a graduate of King Edward Medical College, Lahore.

He takes interest in cosmology, classical music and golf. He has travelled to multiple countries for professional engagements.

Apart from MPCL, Dr. Arshad Mahmood is currently on the boards of PPL, and OGDCL and is Chairman of the BOD of PARCO.



Mr Muhammad Haroon-ur-Rafique
Additional Secretary Policy, Ministry of Energy
(Petroleum Division)

Mr. Muhammad Haroon-ur-Rafique joined MPCL Board on July 02, 2021. He is a non-executive Director and Member of the Technical Committee. He is currently serving as Additional Secretary Policy at Ministry of Energy (Petroleum Division).

Mr. Haroon Rafique is currently serving as Additional Secretary Policy, Ministry of Energy (Petroleum Division). He holds a diversified experience of more than 25 years at local provincial and federal levels. His areas of interests are policy making and implementation governance, HRM, Project management & evaluation. He worked at different positions in the public sector as Assistant Commissioner, Deputy Commissioner and Secretary to the provincial government in the areas of health, education, agriculture development planning, governance, forest, tourism and transportation sectors, among others. His last assignment was at the PM office as Joint Secretary. He also had the experience of working for UNDP & ADB and had exposure of working with DFID, World Bank, WHO & UNICEF and other donors.

In academics he has completed his PhD related to social policy and governance. He also has post graduate degrees in Economics, Development Studies, Law and Civil Engineering. Besides, he has done a diploma in Project Management and international human rights law. He was also awarded international fellowships at Central European University, Hungary and Utah University USA for research. He was also awarded Ausaid and Fulbright Scholarships. He has contributed to various policy and research papers at local and international level as well. He earned many distinctions and merit scholarships during the course of his studies. He has extensively travelled abroad in connection with his official business / studies.

Currently, he is also on the Boards of SNGPL, PARCO and OGDCL.



Mr Abdul Rasheed Jokhio
Director Gas, Ministry of Energy
(Petroleum Division)

Mr. Abdul Rasheed Jokhio joined MPCL Board on December 15, 2020 representing Government of Pakistan. He is a non-executive Director and Member of the Board's Audit and Technical Committees.

Mr. Abdul Rasheed Jokhio is currently serving as Director Gas in the Directorate General of Gas, Petroleum Division, Ministry of Energy. He holds Master's degree in Energy, Environmental Management and Economics from ENI Corporate University, Italy, and Bachelor of Engineering in Petroleum & Natural Gas from Mehran University of Engineering and Technology, Jamshoro, Sindh.

He had joined erstwhile Ministry of Petroleum and Natural Resources (now Petroleum Division, Ministry of Energy) in 2006. Since then, he has been involved in the policy and regulatory matters of mid and down-stream sectors of natural gas and RLNG. He oversees matters such as allocation of gas/RLNG to the Government designated buyers and third parties including power and fertilizer sectors, tariff for RLNG and natural gas for retail consumers, review and execution of Gas Sales Agreements and Gas Pricing Agreements, Gas Development Schemes, Gas Development Infrastructure Cess and Gas Development Surcharge.

He has attended a number of courses in Pakistan and abroad on Drilling Economics, Contracts Negotiation, Upstream Regulation, Gas Pipeline & LNG Imports Projects etc.

He is a professional member of Pakistan Engineering Council and also a member of the Society of Petroleum Engineers.



Mr Shahid Salim Khan
Managing Director/CEO
Oil & Gas Development Company Limited

Mr. Shahid Salim Khan joined MPCL Board on January 30, 2020 as a nominee director of OGDCL. He is a non-executive director and a member of the Board's Technical and HR&R Committees.

He holds a master's degree in petroleum engineering from University of Southern California, USA. He has more than 36 years of diversified experience in various disciplines of E&P sector including petroleum engineering, drilling, production operations, HSE, community relations and community development.

He has worked in different capacities with Kuwait Foreign Petroleum Exploration Company (KUFPEC), Mari Petroleum Company Limited (MPCL), Eni Pakistan Limited (An Italian Company), LASMO Oil Pakistan (London & Scottish Oil Company) & Oil & Gas Development Company Ltd.

Moreover, he has also contributed to various oil & gas industry forums like Pakistan Petroleum Exploration and Production Companies Association as Senior Vice Chairman, Society of Petroleum Engineers (SPE) in various capacities including Chairman Pakistan Chapter (2014-16 and 2020-22) and as Director. He has also been the Chairman of Annual Technical Conference that is jointly organized by SPE and Pakistan Association of Petroleum Geoscientists, annually.

Mr. Shahid Salim Khan assumed the charge of MD/ CEO OGDCL on January 27, 2020. He is also serving on the board of Pakistan State Oil Company Limited.



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

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.



Mr Adnan Afridi
Managing Director/CEO
National Investment Trust Limited

Mr. Adnan Afridi joined MPCL Board on March 21, 2019, representing shareholding interest of General Public (Minority Shareholders). He is an Independent, non-executive director and President of HR&R Committee and Member of Audit, Investment 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 on the Boards of Bank Al Habib Limited, Habib Sugar Mills Limited, International Industries Limited, Dynea Pakistan Limited, Lotte Chemical Pakistan Limited, Bulk Transport Company PVT. LTD, The Kidney Centre Institute. He also serves as the Chairman Board of Governors of The Kidney Centre Institute and is a Member of the SECP Policy Board.

Profile of Board of Directors

**Ms Ayla Majid**

Managing Director – Financial Advisory Services
Khalid Majid Rehman & Co. – Chartered Accountants

**Mr Nabeel Rasheed**

Chief Financial Officer
Mari Petroleum Company Limited

**Mr Faiz Chapra**

General Counsel / Company Secretary
Mari Petroleum Company Limited

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 and Investment 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, Siemens Pakistan Engineering Company Limited, Abbott Laboratories Pakistan Limited 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.

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

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

He brings with him 15 years of post-qualification experience and holds a Post Graduate Diploma in Oil and Gas Law along with a MBA in Oil and Gas Management from Robert Gordon University, U.K.

Mr Faiz Chapra joined Mari Petroleum in June 2021 and presently occupies the position of General Counsel and Company Secretary. A UK qualified Solicitor, Mr. Chapra is admitted to the Supreme Court of England and Wales and is a PICG certified Director.

Other than having lived and worked in Pakistan, Mr Chapra has also spent several years abroad in the United States, the UK and the Middle East working in both private practice and in house roles primarily specializing in Corporate and Commercial matters. He has led and successfully completed several large scale local, cross border and international M&A/Corporate transactions along with working on various debt and capital market offerings. In addition, in his previous roles he has led the legal side of strategic change management and transformation across listed and non listed entities both in Pakistan and overseas.

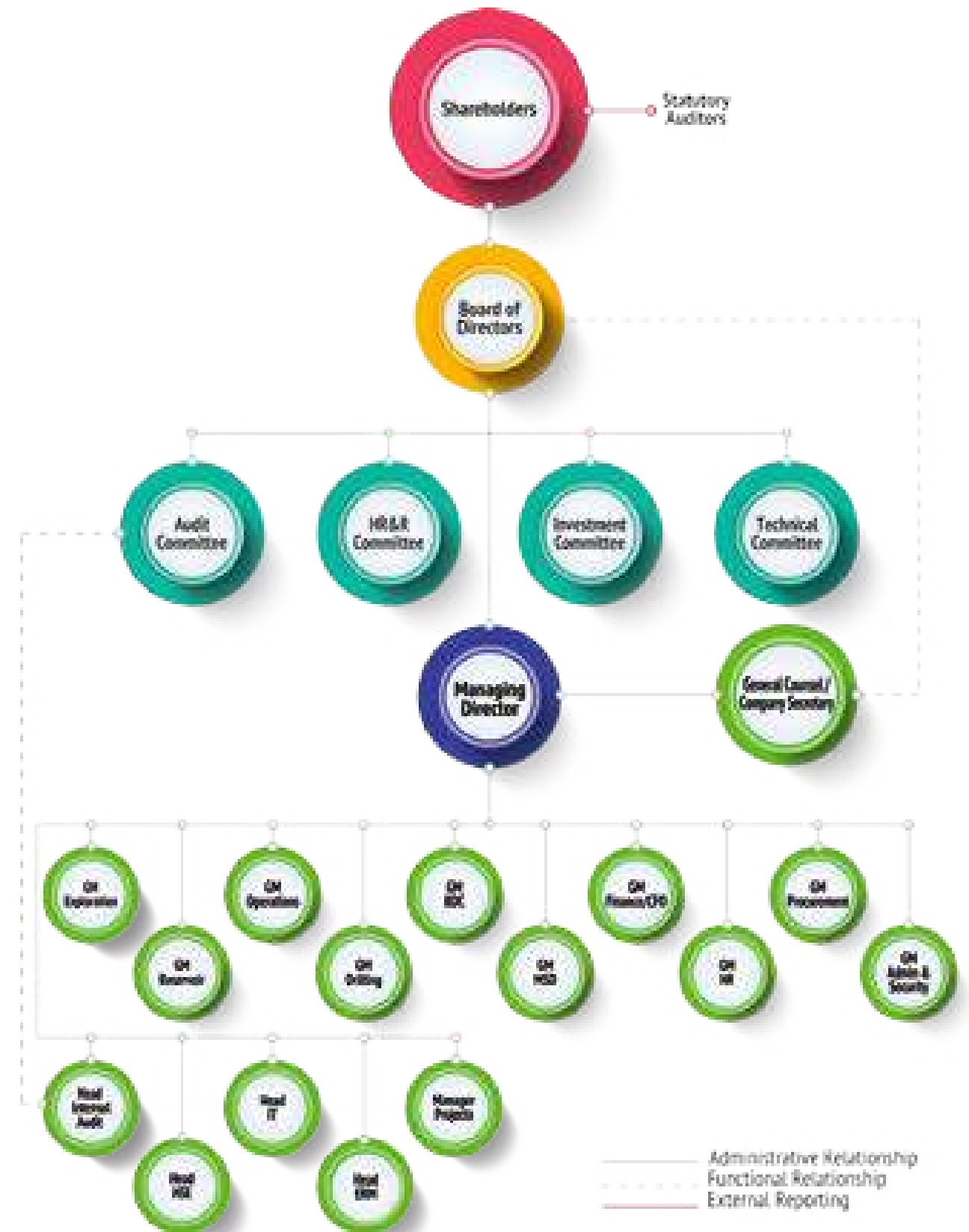
He brings with him an experience of over twenty years within the legal field and holds a Bachelors in English and Political Science from Oberlin College, USA, and Post graduate degrees from the UK.

OBITUARY

**Lt Gen Ishfaq Nadeem Ahmed (Retd),**
Former Manager Director of MPCL**Maj Gen Javaid Iqbal Nasar (Retd),**
Director on MPCL Board.

Mari Family offers its deep condolences on the sad demise of Lt Gen Ishfaq Nadeem Ahmed (Retd), former Manager Director of MPCL, and Maj Gen Javaid Iqbal Nasar (Retd), Director on MPCL Board. May Allah (SWT) bestow His maghfirah on the departed souls and grant them a higher place in Jannah. May Allah (SWT) give patience to the bereaved families to bear these irreparable losses.

ORGANOGRAM



CHAIRMAN'S REVIEW

Dear Stakeholders

The recently concluded financial year is laced with landmark achievements and positive developments for the Company and its stakeholders despite the immense challenges faced by your Company during the year from dealing with the pandemic along with a slowdown of the economy and declining oil prices.

From the shareholders point of view, the most important development was the Government's decision to remove cap on dividend distribution by the Company. With this decision, a long-standing demand of the shareholders has been met, allowing them to appropriately participate in the success of the Company, which was hitherto not possible due to dividend cap. After completing all legal formalities, the Company announced the highest ever total dividend in its history for the FY 2020-21 and I wish to extend my facilitation to the management team who made this happen in the shortest possible time.

It has been exactly one year since a management transition was set in

motion at MPCL. While the complete transformation can take up to several years, the Board is pleased with the achievements so far. There has been visible strengthening of the governance around the processes, and greater focus on transparency and accountability, which are the hallmarks of good governance and I am confident that by next year we will transform MPCL to the standards of any international oil & gas integrated company.

For the first time in the Company's history, a Performance Scorecard has been introduced to objectively measure the performance of the Managing Director and top Management on key operational

and strategic parameters, and their variable pay has been linked with their performance/score achieved.

A comprehensive exercise has been undertaken to review and update the significant policies of the Company in line with changed business and regulatory requirements and to align them with industry best practices. In addition to updating existing policies, several new policies have also been introduced after approval of the Board.

Succession planning has been strengthened and a number of key positions that were not possible to fill internally were filled with top-notch industry professionals head-hunted

both from within the Country and internationally. All the hirings were done keeping in mind the current requirements of the Company as well as future challenges the Company faces through diversification and increasing its ambit of operations internationally. Gender diversity in the hiring process was fastidiously ensured by the management under the supervision of the Board's HR&R Committee.

Adopting modern tools to enhance its governance practices, the Company in November 2020 acquired board portal service NASDAQ Boardvantage® Solution to automate board and committees' packs. This has significantly reduced the meeting preparation time and is helping in saving time and cost from having to print, collate and distribute copies of board and committees' agendas and working papers. Apart from achieving paperless modes thus contributing to saving the environment, electronic transmission and retrieval of board packs is providing unmatched security features compared with printed versions.

The performance of a business unit is generally measured by its financial performance and key performance indicators. The Board noted with appreciation that the Company's performance on various operational and financial parameters during the FY 2020-21 was excellent. Overall, the Company's natural gas production increased by 8% while crude oil and condensate production was up by a significant 19%. Enhanced production enabled the Company to achieve highest ever net profit of Rs. 31.44 billion, 3.73% higher than the net profit achieved last year in spite of the decline in oil prices.

In addition to paying the highest ever dividend to its shareholders including the Government of Pakistan, the Company also contributed Rs. 63.07 billion to the Government exchequer in the form of royalty, taxes, levies and duties. Indigenous production of natural gas, crude oil and LPG by the Company helped the Country save

precious foreign exchange worth Rs. 311 billion during FY 2020-21.

Apart from robust financial performance, the Company's progress on critical seismic, drilling, and developmental projects has also been excellent, as you will read in subsequent sections of this Annual Report. These projects will result in further boosting the financial performance in the coming years. The Company has always taken a keen interest in CSR activities along with promotion of sports which is evident from various initiatives mention in later part of this report both in CSR and promotion of Hockey and Cricket.

The Board, through its Technical and Investment Committees, maintained critical oversight over these projects, and expeditiously granted necessary approvals, wherever required. The Audit Committee of the Board ensured excellent financial discipline and transparency in financial reporting.

The Company's financial and operational performance looks even more remarkable when considered in the backdrop of continuing onslaught of Covid-19 and related economic disruptions. The management deserves all the praise for managing its operations uninterrupted during the pandemic and delivering excellent results.

MPCL has a diverse, competent and highly effective Board of Directors, comprising Members from Fauji Foundation, Government of Pakistan, OGDCL, and Independent directors representing General Public.

To ensure continuous professional development of the Directors, mandatory Directors Training Programs from SECP approved institutions were arranged for the Directors and executives of the Company during the year. Training programs for the newly joined Directors will be arranged, shortly.

Previously, the annual evaluation of the performance of the Board, Board

Committees and Individual Directors was carried out by the Board internally, using a self-evaluation methodology. However, the services of Pakistan Institute of Corporate Governance were hired to carry out the evaluation for FY 2020-21. This has brought more objectivity to the evaluation exercise and will be very helpful in improving the Board practices and performance in the coming year.

The Board is ably supported in its operations by four Committees. During the year, a comprehensive review of the composition and TORs of the Board's committees was undertaken to ensure these are in line with regulatory requirements and good governance practices.

The year also witnessed changes on the Board due to separation of several Board members and their subsequent replacements. I take this opportunity to express my gratitude to the directors who left the Board during the year for their efforts and contributions to the Board's activities during their respective tenures and wish them well on their future endvours. 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.

I want to thank all stakeholders for their confidence in the Board to lead the Company to greater heights of corporate success in the coming years. I want to assure you that the Board is ever vigilant to safeguard and promote your interests.

It is an honor to serve you all!



Waqar Ahmed Malik
Chairman
MPCL Board of Directors

Managing Director's Outlook

Faheem Haider
Managing Director / CEO



Dear Stakeholders,

I am pleased to present this review of financial year 2020-21 during which the Company further consolidated its position as one of the premier energy companies in the Country by achieving highest ever profits along with becoming the second largest gas producer in the Country.



Gas processing facilities at Zarghun South, Balochistan

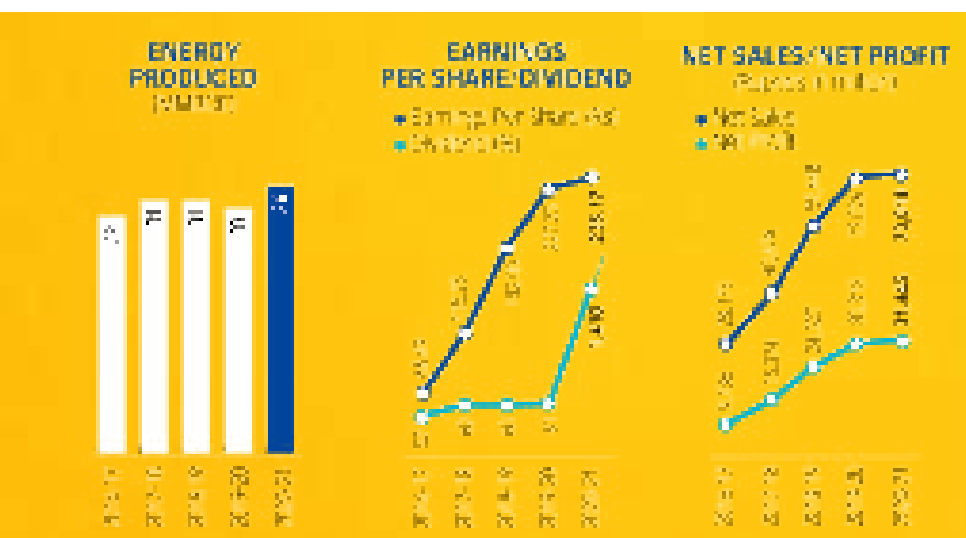


The business environment remained quite challenging as the world economy continued facing uncertainty amidst successive waves of Covid-19 and related socio-economic impacts. The E&P sector was also adversely

affected due to the lower oil prices amidst a low demand due to slow down of economic activities. Despite the challenges, MPCL, due to its strategy of focusing on increasing the gas production from existing

resources along with diversion of the unutilized gas volumes allocated to the power producers to SNGPL, was able to achieve the highest ever production, net sales and profits in the history of the Company.

Managing Director's Outlook



Continuity of operations was ensured by mitigating the spread of the pandemic at all locations through meticulous planning and execution of international standard operational strategies. The protocols established have ensured uninterrupted continuity of all operations. I am pleased to report that almost 100% of MPCL employees are vaccinated. In the year when the Country's overall production was declining,

we managed to increase both our gas and crude oil & condensate production (i.e. in terms of BOE by 7.4%) thus reducing the burden of buying LNG which saved the Country billions of rupees in foreign exchange.

We continue pursuing our operations in the security sensitive and geographically challenging areas especially in Balochistan and



Khyber Pakhtunkhwa to contribute to the Country's energy security. The security situation in these areas remained precarious and our seismic and drilling crews faced constant threats of miscreant attacks.

This continuity has been achieved due to the flexibility provided to us as a result of having a fleet of five



Camel service for seismic campaign in Taung Block, Sindh



Artificial gas lift project at Halini Gas Field, Karak Block, KPK/Punjab

onshore drilling rigs, three full-fledged seismic data acquisition units, a state-of-the-art seismic data processing center and a brand new Mud Logging Unit. Apart from incurring substantial security costs, we also managed to overcome the key challenge of keeping field staff motivated to perform in this environment through the dedication of our staff.

Due to robust production planning we achieved the highest-ever net

production of 35.87 MMBOE, net sales of Rs. 73.02 billion and the highest ever net profit of Rs. 31.44 billion, showing YoY growth of 7.4%, 1.4% and 3.7%, respectively despite the reduction in price.

Long-term viability of any E&P Company depends on a healthy Reserves Replacement Ratio (RRR) and it is a matter of great satisfaction that we were able to achieve RRR of around 200% with the addition

of around 70 MMBOE 2P reserves. New 2C resource addition was around 8 MMBOE contributed by new discoveries. Bookable reserves of the Company at June 30, 2021 stood at 595.4 MMBOE (2P) and 16.7 MMBOE (2C).

Keeping in view the national interest and economic viability of Mari field, we have many projects underway that would lead to plateau extension, enhancement of production and increasing the life of the field. The projects like debottlenecking, ongoing GTH development, Asset Integrity campaign and Revitalization Studies demonstrate our commitment to ensure longevity of Mari field, being the backbone of the fertilizer industry and key contributor to the food security of the Country. We have also started a customers' collaboration platform to provide long term visibility on projected gas supplies and other production parameters from Mari field to customers.

We also achieved important successes on regulatory fronts, which will result in additional value creation in the years to come. These include removal of cap on dividend and execution of



Ground breaking ceremony of GTH Project, Mari Field, Daharki



Supplementary Agreements for Mari and Bolan PCAs.

MPCL with other three leading Pakistani E&P Companies submitted a bid for an offshore exploration block in Abu Dhabi which has been awarded on August 31, 2021 by the Supreme Council for Financial and Economic Affairs of the Emirate of Abu Dhabi. This block will provide a foundation for extending our footprints in the international market.

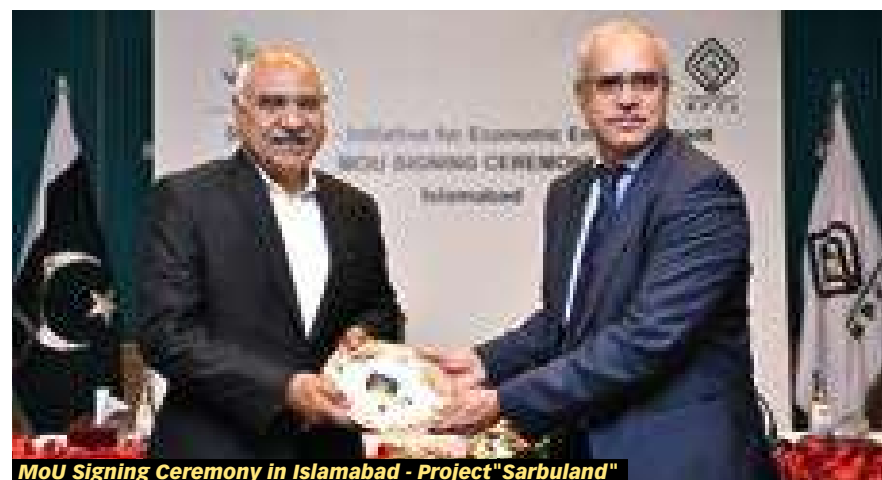
Offshore exploration in the Country is another priority area and we are evaluating both Makran and Indus basin and are awaiting the launch of offshore bid round.

We are also targeting opportunities in near core and related sectors to diversify and have acquired 20% equity in National Resources (Pvt.) Limited, to undertake mineral exploration projects in the province of Balochistan.

We are also fully committed to corporate social responsibilities and are playing an important role in the development and uplift of far-flung and underdeveloped areas of the Country through



Award of ADNOC Block in Abu Dhabi to Pakistani Consortium



MoU Signing Ceremony in Islamabad - Project "Sarbuland"

our high-impact and community-centered CSR initiatives in the priority areas of health, education, infrastructure development, sports and philanthropic donations which include initiatives described under the CSR section of this report.

We have taken various initiatives to ensure that we maintain our HSE performance track record and bring further enhancement in our safety culture.

We are working on human capital development and transforming the Company into a high performance organization so that we are able to perform to international standards on our national and international

projects. Additional resources have been deployed in some key areas, while new initiatives are initiated to improve governance and overall operational performance of the Company.

Having closed the FY 2020-21 on a high note of corporate performance, our top priorities for the FY 2021-22 are timely completion of ongoing developmental projects in the Mari field, safe delivery of ongoing exploratory wells in Bannu West and Karak Blocks, and successful conclusion of in-progress seismic projects in Ziarat and Taung Blocks.



MPCL 1st Azadi Hockey Cup, Ayub Park



Awards distribution ceremony at 1st Azadi Hockey Cup



Installed Flood Lights at Islamabad Club Cricket Ground



Mari Mobile Dastarkhawan

Additionally, we are constantly evaluating M&A opportunities for growth within the energy sector. We will start implementing Mari field revitalization plan encompassing optimum production, maximum recovery and asset integrity excellence. We will continue evaluating farm-in opportunities in prospective blocks and actively participate in the new bid rounds to further expand our portfolio.

We have a track-record of achieving outstanding financial and operational results, improving its performance with each passing year since inception. Such phenomenal performance over a sustained period of time is only possible through the contributions of our top-notch professionals and committed workforce. I assure my worthy stakeholders that we will continue with the same zeal and commitment

to propel the Company to new heights of corporate success with a high focus on CSR initiatives.

Spending a year in the Company has confirmed my initial impression of an impressive team that has been able to cope with all the difficulties and still achieve impressive results. I am confident that with the continuing support from the Board of Directors, Joint Venture partners, employees, Federal and Provisional Governments and especially the Petroleum Division and Finance Division, we will be able to perform with the same zeal dedication and sense of purpose to strive for more success.

Our priorities for the future are to transform MPCL into a Company focused on increasing value for all stakeholders by enhancing

production, optimizing cost and increasing the international footprint and I wish all stakeholders a more rewarding year ahead.

Faheem Haider
Managing Director/CEO

Calendar of Major Events



Appointment of Mr. Faheem Haider as Managing Director MPCL – August 2020



Highest ever daily gas production of 831 MMSCF – January 2021



Ground breaking ceremony of GTH Project – October 2020



MPCL completes seismic data acquisition project in Block-28, Balochistan – August 2021



Signing of Exploration Licenses and Petroleum Concession Agreements over Sharan & Killa Saifullah Blocks – April 2021



Removal of cap on dividend distribution by the Company – February 2021



MPCL Deposits over Rs 3 billion for Community Development Projects in District Ghotki, Sindh – August 2021



MPCL becomes second largest gas producer in Pakistan during the FY 2021

Risks and Opportunities Report

Risk management has always been a cornerstone of decision-making process for ensuring business success at MPCL. However, recognizing the need to manage risks in a structured manner at an 'enterprise level' is a testimonial to the Management's desire to adopt international best practices in all aspects of the business operations, and to proactively identify and mitigate risks that can threaten MPCL's targeted business model, future performance, sustainability and capital availability.

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 2019 also reiterate this requirement and assign the overall responsibility for

governance of the company's risk to the Board.

The Board's Investment Committee facilitates the Board in discharging this responsibility.

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 formalized ERM process within the organization. The Board is further assisted in their endeavor by the Audit Committee, which (through the Internal Audit Department) provides assurance of the effectiveness of ERM in the organization.

The Committee further provides the necessary link between ERM,

Strategy and Performance and further strengthens the integration of risk management within business functions.

ENTERPRISE RISK MANAGEMENT PROGRAMME

MPCL's Enterprise Risk Management Programme has been developed in line with the Risk Management Guidelines in ISO 31000:2018. Its architecture in the Company also complies with the Institute of Internal Auditor's (IIA) 'Three Lines of Defense' model, ensuring assurance at all levels of risk management. A dedicated ERM Department facilitate the Board's Investment Committee to have an efficient and effective oversight on the Company's risk practices. The Department also has the important role of facilitating business decision-making process for the management. This involves equipping the Management with a 360° view of the risks and opportunities attached with the decision at hand so that they are able to make risk-informed decisions, resulting in

outputs with limited potential for surprises. A robust ERM programme in the Company also ensures that the Company unlocks the true value of Enterprise Risk Management which includes contribution in business performance, achievement of organizational objectives, resilience and adherence to corporate governance standards.

ERM POLICY

MPCL's ERM Policy, approved by the Board, outlines 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, developed in line with the ERM Policy, outlines the processes, practices and structures 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 various risk management methods being used for different types of risks, and developing a more

consistent approach, including philosophy, terminology and methodology.

RISK MANAGEMENT FRAMEWORK

The use of risk management expertise across the Company is promoted by a dedicated ERM Department. A risk management eco-system has also been introduced in the Company comprising of focal persons (Risk Champions) from all departments, who facilitate ERM department in executing risk management processes, supporting risk and control owners and promoting risk initiatives. ERM Department advises and partners with business functions' management and Risk Champions to provide leadership, guidance and support to ensure effective implementation of ERM framework across the organization

Risk Management in MPCL comprises of an inclusive process with the philosophy that respective domain heads are primarily responsible for all the risks in their domain. Key aspects of the risk management framework/ methodology can be summarized as below:

- The Company's risk management

strategy is to create a positive risk culture throughout the organization and to integrate risk management into activities at all levels of organization from strategic planning to business unit processes.

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

With the 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



Risks and Opportunities Report

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. Through the governance structure, MPCL has been better able to proactively deal with all the major risks faced by the Company. It has allowed the Company to timely take important measures to deal with the risks in the form of new controls and mitigation plans developed and implemented in a manner where all internal stakeholders are in sync, resulting in significant improvement in the control environment.

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. ERM Department reviews and prepares update of Executive Risk Profile of the Company consisting of various strategic, compliance, operational and financial risks on quarterly basis. The update is also presented to the Board/ Board Committee on a periodic basis or as and when required. The ERM department also prepares periodic compliance status update of the Risk Appetite and Tolerance Statement for the Board/ Board Committee.

KEY RISKS FACED BY MPCL

Risk reporting at MPCL is supported at all levels of the organization through the enterprise and departmental level risk reports and supporting governance arrangements. Risk profiles are updated and reported quarterly to the Board, or as necessary. The Executive Risk Profile includes material enterprise risks for the Company. It is an assessment of the likelihood that the

risk or opportunity will materialize and the impact/magnitude it will have on the Company's operations, strategy or financials.

A brief account of key risks faced by the Company is presented below, along with action plans to mitigate or control these risks:

A. Strategic Risks

Internal

- High dependency on one Field: Reservoir failure/security issues in Mari Field could affect the long-term sustainability of the business.
- Impending production depletion from Mari Field could result in loss of conventional, as well as incremental price revenue.
- Inability to achieve adequate resource addition
- Delay in commercialization of discoveries impacting achievement of organizational objectives.

External

- Fast emerging new technologies, trends and regulations 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 the company's 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:

- Exploration lead growth strategy to enhance company's resource base and attaining sustainable future growth in production and revenues.
- Evaluation of shallow offshore prospects to identify potential

areas, within company's risk appetite, as targets for future exploration activities

- Active scanning of domestic farm-in opportunities to enhance exploration acreage.
- In view of the limited indigenous hydrocarbon potential, the Company is also evaluating the strategy of farm-in opportunities in overseas exploration and producing assets to augment its reserves base and achieve sustainable future growth.
- Efforts are underway to extend current plateau period of existing reservoirs.
- Apart from efforts in core business, the Company is also actively seeking diversification opportunities outside of the E&P sector to augment and act as a hedge for our core business.
- MPCL strives to hire the best human capital available in the industry and is continuously working towards the development of their technical

skill sets through extensive training programme. It further encourages and facilitate them to utilize 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

- Disruption in Company's production operations, processes, systems and activities due to the situation arising from pandemic
- Inability to maintain optimal production levels due to low customer off-takes
- Challenges of difficult terrain, extreme weather conditions, lack



Slickline Unit at Sujawal Gas Field, Sindh

Risks and Opportunities Report

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 overall HSE performance 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.
- Continuous management and monitoring of COVID-19 related matter by a high powered Coordination and Response Team to align, coordinate and identify reactions to changing situation
- Improvement in Asset Integrity Management
- HSE related evaluation of contractors during award of new contracts
- Development of pipeline infrastructure for sale of excess/ underutilized production volumes to swing customers
- 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.
- Enhancement of workstation protection systems for surfing the Internet and e-mail, and strengthening of monitoring following the extensive use of smart working.
- Strengthening of corporate culture in the Cyber Security with particular focus to the behaviors to be adopted (e.g. safe smart working)

C. Regulatory & Compliance Risks

External

- Delays in requisite approvals from the Government in allocation of gas/condensates from new discoveries depriving the Company of early revenues.
- Delay in fresh bidding round for new exploration licenses/ blocks hampering the Company's plans to expand its exploration portfolio for aggressive exploration to enhance its reserves base, improve resource enhancement and increase production revenues.
- Current economic situation/strict foreign exchange regulations inhibiting Company's ability to capitalize on profitable opportunities outside Pakistan
- Adverse impact on long-term strategies and business performance due to unfavorable/ unanticipated changes in government regulations.

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 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.
- Continuous follow-up with concerned authorities for approval of foreign investments when required

D. Financial Risks

External

- Risk of unfavorable fluctuations in reference crude prices compared to planning assumptions.
- Delay in settlement of Company's dues by its customers due to circular debt issue, negatively impacting Company's liquidity position.

Likelihood & Magnitude:

The Company has a strong liquidity 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. Furthermore, the financial projections indicate adequacy of the capital structure for the foreseeable future. The Company plans to meet its entire financing requirement during the next year through available reserves and internal cash generation, however, borrowing from banks could also be considered, if required.

Mitigation Strategies:

- Actions aimed at improving the financial resilience , flexibility (in terms of investment decisions)

and efficiency (capital discipline and action on structural costs) of the Company to deal with lower than expected oil price scenario or low oil price over an extended period of time scenario.

- Active scanning of diversification opportunities in related business for portfolio optimization in order to hedge low oil price shock risk
- Active follow-ups at appropriate levels to ensure timely payments of government related dues and 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.

- Considering the immense potential of mining sector in Pakistan, MPCL's recent move into the sector can potentially open a whole new dimension to its business portfolio which can complement and support its

core business in the long term and also contribute towards its growth.

- Offshore exploration in Pakistan is a relatively lesser-explored front. MPCL is actively evaluating shallow offshore potential for opportunities having associated risk which is within the appetite of the Company. This can potentially expand the prospect inventory of the Company greatly and can contribute towards its growth in the longer term.
- Capacity enhancement of Mari Services Division through initiatives like acquisition of drilling rigs, mud logging unit, directional drilling etc. shall allow the Company an opportunity to better explore security sensitive but high potential areas in the wider national interest. With enhanced capacity and proven track record MSD would be able to offer its services to other E&P companies operating in the country.
- With a significant reserve base along with a strong equity and

cash position for both medium and long term, allows MPCL to enjoy a greater degree of operational freedom and flexibility 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.

- Incremental pricing incentive for HRL & Goru B Gas presents the company with an opportunity wherein profits can be maximized 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.



Mud Logging Unit crew after training & commissioning

Strategic Business Plan and Resource Allocation

SHORT, MEDIUM AND LONG-TERM STRATEGIC OBJECTIVES

While the management’s primary focus remains on the core business, diversification will continue to be an important part of the business strategy in the coming years. The Company is actively looking for opportunities in the energy value chain to augment its revenue streams.

The management has outlined the following strategic parameters for the business strategy:

- 1. Short-Term (1-3 Years):** MPCL will focus on enhancing production from its existing discoveries and will pursue projects with early maturities. The Company will initiate seismic projects and drilling of deep wells in growth areas to tap large prospective resources. This will help in realizing early revenues by shortening the time to commercialization of assets. The Company will also initiate work to realize its long-term Vision-2030 of becoming a truly integrated energy company by closing diversification deals in energy and associated infrastructure projects.
- 2. Medium-Term (3-6 Years):** The Company will focus on frontier regions and generate lead/prospect inventory for drilling medium to high risk - high reward prospects. Achievement of 100% reserve replacement ratio is the cornerstone of medium-term strategy, which the Company hopes to achieve through its local and international exploits.

Diversification will be another area of interest with focus on development of mining assets and investment in renewable energy projects. HSE will remain a priority for the Company with plans for reducing greenhouse emissions and contributing towards a low-carbon world.

- 3. Long-Term (7-10 Years):** In the long term, the Company will optimize its assets portfolio to realize its vision. The Company will keep pursuing high ranked local and international prospects matured during short and medium terms. It will realize revenues from its mining assets and energy sector projects on its way to becoming one of the

largest producers of sustainable energy in the Country.

Management Strategies to meet the objectives

A. Production Enhancement

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

- Extensive coordination with the customers to plan their turnarounds/shutdowns to ensure optimal gas production.
- Re-aligning the contracts through re-negotiation with the customers.
- Re-allocation of unutilized gas to other customers.

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

Pakistan’s indigenous production of hydrocarbons is insufficient to meet its national demand. Further, the production of hydrocarbons is on the decline for the last several years. Therefore, an ever widening demand-supply gap remains present throughout the year.

MPCL has a ‘gas weighted’ portfolio. Seasonality has a limited impact on MPCL as the most of the Company’s customers are fertilizer manufacturers and only a limited quantity of the gas is supplied to power, commercial and domestic sectors where demand is more seasonal. However, the Company faces pressure issues in winters due to lower temperatures while withdrawals by the customers are impacted in summers as their plants’ operational capacities decline due to higher temperatures.

The demand for indigenous gas is also impacted by demand-supply situation of the LNG market. The Company’s production and sales are also impacted by the planned and unplanned turnarounds/shutdowns of the customers’ plants.

- Successful implementation of the field development projects.
- Drilling of development wells to arrest production decline and to enhance production.

B. Exploration Strategy

- Accelerated exploration and drilling campaigns in operated blocks.
- Provision of necessary support and grant of expeditious approvals of exploration plans in partners’ operated blocks.
- Expansion of exploration acreage through farming-in in highly prospective blocks and participation in the bidding rounds within the Country and abroad.
- Undertaking projects in security-sensitive but highly prospective areas.

C. Revenue Enhancement

- Boost sales by exporting undrawn volumes of power customers to SNGPL using swing customers for unutilized gas.
- Exploration and development projects within existing fields to generate additional revenues using the available infrastructure.
- Better funds management to enhance finance income.

D. Cost Cutting/Budgetary Controls

- Utilization of in-house expertise and resources, wherever possible.

- Greater financial discipline to minimize wastages and cut costs
- Negotiated savings in procurement contracts

E. Operational Strategy

- Effective collaboration with law enforcement agencies to ensure the safety of personnel and assets in security-sensitive areas.
- Adherence to the highest HSE standards and practices by the employees at all levels and locations.
- Engagement of locals through the provision of job and business opportunities and high impact Social Welfare Projects.
- Adoption of the latest technology and continuous improvement of internal processes.

Key Performance Indicators

The formulation of the following year’s business plan draws input from the preceding year’s performance on the KPIs listed below:

- Finding and Development Cost per BOE of new reserves added
- Reserves Replacement Ratio (%)
- Exploration success rate
- Drilling cost per meter

- Production cost per BOE produced
- Production growth (%)
- EBITDA per BOE production
- EBITDA per employee
- Petro-technical professionals per MMBOE production
- Reserve growth rate (%)
- Reserve to production rate

Major Plans and Decisions

A. Corporate Restructuring

The performance of the Company in all spheres of its operations has been exceptional. With a robust balance sheet and strong operational cash flows, there is no plan for organizational restructuring. It is expected that the ownership structure of the Company will remain unchanged in near future.

B. Business Expansion – Core Operations:

- The Company spent Rs. 27.3 billion on exploration and development projects during FY 2020-21. This amount is 64% higher than Rs. 16.6 billion spent in FY 2019-20.
- The Company is installing gas processing facilities at an estimated cost of US\$ 258 million for processing



raw gas of Tipu, Goru-B and HRL reservoirs. This is the biggest development project in the history of the Company.

- Asset integrity improvement campaign at Mari Field and Field revitalization studies are in progress with an aim to extend plateau and maximize ultimate recovery.
- The Company is continuously evaluating the acquisition of additional exploration acreage in local as well as international blocks. MPCL won 4 new exploration blocks in the latest bid round and farmed-in to Margala block of MOL.
- The Company participated and won an offshore block in Abu Dhabi, as part of a consortium comprising MPCL, PPL (Lead), OGDCL and GHPL.
- The Company plans to drill 6 wells in different blocks during FY 2021-22. Drilling of exploratory wells in three key blocks Bannu West, Karak and Kalchas is currently in progress.

- Seismic data acquisition in strategic Block-28 has been completed, while seismic surveys in Ziarat and Taung blocks are in progress.
- The Company has purchased two more land drilling rigs of 2000 HP capacity each and a Mud Logging Unit for greater operational flexibility.

C. Discontinuation of Operations

Significant Changes in Objectives and Strategies from the Previous Year

The Company's main areas of focus are the same as those in the previous year, however, the targets are revised in line with the strategic priorities set by the management for the FY 2021-22. Strategies are revised or re-aligned according to the objectives and targets set for the year.

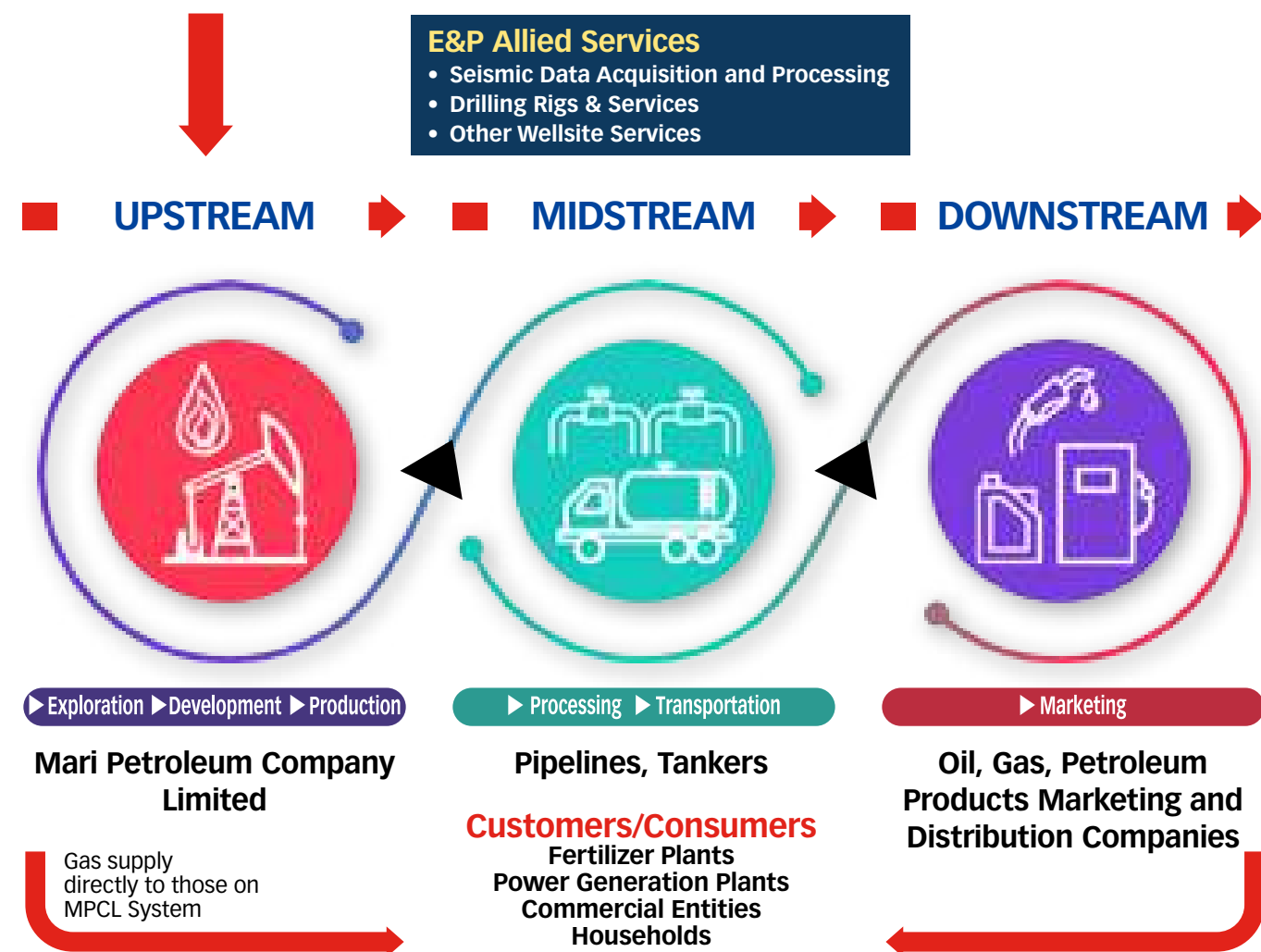
COMPANY'S MOST SIGNIFICANT RESOURCES

The Company's most significant resources include the following:

Human Capital: The Company has a dynamic and diverse workforce contributing to the exceptional performance and growth of the Company. The Company's workforce is gradually expanding in line with its growing operations. Further details on the Company's human resources can be found in the HR section of this Report.

Hydrocarbon Reserves: The Company has substantial recoverable hydrocarbon reserves to meet its long-term supply commitments. As of June 30, 2021, the Company had recoverable reserves of 595.4 MMBOE. The Company has the second highest reserves base in the Country, behind only OGDCL. Concerted efforts are being made to maintain reserves replenishment ratio at 100% to ensure the long-term viability of the Company.

MPCL'S POSITION IN PETROLEUM VALUE CHAIN



Financial Resources: The Company had Rs. 115.5 billion in shareholders' funds at its disposal with no long-term debt as of June 30, 2021. A strong balance sheet allows the Company a greater flexibility to pursue opportunities in core and non-core areas.

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 and geographically tough terrains. The Company further augmented these capabilities by acquiring two more land drilling rigs and a mud logging unit during the FY 2020-21.

Reputational Resources: MPCL is one of the premier corporate

entities in the Country. The Company's corporate image and market reputation, reliability, and relationship with its customers, suppliers, JV partners and local communities etc. are quite valuable for its corporate success. The Company also has the unique reputation and track-record of operating in security-sensitive and geographically remote and tough areas.

Resource Allocation

At MPCL, strategic planning and budgeting are interlinked and integrated for optimum allocation of resources. The allocation of resources for various activities is driven by the priority set in the Strategic Business Plan of the Company. Accordingly, the Company has allocated the maximum amount of budget for development projects, followed by exploration activities.

Apart from financial capital, other resources, particularly human resource are also allocated in line with corporate objectives and targets for short, medium and long terms. Accordingly, most of the growth in the Company's human capital has been in Operations, Reservoir, and Mari Services Departments in consonance with the expansion of these core operations. There is a proportionate increase in human capital in finance, procurement and administration departments to provide expedient support to the core functions.



Production facilities at Zarghun South Gas Field, Balochistan

ORGANIZATIONAL OVERVIEW

Significant Factors affecting the External Environment and Organisational Response

Businesses do not operate in isolation and are impacted, to varying degrees, by the external environment shaped by developments on political, environmental, socio-cultural and environmental fronts.

Political Environment: MPCL carries out its operations in the best national interest, without any political affiliation or agenda. However, any change in the political climate and government policies affects the Company in multiple ways.

MPCL Response: The Company effectively engages all its stakeholders and actively plays its role on different industry forums like PPEPCA to shape up the opinion for positive changes to the regulatory regime for the benefit of the whole E&P and related sectors.

Economic Environment: Economic environment is impacted by a plethora of factors. Any change in the economic environment has the potential to affect the Company's financial performance and stability.

MPCL Response: A dynamic portfolio becomes almost a necessity for financial stability in volatile markets. The Company proactively aligns itself with its fresh growth strategy of enhancing production. To achieve that, aggressive prospecting of opportunities is undertaken both in national and international territories. International exposure shelters the Company from the risks of economic volatility. Another way this shelter is enhanced is through diversification into other businesses. Renewable energy is a prime focus of interest as well as exploring high-risk high-rewards regions of Pakistan for indigenous hydrocarbon.

Social Environment: The Company's operations are directly affected by the socio-cultural environment of the areas where the Company undertakes its E&P activities.

MPCL Response: MPCL is not just cognizant but also sensitive to the needs of the local population inhabiting its areas of operations. The Company understands and accustoms itself to the local norms and traditions before undertaking any project. Local communities are engaged through provision of employment opportunities as well as social welfare projects under the Company's CSR program.

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 costs and bring in more efficiency in operations.

MPCL Response: The Company is open to testing and adopting newer techniques and technologies in its core and support functions. The Company executives are regularly nominated to participate in exhibitions, conferences and workshops, both locally and internationally, so that they can keep abreast with the latest technologies in their respective areas. Sufficient

budget is allocated for upgradation of infrastructure, plants, and equipment according to the latest developments.

Environmental Factors: Hydrocarbon exploration has several ecological effects including 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 identified, managed and mitigated.

MPCL Response: MPCL prides itself as a socially aware and environmentally responsible Company. HSE is amongst the Management's top priorities and all possible measures are taken to identify the risks involved and mitigation plans are put in place before undertaking any project. HSE Department undertakes the requisite studies, coordinate with the government bodies and oversees the implementation of relevant policies and SOPs. Further details on MPCL's HSE strategy and initiatives are provided in the HSE Section of this report.

Legal Environment: The Company maintains numerous agreements of diverse nature with government, JV partners, customers, contractors, service providers etc. These agreements expose the Company to legal risks that, if not properly managed, can result in significant losses and severely damage the financial integrity and credit rating of the Company. Further, the Company also has to handle litigation on different matters in different courts of law.

MPCL Response: In-house legal, commercial and technical professionals thoroughly review all agreements and contracts and handle litigation on behalf of the Company to shelter the company from any legal exposure. Where needed, external legal counsels are hired to support the Company to deal with legal matters/issues.

Analysis of the Company's Current Performance Vis-À-Vis Targets

Despite several macro and micro level challenges, the Company closed the last year on a very

high note of corporate performance. All major performance parameters followed a positive trajectory and reached the historically highest levels.

A. Core Activities

Seismic Activities: The Company increased its seismic data acquisition activities in several key blocks. Mega seismic campaigns were carried out by MSU crews in highly challenging and security-sensitive areas. The total 2D seismic data acquired by the Company during the FY 2020-21 was 508.45 line-km, compared with 1,217.45 line km acquired in the previous year. The total 3D seismic data acquired by the Company during the FY 2020- 21 was 271.25 sq. km, compared with 805.24 sq. km acquired in the previous year. Based on processing, interpretation and integration of acquired seismic and G&G data, several high potential exploration wells are planned to be drilled during the FY 2021-22.

Drilling Campaign: The Company drilled 2 exploratory and 4 development wells in its operated blocks/fields during the FY 2020-21, while drilling of two more exploratory wells was in progress at the close



Strategic Business Plan and Resource Allocation

of the financial year. The Company's joint venture partners also drilled 2 exploratory wells during the year while drilling of 2 more exploratory wells was in progress at the close of the financial year.

New Hydrocarbon Discoveries and Reserves Addition: The Company made one gas discovery at exploratory well Iqbal-1 in Mari Field while its joint venture partner OGDCL made one gas and condensate discovery at exploratory well Togh Bala-1 in Kohat Block. The Company was able to achieve RRR of around 200% with the addition of 70.46 MMBOE 2P reserves, mainly from HRL and Goru-B reservoirs of Mari Field, while the new discoveries resulted in 2C resource addition of 8.73 MMBOE.

Production of Hydrocarbons: The Company produced 269.3 BCF of gas (FY 2019-20: 249.6 BCF) and 457,205 barrels of crude oil and condensate (FY 2019-20: 383,548 barrels) in FY 2020-21. This converts into 35.87 million barrels of oil equivalent energy, which is the highest production level achieved by the Company in its history.

Expansion of Exploration Acreage: MPCL won four new exploration blocks in Pakistan in the Block Bidding Round 2020. MPCL is the operator in Nareli and Sharan Blocks and a non-operating joint venture partner in Killa Saifullah and North Dhurnal Blocks. Subsequent to the close of the financial year, the Company is in the process of acquiring 30% non-operating working interest in MOL's Margala Block

MPCL along with consortium of three leading Pakistani companies has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north east of Abu Dhabi city.

The consortium companies have established an independent company namely Pakistan International Oil Limited (PIOL) at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL.

The exploration concession agreement was signed between ADNOC and PIOL on August 31, 2021.

The award marks the first time Pakistani companies invest in and explore for oil and gas in an Abu Dhabi concession as well as the first time ADNOC partners with Pakistani energy companies.

Offshore exploration is another priority area and the Company is targeting 3-4 blocks in the offshore block bidding expected early next year.

B. Diversification

The Company is pursuing a strategy of focused diversification to meet the future challenges and uncertainties facing the exploration and production industry world-wide. During the year, the Company acquired 20% equity interest in National Resources (Private) Limited, to undertake mineral exploration projects in the province of Balochistan.

C. Financial

Robust production helped the Company to achieve the highest ever Net Sales of Rs. 73.02 billion compared with Rs. 72.03 billion in the previous year. Net Profit increased by 3.7% to reach Rs. 31.44 billion compared with Rs. 30.31 billion achieved in the previous year. In line with Net Profit, the Earnings per Share increased from Rs. 227.23 to Rs. 235.71. After approval of final

dividend by the shareholders, the total dividend for the year will be 141 rupees per share or 1410%.

D. Internal Processes

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

- Competency Management System for technical departments
- TRSCSSSVs at two Mari Deep wells to provide the downhole safety barrier in case of uncontrolled discharge of hydrocarbons at the surface.
- Enterprise Data Management System to optimize processes and to enable senior management to take data-driven decisions.
- Centralized Projects Monitoring and Reporting system
- Materials/Inventory Management System to ensure real-time inventory movement and visibility.
- SAP Budget Planning & Consolidation (BPC) module
- SAP Incident and HSE Management Module
- End to End Automation of Procurement Process through implementation of MDG (Master Data) and Ariba Sourcing Software
- Reservoir Simulation Studies to devise the production strategy for HRL reservoir (post plateau decline) through Integrated Asset Modelling

E. Stakeholders

HSE: During FY 2020-21, the Total Recordable Case Frequency remained only 0.18 (Maximum Target: 0.49), Loss Time Injury Frequency was only 0.06 (Maximum Target: 0.39), Process Safety Event Rate (Tier I) was 0 (Maximum Target: 0.53) and Process Safety Event Rate (Tier II) was 0.11 (Maximum Target: 0.79).



CSR: The Company spent Rs 979 million on different CSR Projects in Mari Field and other Blocks during the year, as compared to Rs 591 million spent in the previous year.

Contribution to Government

Exchequer: The Company contributed 63 billion rupees to the Government exchequer in the form of royalty, taxes, levies and duties.

Analysis of Prior Period Forward-Looking Disclosures

In the previous year, it was informed that a significant portion of the Company's efforts and resources will be focused on Mari Field. Further, the Company will continue aggressive exploratory efforts in existing blocks, maintain uninterrupted supply of hydrocarbons to its customers, while at the same time explore farm-in and selected farm-out options, acquisition of international blocks, and selected diversification projects.

The actual performance of the Company and status of projects as explained in the section titled "Analysis of the Company's Current Performance vis-à-vis the Targets" indicate that the Company's priorities were in line with the forward looking statements and its performance was on target in all areas.

Status of the Projects in Progress and were disclosed in the Forward-Looking Statement in the previous year

1. Several key projects such as HRL debottlenecking, gas export pipeline and installation of gas processing facilities for low BTU gas of Goru-B, Tipu and HRL (GTH Project) are on-going to extend the production plateau and life of the Mari Field.
2. Seismic data acquisition has been completed in Block 28. Seismic survey in Taung and Ziarat Blocks is in progress. Preparations are in hand to commence seismic survey in Wali West Block.
3. Drilling of first-ever exploratory well in Bannu West Block is in progress.
4. Offshore Block-05 in Abu Dhabi has been awarded to the consortium comprising MPCL, PPL (Lead), OGDCL and GHPL.
5. Two used rigs each having 2000 HP capacity and a mud logging unit have been purchased and operationalized to provide greater operational flexibility to the Company while working in remote and security-sensitive areas.
6. MPCL acquired 20% shareholding in National Resource (Pvt) Limited to undertake mineral mining projects in the province of Balochistan.



Christmas Tree at entrance of Mari Field, Daharki

FORWARD-LOOKING STATEMENT

The Company aims to provide sustainable competitive returns to the shareholders from its core E&P business and invest in selective diversification projects to continue making significant contribution towards the national economy. The Company's vision is to become an international integrated energy company and one of the largest sustainable energy producers of the Country by 2030.

In the core area, the Company has a track-record of achieving outstanding financial and operational results, constantly converting challenges into opportunities. With its sustained performance, the Company has moved into second position amongst the Country's gas producers and currently has the second largest reserves base. With the completion of GTH Project in the Mari Field, the Company is expected to become the biggest gas producer in Pakistan.

Mari Field will continue to play a pivotal role in achieving the Company's production and revenue targets in the coming years. Therefore, the Company's top

priorities are to timely complete the ongoing development projects in Mari Field as well as undertake asset integrity improvement campaign and field revitalization studies to extend the field's plateau and maximize ultimate recovery.

In the long term, the Company will have to reduce its reliance on the Mari Field to mitigate concentration risk. This will require replicating success achieved in the Mari Field. Ziarat, Bannu West, and Block-28 all have good potential to complement any loss of production from the Mari Field. The Company is targeting safe delivery of under-drilling exploratory wells in Bannu West and Karak Blocks and successful conclusion of in-progress seismic projects in Ziarat and Taung Blocks. Plans are also in-hand to drill exploratory/appraisal wells in Ziarat and Block-28 to add new resources and carryout

seismic surveys in Wali West to build prospects/leads inventory for future drilling.

The Company will continue evaluating farm-in opportunities in prospective blocks held by other E&P Companies and submit bids for offshore blocks in the upcoming offshore block bidding round.

The potential hydrocarbon discoveries in the offshore block in Abu Dhabi will augment the Company's reserve-led growth strategy and will also serve as a stepping stone for the Company's efforts to expand its operations beyond the national borders. The experience gained there will also come handy in the offshore blocks that the Company may win locally.

Going forward the Company aims to minimize its carbon footprint by investing in renewables, allocate investment capital for targeted diversification and opportunistic investments in the energy value chain including LNG, maximize profitability, develop high performing, diverse, agile and competent work force and achieve a better and more sustainable future for the communities.

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 reports, Economic Survey of Pakistan and several international oil & gas industry-specific sources such as IEA publications and websites. 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 the coming year, providing a foundation for developing these forward-looking statements.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

MPCL manages and operates the largest recoverable gas reservoir of the Country at Mari Gas Field. It is currently the second largest gas producer in the Country with a market share of over 21% and net hydrocarbons production of around 100,000 BOE per day.

With a gas weighted portfolio, MPCL is uniquely positioned in the E&P Industry in Pakistan having the largest dedicated customer base comprising mainly of fertilizer manufacturers where natural gas is primarily used as feedstock. The chemical composition of the gas produced from Mari Field is ideal for urea manufacturing. Accordingly, more than 90% of the urea production in the Country is based on natural gas supplied by MPCL. These factors, combined with lowest cost of production, give MPCL a

competitive advantage over other gas producers/sources.

There is no imminent competition from any of the other E&P companies operating in Pakistan, especially when the gas distribution companies are facing widening demand-supply imbalance, consequently relying on imported RLNG, which is priced under a ring-fenced full cost recovery mechanism. Gas pricing for indigenous production for the fertilizer sector is subsidized, which effectively eliminates any competition from RLNG.

The situation is unlikely to change in the foreseeable future as indigenous gas production is on the decline and there is an ever widening gap between demand and production. There is, however, a remote possibility that the Company might face difficulty selling its off-spec gas and pipeline capacity issues if the Government pushes for preferential use of RLNG. The Company is mitigating the issue of gas specification by installing gas processing facilities e.g. GTH Project in Mari Field.

How the Organisation is Currently Equipped in Responding to the Critical Challenges and Uncertainties that are likely to Arise

MPCL has the requisite expertise and is well equipped to deal with the critical challenges and uncertainties that it is currently facing. At the same time, the Company is enhancing its human, technical, financial and knowledge resources to deal with uncertainties and risks of the future. The expertise and strengths of MPCL are enumerated below:

- A reservoir of highly qualified and experienced professionals who are strategically focused and dedicated to achieving excellence in each sphere of the

Company operations.

- Operatorship of Mari Field which contains the Country's largest gas reservoir (in terms of current reserves).
- In-house seismic data acquisition, processing and drilling capabilities at par with international standards.
- Ability and track record of operating in security-sensitive areas where other services and E&P companies are reluctant to venture.
- Ability to operate on thin margins due to low operating cost/low cost of production.
- Strong balance sheet and cash flow generation ability.

The outbreak of COVID-19 has affected every industry and sector worldwide. The petroleum industry, which was already reeling from an oversupply of crude oil as a result of competition among different oil producers for larger market share, was particularly hit. COVID-19 dried up the demand for oil and the prices fell to as low as US\$20/bbl.

Pakistan's E&P sector was also affected by the pandemic and falling crude oil prices. Fortunately, MPCL was not impacted as much as the other players in the industry primarily because MPCL is a gas dominant Company. It is favourably placed in the Industry as more than 90% of its gas is supplied to the fertilizer sector which has not been affected by the pandemic. The proactive strategies by the Management ensured that there was no disruption to the Company's ongoing and planned seismic, drilling and production operations during COVID-19.

MPCL BUSINESS MODEL



Business Model

MPCL is an integrated E&P Company focused on delivering on its economic, social and environmental commitments to all its stakeholders, including the Company itself, its employees, joint venture partners, customers, suppliers, local, provincial and federal governments, local communities in and around the Company's areas of operations and the public at large.

MPCL draws upon its competitive strength from strong balance sheet and utilizes its unique position in the local E&P Industry to create value across the geographic regions and operational fields.

MPCL's Business objectives are aligned with its operational priorities grouped into following strategic areas:

- 1. Core Business/E&P:** Strengthening the E&P core by expanding local onshore and offshore exploration blocks, acquisition of international blocks focusing on short-cycle, low-cost assets, production optimization from existing reservoirs, exploratory drilling, and reserves replenishment.
- 2. Diversification:** Identification and materialization of opportunities in gas value chain, renewables, mineral exploration and other related sectors.
- 3. Financial:** Enhancement of the return to the shareholders, enhancement of net profit by increasing sales, recovery of receivable, budgetary control measures and financial self-sufficiency for all sections of Mari Services Division.
- 4. Internal Processes:** Re-structuring of internal business processes by adopting the latest technology and techniques to improve Company's operational efficiency.
- 5. Stakeholders:** Create value for joint venture partners, shareholders, customers, employees, government and local communities in different areas of the Company's operations.



Production facilities at Bolan East, Ziarat Block, Balochistan

Central Manifold-1 at Mari Gas Field, Daharki, Sindh

THE EFFECT OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES AND RESOURCE SHORTAGES, ON THE COMPANY STRATEGY AND RESOURCE ALLOCATION.

Effect of technological change:

Technologies are evolving fast and transforming businesses across the globe and delivering increased value. Technology has the potential to enhance performance across the entire upstream oil and gas value chain by enabling optimization and automation. MPCL is cognizant of the impact of technology and seeks to continuously enhance exploration and production of hydrocarbons by exploiting breakthroughs in knowledge, innovations in technology and adopting competitive industrial practices.

- Although most of the new technologies like digitalization of the rig are still ideas that need to be perfected before they are scalable, MPCL has kept itself abreast with cloud networks and data automation.
- With the help of highly qualified in-house IT employees and

industry experts, SCADA systems have been installed at different wells in the Mari Field and will be installed in other fields.

- The Company has been continuously establishing, upgrading and maintaining IT infrastructure, software and related systems. This has helped in achieving optimal systems and operational performance while providing seamless accessibility of these systems to the Company users and enabled them to work from home/remotely.
- Leading and cutting edge virtualization technologies implemented by the Company have not only made it a forerunner technology-enabled organization among other local E&P companies but also provided resilience to respond in emergency situations like COVID-19 without losing

productivity while working remotely.

- Using the situation caused by COVID-19 as an opportunity, our IT Department has developed and implemented new systems to replace paper-based processes and improve their efficiency.

Societal issues (population and demographic changes, human rights, health, poverty, collective values and educational systems):

The Company responds to societal issues by carrying out high-impact projects in the thematic areas of education, health, water supply schemes, infrastructure development etc. for the uplift of the local communities in its active areas of operations, which are mostly far-flung and generally devoid of even the basic necessities.

- MPCL spent Rs 979 million on different CSR (Corporate social responsibility) Projects during the FY 2020-21.
- MPCL inaugurated a state-of-the-art Special Education School at Daharki, which serves children with all kinds of disabilities. The School was constructed following the universal accessibility design and equipped with the latest equipment/technology for imparting quality education to children with special needs. Special Talent Exchange Program (STEP), the experts on disability programming were taken on board as consultants/ implementing partners to manage the school's operations.

- With an aim to enhance employment opportunities and alleviate poverty amidst the onslaught of Covid-19, the Company has signed an MOU with Akhuwat Foundation, for disbursement of microloans for economically viable entrepreneurial/small scale ventures in Mianwali District under MPCL's Initiative for economic empowerment called "Sarbuland".
- MPCL has launched "Mari Mobile Dastarkhawan" - a project to combat hunger in Pakistan. It has been launched with an initial contribution of 39 million rupees. A total of 213,000 deserving Pakistanis will be provided with quality-cooked food annually, at carefully identified locations in Islamabad/Rawalpindi. The project will also serve iftar & dinner to 500 needy people

per day during the month of Ramadan. Additionally, food packs will be distributed weekly to the deserving families, meeting their monthly household ration requirements. Upon successful completion of the pilot project, it will be scaled up and replicated in other parts of the Country including MPCL operational areas.

- An unfortunate incident took place on June 07, 2021, at Reti area near Daharki Railway Station, where two passenger trains collided, resulting in the loss of 65 precious lives and injuries to more than 100 people. MPCL responded immediately and joined the local administration for rescue and relief activities at the accident site. In the quickest possible time, the Company deployed specialized medical team, heavy machinery, food/water supplies for survivors and volunteers to augment the efforts of Pak Army and Local administration.

Strategic Business Plan and Resource Allocation

Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages:

Pakistan is extremely vulnerable to the impact of climate change because of its geographical location, high population and low technological and resource base. Although Pakistan's emissions of greenhouse gases are much lower than the rest of the world, these are bound to increase as the country climbs the development ladder. MPCL has proactively contributed towards the protection of the environment through tree plantation activities in various parts of the Country.

Clean & Green Pakistan Tree Plantation Campaign:

MPCL is operating in the most challenging and arid terrains in Balochistan and Sindh, where environmental conservation is of paramount importance. In line with Prime Minister's Clean and Green Pakistan Campaign, MPCL is aggressively engaged in tree plantation drives in and around its areas of operations.

Specific processes in making Strategic decisions and monitoring the culture of organization

Various mechanisms like quarterly reviews and surveys are used to monitor and assess the culture of the organization. SWOT analysis is used by the company to assess the views of the employees as well as help in the improvement of the Company. Occasional surveys as well as other measures such as the whistleblower policy are mechanisms for addressing integrity and ethical issues.

Annual Business Plan: Specific processes like the formulation of an Annual Business Plan are used to make strategic decisions. The Company spends a considerable amount of time and effort in

formulating the Annual Business Plan which serves as a road map for the future activities of the Company. The Plan:

- Serves as a framework for setting the strategic direction of the Company by setting the high level corporate objectives & targets.
- Helps in resource allocation i.e. channels corporate resources and energies towards the most important objectives.
- Assists in benchmarking against the industry and in corporate performance monitoring.
- Explains the business objectives to all levels of management to inform, motivate & involve them.
- Stimulates the change and becomes a building block for the next year's plan.

Attitude towards risk and mechanisms employed by MPCL to mitigate risks and address issues of integrity and ethics.

Enterprise Risk Management (ERM): MPCL recognizes that risks are an integral part of its business and that they must be managed at the appropriate levels. Opportunities and threats faced by MPCL are addressed through an ERM process to maintain and improve performance and achieve identified objectives. This process is implemented by the ERM Department.

ERM process is aimed at establishing a risk governance framework that supports the integrated oversight of the Enterprise Risk Profile and related control and assurance gaps. The main goal of preparing an

Enterprise Risk Profile (the output of the ERM process) is to understand which risks MPCL needs to manage at the Executive level and which risks at the Departmental level. This approach recognizes that risks are different at varying levels of management due to the different focus, strategic vs operational, differing tolerances for risk and levels of management authority to deal with unacceptable risks.

The ERM process defines the appropriate ERM organizational arrangements, a relevant risk classification framework, clear risk accountabilities and governance structure, and risk escalation criteria to

ensure that risks are addressed at the right level of the management.

Employee Engagement Survey:

MPCL partnered with Mercer/Abacus Consulting to conduct an Employee Engagement Survey to gauge the level of employee engagement and identify possible areas of improvement. MPCL believes that its employees are the most critical element to its success. What the Company delivers to its stakeholders involves the hard work and dedication of the employee, therefore, the management needs to understand what is important to the employees of the Company. The survey was outsourced to a third party so that the employees

could share their opinion/ feedback candidly and without any reservations.

Based on the survey results of 84% employees response, action planning is being carried out. Once plans are chalked out they will be rolled out to bridge the identified gaps. The effectiveness of the plans will be reflected in the next survey.

Dealing with the issues of ethics and integrity: We maintain the highest ethical, moral and legal standards in all our dealings without compromise. Integrity is the foundation of who we are and what we stand for. There is no gap

between what we say and what we do and there is a conformity between our thoughts and actions.

Similarly, ethics and transparency guide our daily activities. We believe in doing what is right, whether or not that is required under the law. We maintain honest and open communication with our internal and external stakeholders about our actions and operations.

The issues of ethics and transparency are dealt with in line with our Code of Conduct, which all the employees have to commit to. An effective Whistleblowing Policy is also in place to provide a platform to all stakeholders of the Company to voice their concerns where they genuinely believe that the Company's business is not being carried out in an appropriate manner or any suspicious or undesired event/activity is being carried out in violation of the applicable laws or Code of Conduct of the Company or which may have an adverse impact on the business or goodwill of the Company or the society at large.

The Policy has recently been revised to introduce important changes to encourage whistleblowing. Now the complaints and concerns are directly dealt with by the President Audit Committee instead of any executive of the Company. Anonymous complaints have been allowed and rewards have been introduced for the whistleblowers.



Management visit to Zarghun South Gas Field, Balochistan

MPCL Internal Audit Department ensures that the Company operates as per applicable laws, the Company's policies, and the code of conduct of the Company.

THE INITIATIVES TAKEN BY THE COMPANY IN PROMOTING AND ENABLING INNOVATION

The E&P industry 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 costs and bring in more efficiency in operations. MPCL has a dedicated team of IT professionals responsible for maintaining and providing state-of-the-art software technologies for the optimization 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 allocates sufficient financial resources to remain abreast with the rapidly changing world.

STAKEHOLDERS' ENGAGEMENT

A. Stakeholder Identification

Relationships with different stakeholders are extremely important for the Company as these relationships can impact MPCL's operations, revenues, corporate image and profile.

The first step in stakeholders' engagement is the identification of the stakeholders by the different departments of the Company.

Stakeholders who directly affect or are affected by the Company's operations:

these include shareholders, customers, suppliers, joint venture partners, regulators, federal, provincial and local governments, local administrations, security agencies, banks and other lenders, insurers, employees, and communities in MPCL concession areas.

Interest-based stakeholders: these include social or environmental advocacy groups, media, market analysts, social welfare organizations, and general public.

B. Stakeholder Analysis

After identification of the stakeholders, relevant teams take an in-depth look at each stakeholder group to understand its impact, influence, preferences, involvement, and communication requirements.

Stakeholders are prioritized according to:

- Their influence on the Company's operations;
 - How and to what degree they are impacted by the Company's operations and whether that impact is positive or negative
- Stakeholder analysis provides the basis for building the Company's stakeholders' engagement strategies. Some of the stakeholders' engagement is mandated by legal and regulatory requirements while other is necessitated by business and operational requirements.



A Company-wide SWOT analysis is carried out every year to assess the challenges faced by the Company, the aspirations of employees and the organizational readiness to adapt to the rapidly changing business environment. The feedback gathered from the employees is the most valuable input in the planning process. The summary of the SWOT analysis is given below:

A. Strengths:

- Strong financial position of the Company
- Experienced and highly qualified workforce
- Operatorship of Mari Gas Field, which is the largest gas reservoir (in terms of balance recoverable reserves) in the Country.

- In-house seismic data acquisition, processing, drilling and allied capabilities at par with international standards
- Ability to work and successful track-record in security-sensitive and geographically tough areas
- Improved planning process/progress monitoring system
- Lean organizational set-up
- Decent exploration success rate.

B. Weaknesses:

- Dependence on the Mari Field for generating production and revenues
- Low Resource Replacement Ratio (RRR)
- Insufficient exploration acreage/lack of high-potential blocks inventory

- Negligible contribution from partners' operated blocks/fields

C. Opportunities:

- Core business both locally and internationally
- Offshore blocks and frontier regions
- Unconventional resources (tight and shale oil and gas)
- Projects in renewable energy, gas value chain and mining

D. Internal / External Threats:

- Unstable oil prices
- Country's security situation
- Covid-19 threat
- National economy (currency devaluation & inflation)
- Regulatory challenges
- Challenges and uncertainties 10 years down the road

COMPOSITION OF LOCAL VS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS DUE TO FOREIGN CURRENCY FLUCTUATIONS

Significant portion of our annual procurement spend comprises of foreign materials and services, while our major spend is in USD. Continuous deterioration of PKR to USD parity has increased the economic volatility and uncertainty to unprecedented level. Exchange rate fluctuation is one of the major challenge faced by our global sourcing initiatives aimed at acquiring quality materials and services while achieving cost savings, wherever possible. Resultantly, our efforts may yield zero or even negative savings.

Exchange rate fluctuation also adversely affects local sourcing initiatives as our key suppliers import a significant portion of their raw material from abroad. Consequently, the prices denominated in PKR are also impacted and increased risk premium is built into the prices.

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 objectives of reserves replacement, production enhancement, expansion of exploration acreage, and diversification.

Major capital expenditures during the year were incurred on development projects in Mari Field and Halini, drilling projects in Mari Field, Sujawal, Bannu West, Karak and non-operated Kohat and Kalchas blocks, seismic project in Block-28, acquisition of 2 onshore land drilling rigs and a mud logging unit and acquisition of 20% shares in NRL.

Major capital expenditures and projects planned for the next year in Mari Field include completion of GTH project, gas export pipeline, HRL

debottlenecking project, Phase 3 of HRL swing volume project, asset integrity management campaign and field revitalization studies.

Major capital expenditures planned outside Mari Field include completion of in-progress exploratory wells in Bannu West, Karak and Kalchas blocks and new drilling projects in Ziarat, Block-28, Sujawal, and Sukkur blocks; completion of in-progress seismic data acquisition campaigns in Ziarat and Taung blocks and commencement of seismic survey in Wali West block; payments on account of acquisition of working interest in Margalla block and Block-5 in Abu Dhabi.

PROCUREMENT GOVERNANCE FRAMEWORK

Procurement governance framework is being implemented to ensure transparency in the tendering process of capital-intensive requirements and to seek buy-in of senior management. The framework works on the "stage gate principle" and ensures better control and monitoring.

The procurement governance regime comprises procurement policies, procedures, resource allocation as well as review processes in order to measure effectiveness of the procurement process. Our overall focus is not only on revamping the processes, but also on elevating overall procurement capability by changing the way we work and by continually improving and embedding best practices into our procurement processes.

Removal of Cap on Dividend Distribution and Declaration of Highest Ever Dividend

Mari Petroleum takes pride in creating value for its shareholders through its sustainable and profitable operations

A watershed moment for the shareholders came during the recently concluded financial year when the Economic Coordination Committee (ECC) of the Cabinet in its meeting held on February 03, 2021, approved a summary moved by the Ministry of Energy (Petroleum Division) for removal of cap on distribution of dividends by MPCL.

By way of background, the Company since inception operated under a

cost-plus-fixed-return formula known as Mari Gas Pricing Agreement (Mari GPA) of 1985. The GPA fixed the minimum rate of return to the shareholders at 30%, which was escalated according to a production based formula up to a maximum of 45%. Mari GPA-1985 was dismantled w.e.f. July 01, 2014, by the ECC and replaced with Mari GPA-2015; however, the dividend cap was kept in place for another ten years (till 2024) to allow reinvestment of earned profits for exploration and development activities.

This arrangement severely hampered the Company's ability to distribute dividends, despite remarkable financial performance year after year. There was a strong demand by the shareholders for removal of this restriction. The Management also supported the removal of dividend cap on the basis that the Company was already spending substantial amounts on exploration and development, which was the main purpose of capping the dividends. The financial position of Company allowed continuity of its business operations and the removal of dividend cap

was in no way expected to impede or compromise on the exploration and development activities of the Company.

The Management kept raising this matter at relevant fora and the efforts finally succeeded in February 2021, when ECC reviewed its decision and decided to do away with the dividend cap based on the Company's exceptional financial and operational performance since dismantling, significant increase in the amounts spent on exploration and development activities and strong demand of the shareholders.

The ECC decision has enabled the Company to decide dividend payout according to its financial performance and internal funding requirements, subject to approvals by the Board of Directors and the Shareholders of the Company. This is a great development for all shareholders of the Company including the Government of Pakistan and is a culmination of years of persistent efforts by the Management to get the dividend cap removed. The Company is now able to share the fruits of its outstanding performance with the shareholders.

A Supplemental Agreement to Mari GPA-2015 was signed in April 2021, to implement the ECC decision.

Utilizing the new found freedom, the Company announced the highest ever dividend in its history of Rs. 141 per share (1410%) for the financial year 2020-21, much to the delight of its shareholders. This development will change the fortunes of the shareholders and go a long way in enhancing the market standing and reputation of the Company.

Mari Services Division

From the high-altitude, barren frontiers of Pakistan's tribal areas, through the sprawling National parks of Kirthar, between the rugged terrain and the constant terrorist threats as well as waves of the pandemic; carving out Success Stories hasn't been easy. While mountains make it hard — at times even impossible — for our crews to conduct their surveys and drilling programs, we have used innovative and out of the box solutions especially in logistics, including utilizing camels at times, in the challenging environment of rugged mountains in highly security sensitive areas and hostile weather.

“ Meeting Challenges is our Passion ”



MARI SEISMIC UNIT

MSU provides globally acclaimed services of land seismic data acquisition, which has been tried and tested under diverse environmental and geological challenges. Currently three crews are operating in various blocks of Pakistan.

After acquiring opratorships of promising Bannu West Block in KPK and Block-28 in Balochistan, which remained dormant for decades because of perceived security threat, Mari's own seismic units concluded seismic project in Bannu West by acquiring 850 Sq.Kms 3D and 98 L.Km 2D seismic data. Similarly, in Block 28, which remained dormant for almost three decades, 1,342 L.Kms 2D seismic data has been successfully

acquired in highly security sensitive areas with two seismic crews working simultaneously, while maintaining the highest HSE standards.

MSU has also undertaken 3D seismic campaign in the challenging terrains of Taung Block, Sindh. As of now, our crews are in process of commencement of 3D seismic campaign in Ziarat block in Balochistan as well as preparing for 2D seismic data acquisition in Wali West block in KPK.

MPCL's courageous decision of undertaking exploration activities in these remote and security sensitive areas in the best National Interest has opened up new avenues for further exploration of hydrocarbons in the

“ Seismic campaigns in Strategic Blocks – Block 28 and Bannu West opened new avenues for exploration ”

Country. This is a great contribution to the whole E&P industry and is in line with the Government's self-reliance policy.

Movement of seismic crew in Block-28, Balochistan

Alpha Crew: MSU Alpha Crew has successfully completed four 3D and three 2D projects since its inception. Completion of these projects in an unprecedented record time coupled with acquisition of top-quality data provides MSU a big boost to capture the local E&P market. Despite facing multiple terrorist attacks, MSU Alpha Crew successfully acquired 850 Sq. Kms of 3D data in highly security sensitive Bannu West block in April 2020.

Currently, the acquisition of 340 Sq. Km Taung 3D project is in progress and is almost 70 % completed, after which the crew is scheduled to move to Wali West for 2D project.

Beta Crew MSU Beta crew concluded its first project after raising i.e. Zarghun-2D with workload of 102 Line km of 2D data and has mobilized to highly security sensitive Ziarat Block to acquire 234 Sq. Km 3D and 264 L. Km 2D data.

Charlie Crew MSU Charlie Crew has successfully acquired 576 L.kms 2D data in Block 28 (Chakkar side) in a very challenging environment due to security issues, rugged mountainous terrain and extreme weather conditions (55°C) in the summers.



MARI DRILLING UNIT

With extensive experience of challenging terrains and ultra-deep wells, our rigs are designed, manufactured and equipped with OEM products that include automated drilling systems.

After successful completion of seismic campaigns in Block 28 and Bannu West, Rig Mari 3 (2500 HP) was deployed for drilling of Bannu West 1 strategic exploration well having Target Depth of 5,670 m. However, this was an uphill challenge which MDU took head on. To handle the HPHT conditions, Bannu West well was planned with an unconventional casing design and usage of Oil Based Mud. MDU had to go through not only extensive upgradation in terms of equipment, capability and systems but also faced a complex mobilization in the challenging security sensitive area of North Waziristan. With the drilling of Bannu West-1 well, MSD has added another feather in its hat of dealing with HPHT wells.

MARI SEISMIC PROCESSING CENTER (MSPC)

MSPC has completed processing of 836 Sq. Kms in Bannu West block and 370 Sq. kms in Sukkur block. MSPC also carried out processing of 700 Line Kms of Block-28 during FY 2020-21. Currently, MSPC is processing Sujawal 2D (~ 300L. Km) as well as on Taung-3D and Badhra 3D (cumulative ~ 540 Sq. Km).

Rig Mari 1 completed drilling MD-18 Well in Mari D&P Lease and Daim 1 Well (2,531m) in Sujawal Block after which it has mobilized to Tipu-1 workover well in Mari D&P Lease. Rig Mari-1, by consistently maintaining 3,806 LTI free days till date, regardless of frequent moves and challenging operating environment, is doing a remarkable job.

Rig Mari-3 completed drilling of MD-19 Well in Mari D&PL with TD of 4,500 meters. Currently, Rig Mari 3 is deployed for drilling of Bannu West-1 exploration well. Rig Mari-3 has now maintained an impressive 658 LTI free days record.

“Few wells have High Pressure High Temperature (HPHT) characteristics, Bannu West Well has both, in addition to being a Wild Cat”

Mari Services Division (MSD) has recently acquired two additional land drilling rigs i.e. Rig Mari-4 (2000 HP) and Rig Mari-5 (2000 HP) and would be deployed to drill wells in Mari D&PL and Block 28.

MSD has also acquired a MUD Logging Unit which is currently deployed at Daim-1 Well.

Drilling in progress at Bannu West field, KPK

MPCL Demonstrates Strong Drilling Performance in FY 2020-21

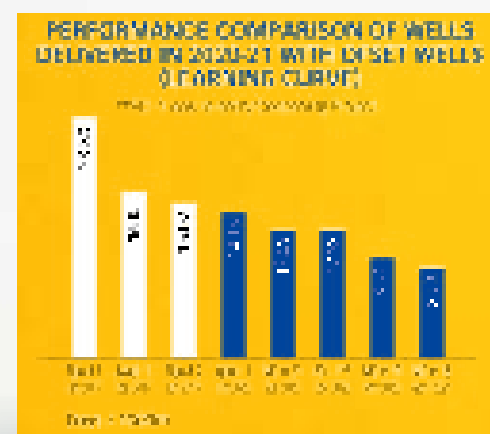
The Financial Year 2020-21 was an exciting yet challenging year for MPCL as far as drilling activities are concerned. The Company operated 3 rigs without any disruption while scaling multiple challenges by capitalizing on the Drilling Team's strengths to robustly ensure business continuity amidst successive waves of Covid-19. In total, the Company drilled two exploratory and four development wells in its operated blocks/fields. Further, several well construction projects of significant importance were commenced.

Surghar-X1 being the flagship exploratory well, was safely and successfully spudded-in on April 30, 2021, in an extremely rugged and treacherous hilly terrain in Karak block. Simultaneously, well construction activities were commenced at Bannu West-1 well and are in full swing in Bannu West block. This exploratory well has a strategic significance at a national level as it is situated only 20 km from the Durand line in North Waziristan and is the first-ever exploratory well in this area. Area specific security challenges are being rigorously met with the full support of LEAs.

On another front, MPCL continued its deep wells development campaign in the Mari Field, setting hallmark drilling performance records. For example, the highest penetration footage of 547m/Day was achieved for the first time in the history of MPCL while drilling 8 ½" hole at Parwaaz Deep-1 well. Another milestone was achieved when Mari Deep-18 well was drilled in a record time of only 25 days.

Additionally to take wells integrity to next level, new cement slurry technologies have been introduced in production casing string taking into account wells' life-time stress cycle. For this purpose chemically (CO₂ / H₂S) resistant, flexible and expandable slurries have been implemented.

Overall, the Company demonstrated a strong drilling performance and developed a learning curve through continuous improvement and application of technological solutions in the Mari Field as is evident in the drilling performance chart.



Mari's Production Enhancement Initiatives

Helping the Country Meet Increasing Energy Demand

Pakistan's natural gas production has been in decline for the last several years – a trend that continued during the FY 2020-21. As a result, the Country has had to resort to more expensive alternatives such as LNG that is increasing the Country's import bill and putting burden on consumers in different segments.

Since inception, MPCL has been playing an active role in ensuring food security of the Country by supplying gas for fertilizer production, and alleviating energy deficiency by supplying gas for power generation and domestic uses. In recent years, the Company has intensified its efforts to enhance production of hydrocarbons to bridge the ever-increasing demand-supply gap.

Following is a brief synopsis of some of the key initiatives executed by

MPCL during FY 2020-21, to enhance indigenous production of critically needed natural gas and crude oil.

HRL DEBOTTLENECKING STUDY AND IMPLEMENTATION

Improving Point of Delivery (POD) Pressure for the Fertilizer Customers

To arrest the decline in delivery pressure, optimize production and alleviate off-take limitations faced by its fertilizer customers, the Company carried out a de-bottlenecking study of the existing Mari Field pipeline network in 2018-2019, utilizing a simulation model developed in-house. This project was executed in the Q2 2020/Q3 2021 timeframe, through the challenging Covid-19 related restrictions. Pipelines in excess of 40 km were constructed with Zero Lost Time Incidents (LTIs) in record time.

Before commissioning of de-bottlenecking project, POD pressures had dropped to 160 psig against



Debottlenecking Flowlines being installed

a daily sales gas flow rate of 666 MMScfd. This decline, if not arrested, would have affected customer off-take capacity. As a result of the in-house study, 16 flow loops were identified as bottlenecks, causing excessive pressure drop in Mari's extensive 350 km long pipeline network and had to be replaced with higher capacity pipework.

To accelerate project delivery, the project team adopted an unconventional execution strategy, outsourced services and managed timely procurement of materials.

On January 13, 2021, seven out of 16 identified loops were commissioned followed by another four loops on January 19, 2021, resulting in a pressure gain of 60-70 psig at the same flow rate.

The remaining loops are being commissioned, and in-line with previous results, shall provide further delivery pressure benefit.

Not resting on the past laurels, the Company has already commenced the study work for Phase 2 of the debottlenecking project as delivery pressures continue to drop due to natural reservoir depletion.

HRL SWING GAS PROJECT

Sale of undrawn GENCO volumes to SNGPL

The Company successfully negotiated with SNGPL for sale of undrawn HRL gas volume that were available due to low off-take by downstream customers especially GENCO.

Conceived, executed and brought online at break-neck speed, the Swing Gas Project involved installation of processing facilities consisting of dehydration and compression facilities at Mari Field for supply of up to 40 MMSCFD of gas to SNGPL. Phase-1 of the project came online in January 2021 with 8-10 MMSCFD of sales gas to SNGPL, utilizing Pakarab Fertilizer Limited's processing, compression and export pipeline infrastructure.

Phase-2 involved installation of processing and compression equipment at CMF-II after which an average 40 MMSCFD of sales gas has been achieved since June 2021.

Not settling for just good enough, the Company conducted further studies in-house, which were later validated by the OEM, to increase processing and compression capacity by another 10%. The modifications identified in these studies are currently being implemented and will result in daily swing export volume of ~45 MMScfd.

Mari's Production Enhancement Initiatives

PRODUCTION ENHANCEMENT INITIATIVES IN OTHER FIELDS

Halini Artificial Gas Lift Project

In order to arrest production decline trend at Halini Deep Oil Field in Karak Block, MPCL technical team identified a production enhancement opportunity through artificial gas lift. The project was executed during Q3 2020/21.

The project was delivered in less than 2 months' time once execution started, achieving 1st Gas on 21st April 21. For a total Capex of under US\$ 400k, around 150 barrels of incremental production has been gained, increasing total field production from 350 to over 500 BOPD.

Commencement of Natural Gas Production from Shah Bandar Block

Shah Bandar Block is operated by PPL along with its joint venture partners MPCL, SEHCL and GHPL. Both Shah Bandar and MPCL's Sujawal block are located in District Sujawal, Sindh Province. Envisioning the synergy that could be achieved, MPCL convinced Shah Bandar Joint Venture to process Benari X-1 gas at the MPCL operated Sujawal Gas Processing Facilities for onward injection into SSGC network. Production commenced on May 03, 2021 and the field is currently producing ~9.5 MMSCFD of gas.

This arrangement has resulted in early commercialization of Benari X-1 gas, which is helping in lowering the overall gas deficit in the national system and in turn reducing reliance on expensive imported gas.



GTH GAS PROCESSING FACILITIES

GREENFIELD, STAND-ALONE PROCESSING FACILITIES FOR LOW BTU GAS FROM GORU-B, TIPU AND HRL (GTH) RESERVOIRS

Installation of GTH gas processing facilities is another success story in the making. The project was initially conceived and designed for processing of 180 MMSCFD raw gas. However, the Company's relentless search to find ways to enhance

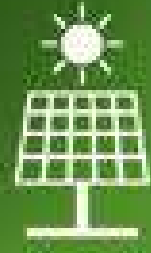
production led to further reservoir studies, which confirmed 100 MMSCFD upside reservoir potential. As a result, the project was re-designed to provide installed processing capacity of 280 MMSCFD, and the orders for processing equipment were placed accordingly.

Since inauguration on 22nd December 2020, the site has transformed from a barren desert terrain to the outlines of a well-developed oil and gas processing facility.

For early monetization of the processed gas, a phased approach has been adopted. Phase-1 will bring 40 MMSCFD of Tipu gas online in Q3 FY2022, followed by Phase-2 (Goru B gas) in Q4 FY2022 and Phase-3 (HRL unutilized volume) Q1 FY2023 in July 2022. Total volume of the processed gas from the project will be ~150 MMScfd.



Sustainability and CSR Initiatives



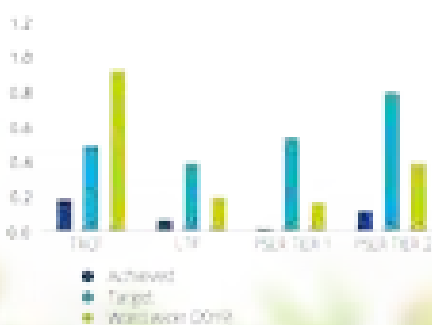
1. Health, Safety and Environment
2. Human Resource
3. Value Addition to Shareholders
4. Corporate Social Responsibility



MPCL's last five year performance of total recordable incident rate is explained in the graph below:

In order to achieve excellence in HSEQ performance, ISO certification of HSEQ Management System was introduced in the year 2007 as one of the core management systems of MPCL. In 2021, MPCL maintained its ISO standards implementation with ZERO major Non-Compliance during

In the E&P sector, identification of all possible hazards and their mitigation plans are a top priority during the design, installation, commissioning, operational and dismantling phases. In FY 2020-21, Hazard Operability studies were carried out rigorously for all ongoing and future projects by MPCL. Multiple detailed hazards mitigation plans were developed and implemented to ensure safe operations.



The Company developed a special procedure for business continuity during the pandemic and ensured vaccination of all employees. Awareness campaigns were frequently arranged and isolation rooms were maintained to control the spread of the disease. These initiatives helped the Company ensure zero downtime due to COVID.

At present, MPCL operational network comprises of many sites including settled and unsettled fields, multiple rigs and seismic crews that are operating in all four provinces of Pakistan, some of them in remote areas with barren lands. All locations have put a lot of effort in improving environmental

Surveillance audits by different Government agencies including Central Inspectorate of Mines, provincial EPA's, Wild Life Department etc. have shown good compliance of environmental laws by MPCL with no major gaps. Additionally, EIA/

Health Safety and Environment



Fire fighting training at the Head Office, Islamabad



The trainings helped achieve the following objectives:

- Understanding HSE requirements for E&P life cycle.
- Understanding HSE roles & responsibilities.
- Clarity on Incident Reporting requirements.

In total, 12,867 Training man-hours were clocked for 1,133 HSEQ trainings. 154 HSEQ Crisis & Emergency Drills were organized for employees at all locations in FY 2020-21. HSEQ trainings mainly covered Operational Integrity Management System, Life Saving Rules, Permit to work system, Fire Fighting, HSE Risk Identification, Assessment & Control, Incident Investigation & Reporting, Behavior-Based Safety, Safe food handling, General HSE awareness, HSE Laws & Regulations, IEE/EIA awareness, Housekeeping, IMS & ISMS awareness, Defensive driving, Stress Management, Chemical handling, Job Safety Analysis, Waste Management, Crisis & Emergency Management & Process Safety Management.

HSE IMPROVEMENT ORIENTED INITIATIVES

The Company achieved exemplary HSE KPIs with the help of the following initiatives:

- Development and implementation of Life Saving Rules
- Development and implementation of a New HSE policy
- Development and implementation of Operational Integrity Management Standards
- Monitoring and controlling of Air Emission & implementation of other Environmental regulations
- Annual Medical Checkups of all Employees
- Job Safety Analyses
- Development of Objectives & Targets
- Establishment of Clinics at all sites
- Fire & Explosion Management at All Sites
- HAZOP & Operational Studies
- Health Risk Assessments
- Heat Stress Management
- HSEQ Audits & Inspections
- Implementation of HSE Plans
- Incident Investigation & Reporting
- Medical Screenings
- Noise & Ambient Air Monitoring
- COVID-19, malaria & dengue prevention campaigns at all locations
- Project & Task Risk Assessments at desired phases
- Road Safety Management

COVID-19 MANAGEMENT IN MPCL

MPCL is one of those organizations in the local business landscape that recognized the sensitivity and challenges associated with COVID-19 from the outset and undertook a comprehensive exercise to identify and implement preparedness and response measures against the pandemic.

Policy Statement

The guiding principle behind the Company's pandemic plan is "to safeguard the health and safety of MPCL workforce and people associated with our business and to ensure that operational disruptions are kept to the minimum, while contributing towards the needs of the communities we operate in."

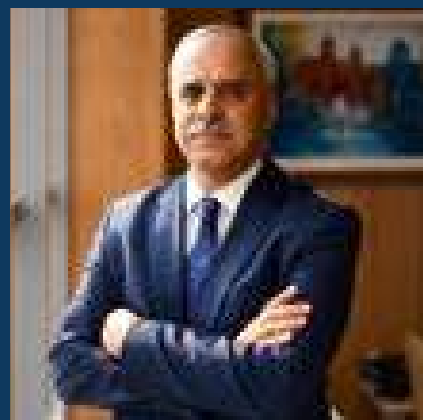
COVID-19 Management Plan

MPCL's COVID-19 Management Plan comprises a multi-pronged approach that utilizes both pro-active and reactive measures, aimed at pre-empting and managing the challenges faced by the Company from the perspectives of Business & Operational Continuity and Stakeholders' Management.

Through this approach and prudent management, MPCL has successfully demonstrated the resilience of its systems and processes by not only ensuring the safety and security of its human resource and assets, but also preventing any significant delays and disruptions in operational activities.

A brief overview of MPCL's COVID-19 Response Plan is as under:

- Development, implementation and compliance monitoring of a comprehensive Management System Procedure on COVID-19 Preparedness & Response Plan and detailed SOPs specific to individual processes.
- Formation of a high powered, multi-functional Central Coordination and Response Team (CCRT) to lead the Company's effort in dealing with the pandemic. CCRT reviews and monitors the status of COVID-19 preparedness and response measures on a daily basis and identifies areas where further actions are required.
- Implementation of special arrangements at all field locations including setup of quarantine and isolation facilities.
- Pro-active adoption of Work from Home arrangement considering the overall COVID-19 related situation of the areas surrounding MPCL premises.
- Periodic review of the Company's critical supply chains/ procurements from the perspective of identification of COVID-19 related delays and implementation of corrective actions, where required.
- Periodic review of the Company's work plans and other projects for identification of any COVID-19 related adverse implication and implementation of necessary changes, where required.
- Through a stringent monitoring mechanism at departmental level, mandatory compliance of basic preventive measures including frequent washing of hands, social distancing, use of masks, vaccinations, monitoring of COVID-19 related symptoms and quarantine/isolation of employees suspected of infection.
- Minimization of physical contact in office premises and maximum utilization of tools like MS Teams for meetings and presentations.
- Mandatory requirement of PCR and quarantine for all movements to fields and work sites.
- Mandatory survey on weekly basis to gather and monitor COVID-19 cases and vaccination status of employees and their family members.
- Organization of vaccination campaigns at both Head Office and field locations to facilitate vaccination of employees and their family members.
- Administrative measures to ensure active participation of employees and their families in COVID-19 vaccination program.
- Provision of necessary equipment like rapid antigen testing kits at all locations for enhanced screening of employees.



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

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

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

Mr. Faheem Haider

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



Health, Safety & Environment Policy

HEALTH

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

SAFETY

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

ENVIRONMENT

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

Human Resource Management & Development



The Human Resource Department at MPCL plays a pivotal role in ensuring that the interest, image and success of the Company remain protected in every possible way by complying with laws, executing administrative processes, creating policies in the most effective and cost-efficient manner and overall providing an inclusive culture. At MPCL, the HR strategy is focused on aligning the HR goals with the overall objectives of the organization by providing proactive talent management and training opportunities for professional and self-development.

MANPOWER

as on June 30, 2021

Management	615
Non-Management	663
Trainees	15
Total	1,293
Average Employees	1,270
Male Employees	1,221
Female Employees	57



LEARNING & DEVELOPMENT INTERVENTIONS

Despite the challenge of COVID related protocols, MPCL carried on with its enthusiasm to provide learning opportunities to its employees. With the emergence of virtual / online forums for learning, MPCL in collaboration with multiple institutes continued to invest on its employee skill-set. HRD in collaboration with IHRDC, executed a vigorous E-learning Program for Technical & Non-Technical Employees of MPCL. Such learning interventions are intended to provide an opportunity to employees to make the most of technology and accelerate their learning curve.

Summary of number of employees who participated in the learning & development interventions (Foreign/Local/in-house trainings, seminars, virtual sessions e.t.c in the FY 2019-20) is shown below:

Training Status 2020 - 21 (Technical & Non-Technical)			
S. No	Training	Sessions	Participants
1	Local Courses (Management)	3	8
2	Online & Virtual Trainings	14	114
3	In House Sessions	3	118
4	E - Learning		378
Total		20	618



Human Resource - Management & Development

Company Sponsored Post Graduate Foreign Degree Program

The Company introduced a fully sponsored post graduate foreign degree program 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 can opt for one year degree program in top 500 universities of the world. However, for a two year degree program, employees can apply in top 50 universities of the world. The Company bears all expenses of the degree including traveling, tuition fee and living expenses.



So far 13 employees have completed their foreign degree program through this policy and 4 employees are currently pursuing their degrees abroad.

Industrial Relations

MPCL believes in maintaining cordial relations with its Union staff. The objective behind doing so is to protect workers' interests, improve their economic conditions and resolve any issues. MPCL



"inner demons" an In-House training for Management Staff by a renowned Psychologist /Motivational Speaker Mr. Sahil Adeem

understands the importance of creating a working environment which enables employees to work with great zeal whilst simultaneously ensuring that the company is meeting its social and legal responsibilities and meeting the Health, Safety and Environment standards at all locations.

Improvements in Policies & Procedures

The Human Resource Department has developed competitive HR policies over the years keeping in view the best HR Practices of the industry. These policies are periodically reviewed and improvements are made in line with the required changes. Such policy improvements are made to recognize employees' needs, retain talent and provide conducive working environment.

Succession Planning

Employee development is an integral part of employment practices at MPCL, it not only formulates career path for the employee but also enables employees to do their jobs more efficiently. Succession

planning ensures having sufficient bench strength to guarantee business continuity. Failing to do so the organization might not be able to adapt to changing business environment. Human Resource Department is in the process of making the existing succession plan more robust ensuring talent readiness, their retention and vigorous developmental programs.

Employment of Differently Abled People

MPCL is an Equal Employment Opportunity Organization and is open to hiring of differently abled people, subject to their suitability for the advertised positions.

In order to impart education and necessary life-skills among the children with different disabilities, the Company has established a state of the art "Noor-e-Sehar Special Education School" in Daharki. This initiative will play an important role in making them productive members of the society.

**HR Award:**

MPCL won 1st Prize for Best Employment Practices in the category of Medium National Companies, at 8th Employer of the Year Award 2020. The Employers' Federation of Pakistan organized the Award Ceremony on 12th March 2021 in Karachi. President of Pakistan, Dr. Arif Alvi was the Chief Guest. This is the Fourth year in a row that MPCL has won the 1st Prize for Best Employment Practices. The Awards recognize MPCL's excellence in corporate, general management, HRM & employment practices, labour laws & core International Labour Standards compliance,

working conditions, health and safety at work, CSR, training and skill development initiatives, compliance with social protection floors, strategic alignment with sustainable development goals and women empowerment. MPCL takes pride in creating a safe work environment, which is conducive for management and development of talent. The Company makes all-out efforts to attract, develop and retain top-of-the-line professionals from the market. As a result of pro-active and employee-friendly policies and practices, MPCL has emerged as an employer of choice for fresh talent and experienced professionals alike.

Implementation of Success Factor

As a step towards digital transformation, MPCL has taken the initiative to acquire modules of Performance & Goal Management and Succession Management of Success Factor. The Success Factor's Performance and Goal Management module has been launched for all Management Employees of the company starting by defining the Goals and their continuous monitoring, which will finally be linked with the Performance Management. The aim is to improve visibility, strengthen accountability,

improve goal alignment, boost employee engagement & reinforce goals achievement. After successful implementation of Performance & Goal management module, a succession management module will be implemented; this will help MPCL in identifying, developing, and retaining capable and skilled employees for business critical positions.

Job Evaluation

In view of increasing automation of processes in the industry, a need was felt to evaluate the grading

framework of MPCL. Korn Ferry, a global organizational consulting firm has been engaged to conduct the Job Evaluation of the top roles in MPCL and propose an MPCL job-grading framework. The objective behind this exercise is to understand the organization structure of MPCL and determine the relative worth of jobs at each level of the hierarchy.

Change Management

Mari petroleum Company Limited since its inception, has come a long way to provide the best and sustainable working environment to its employees. In view of the same, a formal Cultural Transformation Campaign has been recently executed by HRD. The aim of this campaign is to ascertain organizational change readiness level and develop a way forward by following the below steps:

- MPCL Cultural Audit & Employee Engagement Survey.
- Engage, connect and interact with Top Management to establish directions and intentions.
- Prepare organizational transformation plans based on the insights gained.
- Launch new set of expectations and behaviors to create engagement and commitment in the organization.
- Communication and integration of desired behaviors to sustain momentum of change.

Value Added to the Shareholders' Net Worth



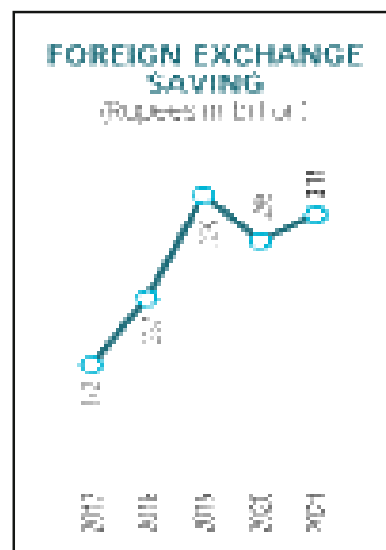
One of the Company's greatest achievement over the years has been to maintain a balance among the varying and often competing expectations of its different stakeholders. The Company has consistently delivered long term value to its shareholders without compromising on sustainability practices.

	Sponsor Shareholders	General Public
Total Holding (Shares)	104.5 million	28.9 million
Current Worth of Holding (Rs)*	160.5 billion	44.4 billion
Total Value Addition		
Actual Investment	367.5 million	
Current Worth	204.9 billion	

Total dividend approved / recommended by the Board for the FY 2021 is Rs. 18.81 billion.
*Based on closing share price of Rs. 1,535.96 on August 31, 2021.

Contribution to National Economy

- Ensuring Country's food security: Around 90% urea production based on MPCL supplied gas.
- Providing gas to WAPDA for power generation.
- Providing gas to distribution companies for domestic/ commercial consumers.
- One of the highest contributors to Government exchequer on account of various taxes and levies.
- MPCL produced hydrocarbons helped save foreign exchange equivalent to Rs. 1.3 trillion during the last five years.



Corporate Social Responsibility



CSR PHILOSOPHY

The Corporate Social Responsibility (CSR) of Mari Petroleum Company Limited (MPCL) functions as per the existing guidelines issued by regulatory authority of Ministry of Petroleum. However, our CSR initiatives go far beyond the obligations as our program serves all segments of the society in every possible way, thus projecting the benevolence and philanthropy it extends to the society it serves, whether it is its obligation or not.

It aims at building sustainable and competitive services to the local community aiming at environmental footprint, health and safety, provision of clean drinking water, education for all including children with the disabilities, fight against communicable diseases, local sports, and basic communication infrastructure.

CSR is a continuing commitment to social and economic development while improving the quality of life of the workforce, local community and the society at large.

MPCL has made a paradigm shift in its approach towards serving the communities: it is now more focused on sustainable service delivery in addition to the essential brick-and-mortar projects.

In addition to the communities in our areas of operation, MPCL ensures

"Our CSR philosophy aims at delivering programs that favor the execution of macro level systems for attainment of relevant SDGs in collaboration with Implementing Partners. Our CSR initiatives thus ensure individual, organizational and societal development through sustainable initiatives, ensuring social and economic change at all levels with best global practices."

well-being and safety of all the stakeholders in its value-chain through continuous engagement with relevant departments/stakeholders to uphold the best practices in social responsibility as laid down in the ISO 26000 Guidelines.

Based on our CSR Philosophy, 5 thematic areas have been identified that require our concentrated efforts namely, Education, Health, Water, Climate and Affordable Energy. The Company follows UN Sustainable Development Goals parameters as guiding principles of the ground situation covering government policies, strategies, and development statistics in the selected areas for our CSR programs.

POLICY ON ENVIRONMENT AND SOCIAL RESPONSIBILITY

We conduct our business on a socially responsible manner minimizing

environmental footprints of our field operations by adhering to the highest HSE standards and practices. We are committed to making positive and sustainable contribution to the society through quality products and services, creation of employment opportunities, contribution to provincial and national exchequers and meaningful CSR interventions in priority areas of health, education, water supply and communication infrastructure.

MANDATORY SOCIAL WELFARE OBLIGATIONS

MPCL discharged its mandatory Social Welfare Obligations for 2021 by depositing PKR 49.7 million into Joint Bank Accounts maintained with respective District Commissioners in our active blocks.

This amount is being utilized to carry out projects for community

Corporate Social Responsibility

welfare, as approved by the respective Social Welfare Committees, headed by respective MNA.

CSR OVER & ABOVE OBLIGATIONS

MPCL goes beyond its mandatory Social Welfare spending to reach out marginalized communities across the country. In the year 2020-21, the Company spent Rs. 442 Mn from its CSR Over & Above Obligations on high-impact projects, for the upliftment of under-privileged populace, in the thematic areas of Education, Healthcare, Water Supply Schemes, Infrastructure Development, Food & Nutrition, Economic Empowerment, Donations, Sponsorships, Humanitarian Assistance and Covid Response.

TRANSFORMATION OF MPCL CSR IN THE WAKE OF COVID-19 PANDEMIC

The impact of pandemic Covid-19 appears to be quite uncertain across globe. The nations are trying to overcome its impact on their economies. It has affected the production, distribution and life style. The developing countries like Pakistan expect to face substantial economic set back from this situation in the long run. Government and State Bank of Pakistan have announced different relief packages for controlling the situation but due to poor health infrastructure and lack of social protection, the people remain vulnerable to medical and financial misery. As per World Bank report on Economic Outlook of Pakistan, half of the working



population saw either job or income losses, with informal and low-skilled workers employed in elementary occupations facing the strongest loss in employment. As a result, poverty incidence is estimated to have increased in FY20 from 4.4 to 5.4 percent.

MPCL is cognitive of the vulnerabilities that are being encountered by the inhabitants in its operational areas in specific and deserving segments of society, in general. For this very reason, CSR program at MPCL has been tailored to address the immediate challenges faced by the disadvantaged populace.

Consequently, MPCL CSR conceived and launched innovative and high-impact projects with an objective to provide food for the needy, and to provide economic cushion for small entrepreneurs to kick-start their businesses.

MARI MOBILE DASTARKHAWAN

Mari Mobile Dastarkhawan is a collaborative effort between MPCL CSR and CDRS to distribute cooked meals to the needy people at various locations in Islamabad and Rawalpindi, through a custom-branded meal truck.

Mobile meals truck delivers food two times a day, providing a hearty cooked breakfast and dinner to the needy people i.e., daily wage laborers, street children, and people who are in search of employment away from their villages, as well as those residing at "Panah Gah."

Inspired by the Prime Minister of Pakistan's Ehsaas Program, MPCL hopes to play its part in tackling the burden of poverty and malnutrition in Pakistan and aims to cater to over 200,000 people during this 1-year pilot project, with plans to scale-up this project to other parts of the country including MPCL operational areas.

The project also distributed iftar & dinner to 500 needy people per day during the month of Ramadan. Additionally, 400 food packs were also distributed to the deserving families.

In addition to quality cooked meals and its distribution every day, Mari Petroleum and CDRS teams also ensure COVID-19 pandemic awareness by educating the people during the daily food drives and providing them with preventive essentials such as masks and hand sanitizers.

SARBULAND – MPCL INITIATIVE FOR ECONOMIC EMPOWERMENT (A COLLABORATION WITH AKHUWAT FOR MICROFINANCE LENDING)

Mari Petroleum Company Limited has signed a Memorandum of Understanding (MoU) with Akhuwat for the smooth implementation of "Sarbuland" an MPCL's Initiative for Economic Empowerment.

The pilot project has been executed in Mianwali, wherein Microloans have been disbursed to deserving beneficiaries for economically viable

entrepreneurial/small scale ventures, as verified by Akhuwat's assessment team and the recovery period for these interest-free loans shall be 12 months.

NOOR-E-SEHAR SPECIAL EDUCATION SCHOOL – A SUCCESS STORY

The establishment of Noor-e-Sehar Special Education School at Mari Field Daharki is a practical manifestation of MPCL's commitment to the noble cause of inclusive education. This is a state-of-the-art facility that will cater to all types of disabilities, while preparing them for mainstreaming and becoming self-sustainable.

This inclusive school has been designed on Global Accessibility Standards, providing contemporary rehabilitation labs, cutting-edge assistive devices and internationally recognized curriculum that would prove to be a catalyst in the cognitive development and social transformation of the children with diverse disabilities.

With a Vision of "Leaving No One Behind", it is our earnest desire and effort to provide an environment, which will be the best in Pakistan, so

as to harness the abilities of disabled children and to provide them with opportunities for becoming useful and esteemed members of our society.

CSR AWARDS AND RECOGNITION

MPCL's CSR friendly policy and practices were duly recognized at the 13th National Forum for Environment & Health CSR Awards 2021, held at Serena Hotel Islamabad, on February 25, 2021. The Company won the following awards at the ceremony:

1. Best CSR Practices and Sustainability Award 2020 (Among all participating companies)
2. Inclusive Education (Inauguration and operationalization of Noor-e-Sehar Special Education School, Daharki)
3. Sports & Recreational Activities (MPCL Hockey Stadium at Ayub Park, Rawalpindi, and other substantial contributions for the promotion of sports activities in 2020)





MPCL CONTRIBUTIONS FOR VARIOUS INITIATIVES

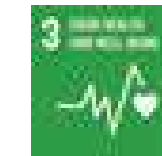
- Financial Assistance - Cardiac Treatment of Deserving Patients, through FF Health Care System.
- High Impact CSR Projects in North Waziristan
- Establishment of Flood Lights at Cricket Ground Islamabad Club
- Mari Education Complex - The Citizen Foundation
- MPCL Hockey Team Participation in National Hockey Championship
- MPCL Contribution for Defense/ Martyrs Day
- Donation to Al Mujtaba Education Trust FY 2020-21
- Renovation of Schools and Masjid in Surgarh - District Karak
- MPCL IBA Sukkur Scholarship Program
- Sponsorship of Balochistan International Squash League
- Sponsorship of 66th National Hockey Championship
- Financial Assistance for Completion of 'A' Level Education - Zubair Ahmed



- Sponsorship of Tribal Cricket League by MPCL in Kohat
- Sponsorship of Islamabad Science Festival
- Installation of RO Plant - Balochistan Mekran (Turbat)
- Establishment of Ramzan Bachat Bazar in Daharki City
- Sponsorship of MPCL Scholar at NUST
- Provision of furniture for Government Primary School – Daharki

ADVANCED LEVEL IN ISO 26000 (SOCIAL RESPONSIBILITY GUIDELINES)

MPCL was placed at "Advanced" Level of performance against global guidelines of ISO 26000:2010 (Social Responsibility Guidelines), in 2017. 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.



Sustainable Development Goal 3

– Good Health and Well Being

With the aim to ensure healthy lives and promote well-being for all of all ages.



Sustainable Development Goal 4

– Quality Education

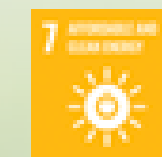
To ensure inclusive and equitable quality education for lifelong learning opportunities for all.



Sustainable Development Goal 6

– Clean Water and Sanitation

To ensure availability and sustainable management of water and sanitation for all.



Sustainable Development Goal 7

– Affordable and Clean Energy

To ensure access to affordable, reliable, sustainable and modern energy for all.



Sustainable Development Goal 13

– Climate Action

To take urgent actions to combat climate change impacts.

Sustainable Development Goals

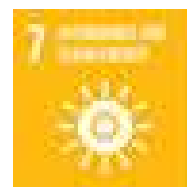


SDG 5 (GENDER EQUALITY)

It is the policy of the Company to provide employment opportunities without regard to race, religion, color, age or disability subject to suitability for the job. Specific measures taken by the Company to encourage gender diversity are listed below:

- A comprehensive Gender Diversity Policy has been formulated to encourage women participation in the workforce, developing in-demand skills and creating opportunities for them to advance into leadership roles.
- An Anti-Harassment Policy is in place, demonstrating zero tolerance for sexual or gender based harassment.
- 30% quota is reserved for women in the Mari Youth Training Program 2021-22.
- Gender inclusive job advertisements are created to encourage women to apply. Selection, however, is purely based on Merit.
- Fully equipped day care center with trained staff is available for MPCL's working mothers.

- A female director has been appointed on MPCL Board of Directors.
- Women's Day is celebrated every year in the Company to acknowledge the contributions of female workforce of MPCL.
- Awareness sessions like "Breast Cancer" are arranged for female employees of the Company.
- Gym facility with dedicated timings for female employees is available.



SDG 7 (AFFORDABLE AND CLEAN ENERGY)

- Natural gas is a cleaner source of energy compared with coal and other fossil fuels. Indigenous gas produced by MPCL is much cheaper than the imported RLNG, which is priced under a ring-fenced full cost recovery mechanism. MPCL is contributing to meet affordable and clean energy requirements of the Country by supplying gas to IPPs for electricity generation and fuel gas to fertilizer sector.
- During FY 2020-21, the Company launched the GHG emissions monitoring for calculation of environmental impact of its operations. This will help in gauging the margins of

improvement for carbon footprints reduction.

- Going forward, the Company aims to minimize its carbon footprint by investing in renewables. The Company's vision is to become one of the largest sustainable energy producers of the Country by 2030.



SDG 8 (DECENT WORK AND ECONOMIC GROWTH)

MPCL is an employer of choice for the young and the experienced alike and provides a work environment that ensures employee dignity, self-respect, fair pay and ample growth opportunities.

- The Company has one of the best compensation, leaves, medical, insurance and education policies in place.
- All MPCL offices, operational sites and company provided accommodations offer the best facilities and ambience.
- Free of cost food and accommodation is provided to the non-management and outsourced workers at Islamabad.
- Safe working conditions are ensured by HSE Department.
- Apart from collaborating with the Country's top universities to provide scholarships to the needy

students, the Company has launched Mari Youth Training Program 2021-22 to impart necessary skills in the young graduates and prepare them to join the Company in future.

- Hiring of locals is preferred at all operational sites.
- With the aim of enhancing employment opportunities and alleviate poverty amidst the onslaught of Covid-19, the Company has disbursed 50 x microloans in district Mianwali for economically viable entrepreneurial/small scale ventures under MPCL's initiative for economic empowerment called "Sarbuland".



SDG 9 (INDUSTRY, INNOVATION AND INFRASTRUCTURE)

MPCL seeks to continuously enhance exploration and production of hydrocarbons by exploiting breakthroughs in knowledge, innovations in technology and adopting competitive industrial practices. The Company employs state-of-the-art equipment and technology in its seismic, drilling and production operations to enhance efficiency and safety of operations and minimize their impact on ecosystem. HRL Debottlenecking, GTH and Asset Integrity Campaign at the Company's principal Mari Field at Daharki are a few examples of

the Company's efforts for finding innovative solutions to emerging challenges and infrastructure development for greater good.

SDG 12 (RESPONSIBLE CONSUMPTION AND PRODUCTION)

- Pakistan has the sixth largest fertilizer industry in the world. Agriculture accounts for over 20% of Pakistan's GDP which employs 42% of the labor force. MPCL is contributing around 18% in the GDP through supplying uninterrupted feedstock and fuel gas to the fertilizer industry.
- MPCL has helped revive the manufacturing operations of Pak-Arab Fertilizer Multan which was non-operational since November 2017, to mitigate shortage of fertilizers and reduce the import bill.
- MPCL has recently commenced gas supplies to SNGPL in the best National Interest to compensate for the anticipated shortfall during the winter season.
- In the continuous pursuit of meeting the energy requirements of the Country, MPCL is undertaking a mammoth project of gas processing facilities which will add 110 MMSCFD of pipeline specs gas in the National Grid by end of Q4 of 2021-22.



Information Technology



Mari Petroleum has been a leader in adopting technological innovations as a frontrunner in sustainability and operational excellence.

The company focuses strongly towards heightened 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 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.

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 facility, that helps the Company take



technically more cognizant decisions. It's scalable infrastructure enables it to employ latest geophysical technology across the full spectrum of seismic imaging and reservoir characterization. Expansion in MPCL's exploration activity demanded an increase in MSPC's computation capabilities. 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. From this upgrade, MSPC would be able to handle multiple 2D's and 3D's time and depth projects simultaneously.

Accurate and quality data availability is the life blood of Exploration and Production (E&P) companies. Effective E&P data management plays a crucial role in meeting objectives to handle 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 MCPL to the introduction and adoption of industry's best practices regarding standardized data management related workflows in the Company.

To meet high-performance systems and infrastructure requirements of G&G software/applications, Virtual Desktop Infrastructure (VDI) System was indigenously designed and implemented by in-house IT team to run high resource demanding software systems. This not only helped to save capital investment on costly high-end workstations hardware but also boosted centralized processing capability for the high performance demanding technical software application and made MPCL pioneer in implementing VDI infrastructure in local E&P Industry. During COVID-19 outbreak, the system enabled Exploration and Reservoir Departmental users to securely connect and run their jobs while working from home. Thus helping them to meet the deadlines without any productivity & efficiency loss.

In pursuance of gaining more processes efficiency & paperless office operations, digital transformation is part of Company's IT Strategy. In this regard, SAP modules including Budget Planning and Consolidation (BPC), Master Data Governance (MDG), Health and Safety Management Systems, Cross Application Timesheets (CATS), Ariba-Sourcing and SuccessFactors

are implemented. During COVID-19 breakout, the Company took work from home as opportunity and converted many manual processes to automate them such as SAP System integration with banks for online payments transfers instead of cheque issuance, online minutesheets, and many more paper based approvals have been transformed to online workflows. The Company has also initiated a project for Enterprise Data Management and Analytics for helping management to take data driven decisions. In this regard, various business intelligence (BI) dashboards have been developed for Company's senior management and departments to make the analytical results available to corporate decision makers as well as operational staff.

POLICY FOR SAFETY OF RECORDS

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

The system is an effective business productivity platform equipped with well-integrated set of technologies to bring information management, access, collaboration, people driven processes and business critical document management to a single environment.

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

DISASTER RECOVERY PLAN (DRP)

MPCL's DRP provides a structured approach to respond to unexpected incidents that threaten the Company's IT infrastructure encompassing 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 minimize system downtime in disaster situations. A state of the art remote Disaster Recovery site has been established at one of MPCL Fields.

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. As per the Policy, 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 its information assets. The Committee also ensures that the requirements of Information Security Management System (ISMS-27001:2013) are adequately met and identifies and oversees implementation of continual improvements in the ISMS systems.

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:



Overall 2nd position amongst all listed companies (Best Corporate and Sustainability Report Awards – Oct 14, 2020)



1st position in Fuel & Energy Sector (Best Corporate and Sustainability Report Awards – Oct 14, 2020)



1st Prize for Best Employment Practices in the category of Medium National Companies at 8th Employer of the Year Award 2020, organized by the Employers' Federation of Pakistan on 12th March 2021.

Best Corporate & Sustainability Reports 2020 Awards Friday, 27th August, 2021			
Sector-wise positions of award winning companies			
ENGINEERING & AUTOS 1 st Pak Elektron Limited (PEL) Joint 2 nd Al Ghazi Tractors Limited Aisha Steel Mills Limited 3 rd Atlas Honda Limited Joint 4 th Atlas Battery Limited International Industries Limited Certificate of Merit - Crescent Steel & Allied Products Limited - International Steels Limited - Mitsui Tractors Limited - Mughal Iron & Steel Industries Limited - Pakistan Cables Limited - Synthetic Products Enterprises Limited - Thal Limited - Toyota Indus Motor Company Ltd.			
FUEL & ENERGY 1 st Mari Petroleum Company Limited 2 nd Pakistan State Oil Company Limited 3 rd Hi-Tech Lubricants Limited 4 th Attock Petroleum Limited Certificate of Merit - Attock Refinery Limited - Engro Powergen Qadirpur Limited - K-Electric Limited - Oil & Gas Development Company Ltd. - Pakistan Oilfields Limited - Pakistan Petroleum Limited - The Hub Power Company Limited			
FMCG Certificate of Merit - National Foods Limited			
BANKS 1 st MCB Bank Limited 2 nd Bank Alfalah Limited 3 rd Mezan Bank Limited 4 th Allied Bank Limited Certificate of Merit - Faysal Bank Limited - JS Bank Limited - National Bank of Pakistan - Soneri Bank Limited - The Bank of Punjab			
CEMENT Joint 1 st Cherat Cement Company Limited Lucky Cement Limited 2 nd Maple Leaf Cement Factory Limited 3 rd Power Cement Limited Certificate of Merit - D.G. Khan Cement Company Limited			
CHEMICAL & FERTILIZER 1 st Fauji Fertilizer Company Limited 2 nd Engro Polymer and Chemicals Limited 3 rd Engro Fertilizers Limited 4 th ICI Pakistan Limited Certificate of Merit - Archroma Pakistan Limited - Lotte Chemical Pakistan Limited			
INSURANCE 1 st Adamjee Insurance Company Limited 2 nd Saloom Takaful Limited 3 rd Jubilee General Insurance Co. Limited 4 th TPL Insurance Limited Certificate of Merit - Atlas Insurance Limited - EFU General Insurance Ltd - EFU Life Assurance - Jubilee Life Insurance Limited			
OTHERS 1 st Cherat Packaging Limited 2 nd Tri-pack Films Limited 3 rd Security Papers Limited 4 th Pakistan Tobacco Company Limited Certificate of Merit - Cyan Limited			
TEXTILE 1 st Sadaqat Limited 2 nd Gadoon Textile Mills Limited 3 rd Kohinoor Textile Mills Limited 4 th Feroze/BSS Mills Limited 5 th Interloop Limited Certificate of Merit - Gul Ahmed Textile Mills Limited - Island Textile Mills Limited - Reliance Weaving Mills Limited - Saffi Textile Mills Ltd - Tata Textile Mills Limited			
PHARMACEUTICALS 1 st CSK Consumer Healthcare Pakistan Ltd 2 nd ASP Limited 3 rd GlaxoSmithKline Pakistan Limited 4 th Abbott Laboratories (Pakistan) Limited			
SUGAR 1 st Mirpurkhas Sugar Mills Limited			
Best Sustainability Report 2020 Awards 1 st ICI Pakistan Limited 2 nd Fauji Fertilizer Company Limited 3 rd Atlas Honda Limited 4 th Sadaqat Limited Joint 5 th Security Papers Limited Toyota Indus Motor Company Ltd.			
NON-PROFIT ORGANIZATION 1 st Memon Medical Institute & Hospital 2 nd The Citizens Foundation 3 rd ChildLife Foundation Certificate of Merit - Shahid Afridi Foundation			
PARTICIPATING NPOs Alamgir Welfare Trust International Chiniot Anjuman Islamiya HANDS The Punjab Educational Endowment Fund (PEEF) World Wide Fund - Pakistan			
Joint Committee of ICAP & ICMA Pakistan Ather Saleem, FCMA (Chairman) Abdul Rahim Suriya, FCA Awais Yasin, FCMA Khalid Rahman, FCA Muhammad Yasin, FCMA Sami Ullah Musa, FCA Shaham Ahmad, FCMA Syed Fahim ul Hassan, FCA			

MPCL Annual Report 2020 has won 1st position in Fuel & Energy Sector at the Best Corporate and Sustainability Report Awards dated August 27, 2021.



MPCL included in the Top 25 Companies on Pakistan Stock Exchange for the Year 2019 (Placed at No. 11), announced on December 21, 2020.



Best CSR Practices and Sustainability, Inclusive Education, and Sports & Recreational Activities Awards at 13th Annual CSR Summit & Awards 2021, organized by the National Forum for Environment & Health on February 25, 2021.



Certificate of Merit for Corporate Governance (South Asian Federation of Accountants - SAFA)

Certificate of Merit "Best Presented Annual Report/Integrated Reporting Awards" (Manufacturing Category – SAFA)



Corporate Governance



ROLES OF THE CHAIRMAN AND THE MD/CEO

The Chairman of the Board and the Managing Director/CEO of the Company have well defined, separate but complimentary roles in line with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

CHAIRMAN MPCL BOARD

The Chairman is responsible for providing effective leadership to the Board particularly during 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. He oversees the day-to-day operations and management of the Company's business and affairs by ensuring that the executive team implements the policies and strategies approved by the Board. He keeps the Board updated on significant and sensitive issues that might affect the Company. He ensures that operational plans and control systems are in place, and regularly monitors actual performance against plans and takes remedial actions, where necessary.

OPERATIONS OF THE BOARD

The Board is responsible for setting strategic objectives, overseeing the effective management and control of the Company, and identifying significant business risks and ensuring that policies and mechanisms are in place to adequately manage those risks.

The Board has delegated certain responsibilities to its Committees for review of relevant matters and making recommendations to the Board. All Committees operate in accordance with their TORs approved by the Board. The permanent Committees of the Board are the Audit Committee, Human Resource & Remuneration Committee, Technical Committee, and Investment 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 Articles of Association, Managing Director's General Power of Attorney, and Limits of Authority Manual.

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) All matters listed in Section 183 of the Companies Act 2017, Clause 10 of the Listed Companies (Code of Corporate Governance) 2019, and any other provisions of the applicable laws, rules and regulations.
- b) Appointment and removal of:
 - i) Members of the Board and its Committees including the Chairman
 - ii) CFO, Head Internal Audit and Company Secretary
 - iii) Senior Management Staff in MPCL Grade 26 and above, and
 - iv) External Auditors*
- c) Directors' remuneration
- d) Annual review of the performance of the Board, Committees and individual Directors
- e) Approval of quarterly and annual financial statements, dividends and bonus shares*, and significant change in accounting policies or practices
- f) Strategy and direction, financial controls, legal and regulatory compliance, risk management, related party transactions, company's significant policies, changes to the company's capital structure, diversification projects, acquisition and relinquishment of working interests and major capital expenditures
- g) Major transactions which exceed MD's authority or which are outside the ordinary course of business
- h) Delegation of authority to the Management
[*subject to approval by the shareholders]

CHAIRMAN'S SIGNIFICANT COMMITMENTS

Mr. Waqar Ahmed Malik, Chairman MPCL Board of Directors is the Managing Director of Fauji Foundation. In addition, he is the Chairman of the Boards of all Fauji Foundation Associated and Subsidiary Companies. A list of these companies is included in the Chairman's Profile in this Annual Report as well as on MPCL Website. Mr. Waqar Ahmed Malik was elected Chairman of the Board in April 2020 and since then there has been no change in his significant commitments.

ATTENDANCE AT BOARD MEETINGS

Ten Board meetings were held during the financial year 2020-21. The attendance of directors in the meetings was as under:

Sr#	Name	Meeting Ttended
1	Mr. Waqar Ahmed Malik	10
2	Mr. Faheem Haider	08 ¹
3	Lt Gen Ishfaq Nadeem Ahmad (Retd)	01
4	Dr. Nadeem Inayat	10
5	Maj Gen Ahmed Mahmood Hayat	06 ²
6	Maj Gen Javaid Iqbal Nasar (Retd) (Late)	01
7	Syed Bakhtiyar Kazmi	05 ³
8	Mr. Imran Moid	03 ⁴
9	Mr. Rehan Laiq	03
10	Maj Gen Naseer Ali Khan (Retd)	01 ⁵
11	Mr. Jamil Akbar	06 ⁶
12	Mr. Qamar Haris Manzoor	03
13	Dr. Arshad Mehmood	01 ⁷
14	Mian Asad Hayaud Din	06
15	Mr. Haroon-ur-Rafique	00 ⁸
16	Mr. Sajid Mehmood Qazi	10
17	Mr. Abdul Rasheed Jokhio	04 ⁹
18	Mr. Shahid Yousaf	06
19	Mr. Shahid Saleem Khan	10
20	Dr. Naseem Ahmad	03 ¹⁰
21	Mr. Ahmed Hayat Lak	10
22	Mr. Adnan Afridi	10
23	Ms. Ayla Majid	10

1. Joined the Board in Aug 2020 in place of Lt Gen Ishfaq Nadeem Ahmad (Retd)
2. Joined the Board in Sep 2020 in place of Maj Gen Javaid Iqbal Nasar (Retd) (Late)
3. Joined the Board in Nov 2020 in place of Mr. Imran Moid
4. Joined the Board in Sept 2020 in place of Mr. Rehan Laiq
5. Joined the Board in Jun 2021 in place of Mr. Jamil Akbar
6. Joined the Board in Sep 2020 in place of Mr. Qamar Haris Manzoor
7. Joined the Board in Jun 2021 in place of Mr. Mian Asad Hayaud Din
8. Joined the Board in July 2021 in place of Mr. Sajid Mehmood Qazi
9. Joined the Board in Dec 2020 in place of Mr. Shahid Yousaf
10. Nomination withdrawn in Jan 2021

OTHER DIRECTORSHIPS OF THE EXECUTIVE DIRECTOR

MD MPCL is the only executive director on MPCL Board. He is a non-executive director on the Board of National Resources (Private) Limited, representing MPCL shareholding.

Corporate Governance

EXTERNAL SEARCH CONSULTANCY AND ITS CONNECTION WITH THE COMPANY

The services of M/s Ward Howell were used by the Fauji Foundation for head hunting for the position of MD/CEO MPCL. M/s Ward Howell has no connection whatsoever with MPCL. No external search consultancy was used for the selection and appointment of the Chairman or any of the Non-Executive Directors on MPCL Board.

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. 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.

The Board follows the diversity parameters set in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Currently the Board comprises of one executive and twelve non-executive directors (one position is currently

vacant), 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

As on June 30, 2021, ten (10) directors on MPCL Board were certified under SECP approved Directors' Training Program (DTP). Keeping in view good governance practices, during the FY 21, Directors who were not certified on the MPCL Board were identified and then their DTP training was scheduled with the Pakistan Institute of Corporate Governance. During the year, MPCL attained 100% certification of the Board of Directors of MPCL as required under Listed Companies (Code of Corporate Governance) Regulation 2019. However, it was due to recent changes/ appointments on the Board that led to 77% certification from 100%. The certification training of remaining directors who joined recently is scheduled in the current financial year.

Directors are also sent on foreign trainings to acquaint them with the latest developments and trends in the areas of governance, management and leadership. However, during the financial year 2021, none of the Directors attended any foreign trainings amid Covid-19.

From time to time, orientation sessions are carried out to apprise the Board Members about the latest

changes in corporate regulatory and governance regime in the Country.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

MPCL has never had a foreign director on its Board. In case a foreign director is elected on MPCL Board in future, security clearance will be 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 employees of the Company must recognize 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, 2019, 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 have vested interest. 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

For the first time in the Company's history, a Performance Scorecard has been introduced to objectively measure the performance of the Managing Director and top tiers of



Audit Committee meeting in progress

the Management on key operational and strategic parameters, and their variable pay has been linked with their actual performance/score. Actual performance as per the Scorecard was presented to the Board on quarterly basis, while performance for the whole year was presented to the Board in its meeting held on August 26, 2021.

In addition, 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.

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 four Committees to ensure speedy management decisions relating to their respective domains.

Audit Committee:

Role

The primary role of the Audit Committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls 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:

- Determination of appropriate measures to safeguard the company's assets;
- Review of annual and interim financial statements of the

Company, prior to their approval by the Board of Directors, focusing on:

- major judgmental areas;
 - significant adjustments resulting from the audit;
 - going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements
 - All related party transactions.
- Review of preliminary announcements of results prior to external communication and publication;
 - 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);

Corporate Governance

- 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 characterized by fraud, corruption and abuse of power and management’s response thereto;
- 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

- 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

Twelve meetings of the Audit Committee were held during the financial year 2020-21. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Ms. Ayla Majid	12
Syed Bakhtiyar Kazmi	9
Mr. Imran Moid	2
Mr. Rehan Laiq	1
Mr. Abdul Rasheed Jokhio	7
Mr. Shahid Yousaf	5
Mr. Ahmed Hayat Lak	12
Mr. Adnan Afridi	12

HR and Remuneration Committee:

Role

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

Terms of Reference

Terms of reference of the HR&R Committee are as following:

- 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 of 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

Ten meetings of the HR&R Committee were held during the financial year 2020-21. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Mr. Adnan Afridi	10
Maj Gen Ahmad Mahmood Hayat (Retd)	8
Mr. Qamar Haris Manzoor	2
Mr. Shahid Salim Khan	10
Mr. Ahmed Hayat Lak	10
Ms. Ayla Majid	10
Mr. Sajid Mehmood Qazi	1

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 program 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. Company’s diversification projects.
- g. Committee’s annual self-evaluation as per Listed Companies (Code of Corporate Governance) Regulations 2017.
- h. Any other matter that may be referred by the Board to the Committee.

Attendance in the Technical Committee Meetings

Seven meetings of the Technical Committee were held during the financial year 2020-21. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Syed Bakhtiyar Kazmi	3
Maj Gen Naseer Ali Khan (Retd)	1
Mr. Jamil Akbar	5
Mr. Imran Moid	2
Mr. Rehan Laiq	1
Mr. Sajid Mehmood Qazi	7
Mr. Shahid Salim Khan	7
Mr. Abdul Rasheed Jokhio	3
Mr. Shahid Yousaf	4

Investment Committee:

Role

The major role of the Investment Committee is to review diversification projects as well as enterprise risk management matters. The Committee members 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

Corporate Governance

fulfilling Board’s responsibilities with regard to the risk management and amongst other things is 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 the independence and authority of the risk management function.
- 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 Investment Committee Meetings

Five meetings of the Investment Committee were held during the financial year 2020-21. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Dr. Nadeem Inayat	2
Mr. Jamil Akbar	5
Syed Bakhtiyar Kazmi	3
Mr. Imran Moid	1
Mr. Sajid Mehmood Qazi	5
Dr. Naseem Ahmad	1
Mr. Adnan Afridi	5
Ms. Ayla Majid	2

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.

Director	Designation
Ms. Ayla Majid ^{1,2}	President
Syed Bakhtiyar Kazmi ²	Member
Mr. Abdul Rasheed Jokhio	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 Syed Bakhtiyar Kazmi both qualify as financially literate.

Audit Committee Views on Financial Statements

The financial statements of the Company for FY 2020-21 were presented to the Audit Committee in its meeting held on August 16, 2021. 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 performance, business model, strategies current financial position and 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 program of ICAP, their eligibility to be re-appointed (including length of their term with the Company) and fee quoted for their services.

The Audit Committee in its meeting held on August 16, 2021, recommended M/s A.F Ferguson & Co., for re-appointment as external auditors of the Company for FY 2021-22 based on their performance, market reputation, professional excellence and competitive fee.

Presence of President Audit Committee in AGM

The President Audit Committee is present in each AGM to answer the questions pertaining to the Committee’s activities during the year and other important matters which fall within the scope of the Committee’s mandate.

Internal Control Framework and Role of Internal Audit

In Compliance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has set up 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. The Audit Committee met the HIA and staff of Internal Audit Department, without the presence of CFO, in its meeting held on February 12, 2021.

STAKEHOLDERS’ ENGAGEMENT

Major stakeholders of the Company include Shareholders (Institutional and Minority),

Corporate Governance

Customers, Suppliers, Joint Venture Partners, Regulators, 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 2019, PSX Rulebook, and the Memorandum and Articles of Association of the Company.
- Annual and Quarterly Accounts of the Company are placed on the Company's Website while Annual Audited Accounts are also circulated to the Shareholders in CD and physical form (upon request).
- Besides their right to appoint directors to oversee affairs of the Company, the Shareholders are invited to all the shareholders meetings (AGMs, EOGMs) and are encouraged to present their viewpoint on important matters.
- There is an Investor Relations Section on the Company's website which contains important Investor specific information as well as an Online Complaint Form for investors.
- The Board has approved an Investor Relations & Grievance Policy which contains the

mechanism for handling shareholders complaints and queries.

- Minority investors can also lodge their complaints and submit their queries directly to the Shares Department using 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 fertilizer, 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, official correspondences, and personal visits.

Suppliers/Vendors/Service Providers

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 planned but could not be held due to the prevailing situation amidst Covid-19.

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. The briefing and Q&A session are duly minuted.

Reaching out to Shareholders for Delivery of Unclaimed Dividends/ Shares

Pursuant to Section 244 of Companies Act 2017, the Company 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 dispatched since 2016. As a result, the Company has delivered about 56,189 unclaimed shares, and dividends amounting Rs. 34.3 million in the last five 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 14 directors on MPCL Board, 12 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 2019, PSX Rulebook, and the Memorandum and Articles of Association of the Company.

- Annual and Quarterly Accounts of the Company are filed with the Registrar of the Companies and 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 transitions 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 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.

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)

36th AGM of the Company was held on September 29, 2020, 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, 2020 together with the directors' and auditors' reports thereon.

Decision and Implementation:

A detailed presentation on the Company's operations during the FY 2019-20 and future plans of the Company was made by the Managing Director. 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.

Agenda Item-2: To approve payment of final dividend @ Rs.2 (20%) per share for the year ended June 30, 2020. This is in addition to interim dividend @ Rs. 4.1 per share (41%) already paid.

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 was electronically transferred in

Corporate Governance

the designated bank accounts of eligible Shareholders on October 07, 2020. 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, 2021 and to fix their remuneration.

Decision and Implementation:

M/s A.F Ferguson & Co., Chartered Accountants, were appointed as auditors to hold office until the conclusion of the next Annual General Meeting of the Company for the year ending June 30, 2021, at the fee and other terms and conditions agreed by the Board of Directors.

FACILITATION TO MINORITY SHAREHOLDERS TO ATTEND AGMS

Both the companies and the shareholders have to play a role to make AGMs effective and meaningful. MPCL follows the legal requirements in letter and spirit to encourage participation of 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, 2019. 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 2020-21 (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.

- Although not mandatory under the Regulations, the Board has constituted an Investment Committee. The role of Investment Committee is to evaluate and discuss the feasibilities of new projects to

ensure growth and diversification of the Company's business.

- 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.

AWARENESS 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 arranges in-house sessions at Head Office, Islamabad. Management employees from all tiers participate in the sessions wherein they are apprised about the main concepts pertaining to insider trading, laws governing insider trading, responsibilities of the 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.

WHISTLE BLOWING POLICY

The Board has approved a Whistleblower Policy to encourage



employees, who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express such concerns without fear of punishment or unfair treatment. The Policy applies to all regular/contractual Management and Non-Management employees of the Company, vendors, contractors, customers and consultants etc. The Policy also includes other personnel associated in any other manner with the Company. Salients of the policy are as under:

- Audit Committee of the Board shall be responsible for implementation of the Whistle Blowing Policy.
- President of the Audit Committee shall directly receive, review and decide on further course of action (like detailed investigations etc.) on all whistles/complaints. Whistles/Complaints may be launched through dedicated email address (whistle@mpcl.com.pk) or through other forms like post, courier etc. directly to the President Audit Committee. The aforementioned email

shall only be accessed by the President.

- On the recommendation of the Audit Committee, a whistleblower may be suitably awarded according to the significance of the information he/she had provided and impact of losses averted as a result. The award may include cash prizes and/or increase in salary and/or promotion.
- The Policy allows anonymous whistles/complaints.

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

INVESTORS' GRIEVANCES POLICY

The Board has approved an Investor Relations & Grievance Policy which contains the mechanism for handling shareholders complaints and queries. As envisaged in the Policy, the Company has a designated email ID as well as an online Complaint Form at its website for the Shareholders to lodge a complaint or query with the Management. Shareholders can also lodge a complaint or query using

telephone, fax or conventional mail. The Policy ensures that grievances notified by the shareholders are handled and resolved efficiently at appropriate level within shortest possible time span (within 5 working days). The Company maintains record of all such grievances along with actions taken for resolution and prepares summary of unresolved/unsettled issues on monthly basis.

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, BOARD'S COMMITTEES AND INDIVIDUAL DIRECTORS ALONG WITH DESCRIPTION OF CRITERIA USED/ BOARD'S PERFORMANCE EVALUATION BY EXTERNAL CONSULTANT

Adopting self-evaluation methodology, mechanism for Board's self-evaluation was approved by MPCL Board in September 2014, while mechanisms for evaluation of the Board's Committees and Individual Directors were approved by the Board in April and May 2018, respectively. The Company has been conducting the evaluations internally as per the Board approved mechanisms.

In order to bring more objectivity to the Board evaluation process, the Company has hired the services of Pakistan Institute of Corporate Governance (PICG) as external evaluator to conduct performance assessment of the Board as a whole, Board Committees, and Individual Directors for FY 2020-21.

The deliverables of the assessment exercise are:

- a) Board Assessment Report Including Board Committees
- b) Individual Board Member Evaluation Reports
- c) Analysis of Results Report
- d) Interpretation of Results

PICG is a premier governance institute in Pakistan, promoting good corporate governance practices in the Country since 2004. PICG has, in collaboration with Corporate L.I.F.E. Centre International Inc., developed a specialized online solution for board, committees' and directors' evaluations.

PICG will submit the above deliverables directly to the Chairman of the Board, who will share the reports with the HR&R Committee for consideration and recommendations to the Board.

Results of Evaluation 2020-21

The evaluation is divided into two phases:

- **Phase-I** (Evaluation of the Board and Board Committees)
- **Phase-II** (Evaluation of Individual Directors)

Evaluation of the Board and Board Committees covered 10 specific areas including: board composition, strategic planning, chairman, board procedures, CEO, board committees, control environment, board and CEO compensation, risk oversight and independent directors.

MPCL's average aggregate score (BSPI) for board performance was 87%, which is considered a good score. Average aggregate score of each committee was: Audit Committee (89%), HR&R Committee (81%), Investment Committee (84%), and Technical Committee (83%).

Phase-II of the evaluation was in progress at the time of printing of this report, after which the complete report, analysis and interpretation of the results will be presented by PICG.

RELATED PARTY TRANSACTIONS

All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions.

Any transactions with related parties, where majority of directors of MPCL are interested, are referred to the shareholders in a general meeting for ratification / approval.

Pursuant to the requirements of
Code of Corporate Governance and

applicable laws, a comprehensive list of all related party transactions was placed before the Audit Committee for review at the end of each quarter. After review by the Committee, the transactions were considered and approved by the Board keeping in view the recommendations made by the Committee.

In compliance with the requirements of Fourth Schedule of the Companies Act, 2017, detailed disclosure regarding related party transactions has been presented in Note 39 of the Financial Statements.

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'¹ section is also maintained on MPCL website. Further, annual report is also completely accessible on the website.²

1. <https://mpcl.com.pk/investor-relations/>
2. <https://mpcl.com.pk/investor-relations/financial-reports/>

MANAGING DIRECTOR'S/ CEO INTERVIEW

CEO's presentation regarding MPCL's performance, business overview, strategy and outlook is placed at the following link:

<https://mpcl.com.pk/investor-relations/mds-video-interview/>

Board Meetings held outside Pakistan

No Board meeting was held outside Pakistan during the year.

Date of Authorization of Financial Statements

In order to timely communicate financial results to the stakeholders, Annual Financial Statements of the Company for FY 2020-21 were approved by the Board in its 193rd meeting held on August 26, 2021. Necessary disclosures to PSX and SECP were made on the same day after conclusion of the Board meeting.

Reports of the Sharia Advisory Board

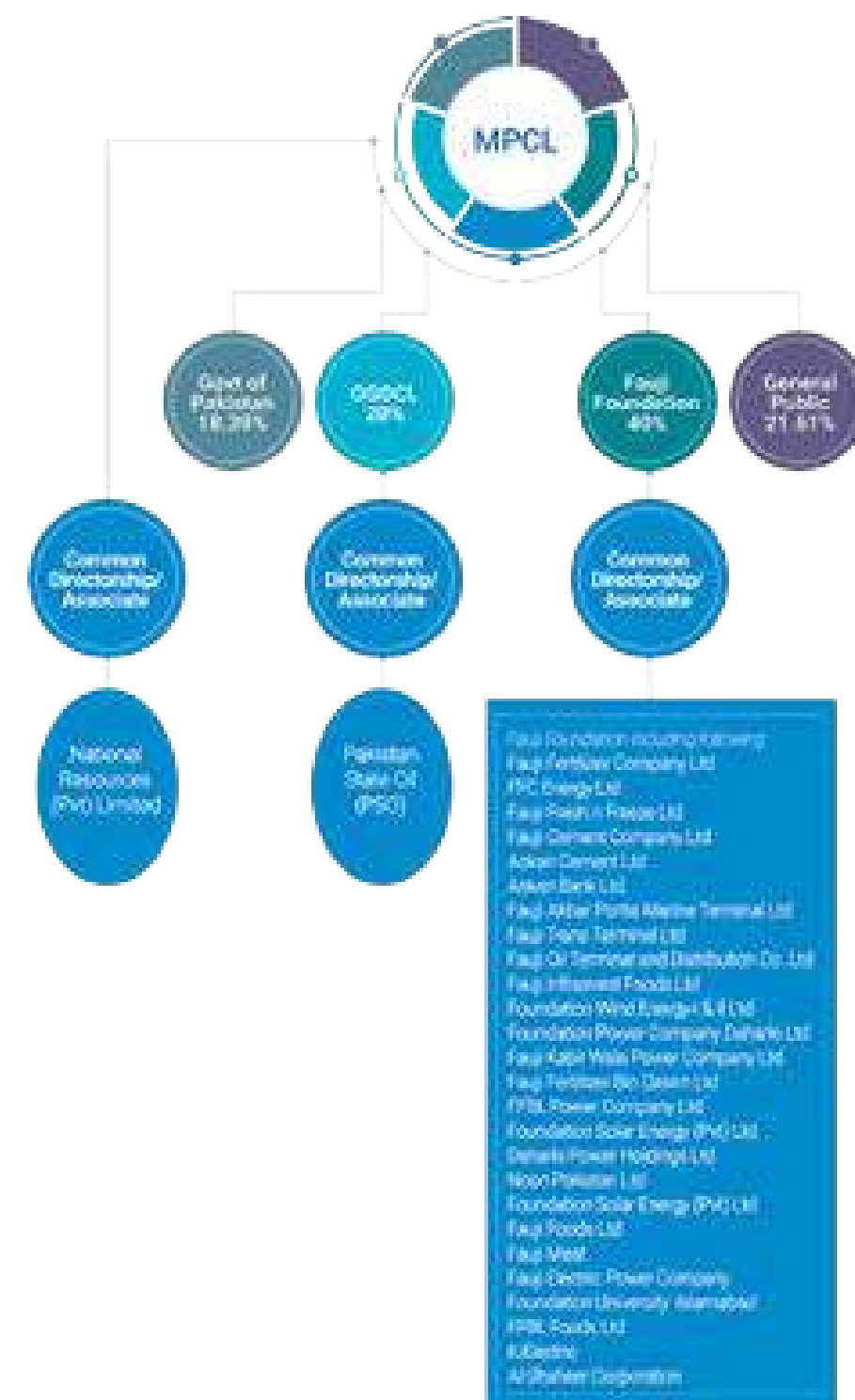
The Company is not required to have a Sharia Advisory Board. However, the Company is included in PSX KMI All Share Index and KMI 30 Index which track the performance of sharia compliant companies listed on Pakistan Stock Exchange.

Redressal Mechanism for Investor's Complaints

A dedicated "Investor Contact and Complaints" page is being maintained on MPCL website under the Investor Relations Section. Executives of Corporate Affairs Department are available from 8 am to 4 pm during the working days to facilitate the shareholders and address their queries, complaints and issues. Queries, requests and complaints can also be sent in hard copies to the Corporate Affairs Department. Whatever is the nature of the issue faced by a shareholder, it is promptly addressed directly by the Company or necessary instructions are issued to the Share Registrar to resolve and respond. Normally any issue is resolved within 2-3 working days.

During FY-2020-21, fifteen (15) complaints were received from various shareholders. Out of the total, fourteen (14) complaints were settled by the Shares Section of the Company whereas redressal of one (1) complaint is in progress.

COMPANY'S OWNERSHIP STRUCTURE AND RELATIONSHIP WITH ASSOCIATED COMPANIES



MPCL's Operated Blocks

and Development & Production (D&P) Leases



MPCL's Non-Operated Blocks

and D&P Leases



Financial Capital



ADEQUACY OF CAPITAL STRUCTURE

The Company's capital is wholly financed by equity. Total equity on June 30, 2021 was Rs 115.53 billion, a 24 percent increase over Rs 93.15 billion at the end of the previous year due to retained profit.

The financial projections show that the capital structure is adequate for the foreseeable future. The Company intends to cover all of its financing needs over the next year through available reserves and internal cash generation.

FINANCING ARRANGEMENTS

The reliance on external financing is secondary to the Company's principal source of finance, which is internally generated cash. Given the company's excellent balance sheet and operational cash flows, management believes it will have no trouble obtaining debt financing in the future, if necessary.

REPAYMENT OF DEBTS AND RECOVERY OF LOSSES, IF ANY

As at June 30, 2021, there is no external financing of the Company. The Company has a strong debt-raising and repayment capability. Further, strong cash position provides leverage to adequately manage loss recovery, if any.

As of June 30, 2021, the entire capital structure is equity financed, hence no default in payments of any debts is applicable.

LIQUIDITY AND CASH FLOW MANAGEMENT STRATEGY

Analysis of Liquidity and Cash Flows

Owing to strong financial health, the Company does not have or forecast any liquidity issues. Internal cash generation, principally from hydrocarbon sales and income from deposits adequately meets the liquidity requirements of the Company. During the year, an amount of Rs 30,137 million was generated from operating activities of the Company which was primarily used to undertake exploration and development activities, capital expenditures and dividend payments.

Strategy to Overcome Liquidity Problems

To manage liquidity, the Company constantly examines its cash inflows and outflows along with future cash projections before making any decisions. This approach of regular monitoring allows the Company to get visibility into future liquidity requirements and, if necessary, bridge the gaps by taking strategic and operational decisions and arranging financing facilities.

MANAGEMENT'S RESPONSIBILITY TOWARDS THE FINANCIAL STATEMENTS

It is the management's responsibility to adopt sound accounting policies, establish and maintain a system of internal controls and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Act, 2017.

STATEMENT OF UNRESERVED COMPLIANCE OF IFRS ISSUED BY IASB AS APPLICABLE IN PAKISTAN

Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Note 2.6 of the financial statements specifies the standards, amendments and interpretations which are yet to be effective in Pakistan and have not been early adopted by the Company. The Company believes that the impact of these standards, amendments and interpretations are not likely to have any material impact on the financial statements.



Performance Indicators

		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
PROFITABILITY RATIOS							
Net profit to net sales	%	43.06	42.09	40.92	37.75	32.35	27.81
EBITDA margin to net sales	%	67.76	63.87	64.83	60.03	49.65	39.75
Operating leverage	Times	5.89	0.85	1.51	1.70	2.26	(1.16)
Return on equity / shareholders' funds	%	30.14	38.68	46.87	46.78	42.99	42.52
Return on capital employed	%	30.14	38.68	46.87	44.06	39.15	31.47
Equity / Shareholders' funds	Rs in billion	115.53	93.15	63.61	40.19	25.54	16.97
LIQUIDITY RATIOS							
Current ratio	Times	3.61	3.71	2.98	2.77	1.92	0.81
Quick / acid test ratio	Times	3.36	3.15	2.60	2.56	1.75	0.58
Cash to current liabilities	Times	2.05	2.22	1.45	1.51	0.72	0.05
Cash flow from operations to net sales	Times	0.41	0.44	0.34	0.50	0.25	0.58
ACTIVITY / TURNOVER RATIOS							
Debtor turnover	Times	3.22	3.65	4.37	5.44	5.78	2.38
No. of days in receivables	Days	113	100	83	67	63	154
Total assets turnover	Times	0.53	0.66	0.79	0.77	0.68	0.50
Fixed assets turnover	Times	1.44	1.91	1.88	1.51	1.13	0.96
INVESTMENT / MARKET RATIOS							
Earnings per share (EPS) - basic and diluted	Rupees	235.71	227.23	182.36	115.25	68.49	45.36
Price earnings	Times	6.47	5.44	5.53	13.07	23.01	20.02
Price to book ratio	Times	1.76	1.77	1.92	4.13	6.80	5.90
Dividend yield	%	9.25*	0.49	0.59	0.40	0.33	0.56
Dividend payout	%	59.82*	2.68	3.29	5.21	7.59	11.24
Dividend cover	Times	1.67*	37.25	30.39	19.21	13.17	8.89
Dividend per share	Rupees	141.00*	6.10	6.00	6.00	5.20	5.10
Stock dividend per share	%	-	10	10	-	-	-
Market value per share							
Year end	Rupees	1,524.39	1,236.65	1,009.33	1,506.18	1,575.64	908.22
highest during the year	Rupees	1,692.16	1,454.50	1,589.95	1,809.41	1,750.00	982.48
lowest during the year	Rupees	1,222.65	829.95	936.70	1,398.38	905.10	363.18
Breakup value per share	Rupees	866.05	698.26	524.48	364.55	231.63	153.89
Market capitalization - year end price	Rupees in billion	203.36	164.97	122.41	166.06	173.71	100.13
CAPITAL STRUCTURE RATIOS							
Debt to equity (as per book value)	%	00:100	00:100	00:100	00:100	14.04:85.96	5.57:94.43
Debt to equity (as per market value)	%	00:100	00:100	00:100	00:100	2.35:97.65	0.99:99.01
Financial leverage	Times	-	-	-	-	0.20	0.07
Interest cover	Times	-	-	-	764.79	57.42	144.08
Weighted average cost of debt	%	-	-	-	6.09	6.00	6.99
Weighted average cost of capital	%	14.19	13.59	16.82	13.29	13.60	15.09
EMPLOYEE PRODUCTIVITY AND OTHER RATIOS							
Production per employee	MBOE	28.25	27.39	27.75	29.59	29.09	22.07
Net sales per employee	Rs in million	57.49	59.04	49.06	35.41	25.42	15.76
Employee turnover ratio	%	7.95	5.66	5.94	6.61	3.87	17.31
Maintenance and repairs expense as % of operating & administrative expenses	%	7.16	5.58	5.35	7.73	9.69	9.66
Debt under interest arrangements to market capitalization	%	-	-	-	-	2.95	1.15
Bank deposits & investments placed under interest arrangements to market capitalization	%	21.58	26.09	12.75	6.70	3.48	0.50
Revenue from bank deposits & investments placed under interest arrangements to total revenue	%	4.04	3.91	1.76	1.32	0.66	0.79
Net liquid assets per share to market value per share	%	27.54	32.37	26.52	9.77	4.15	(5.05)

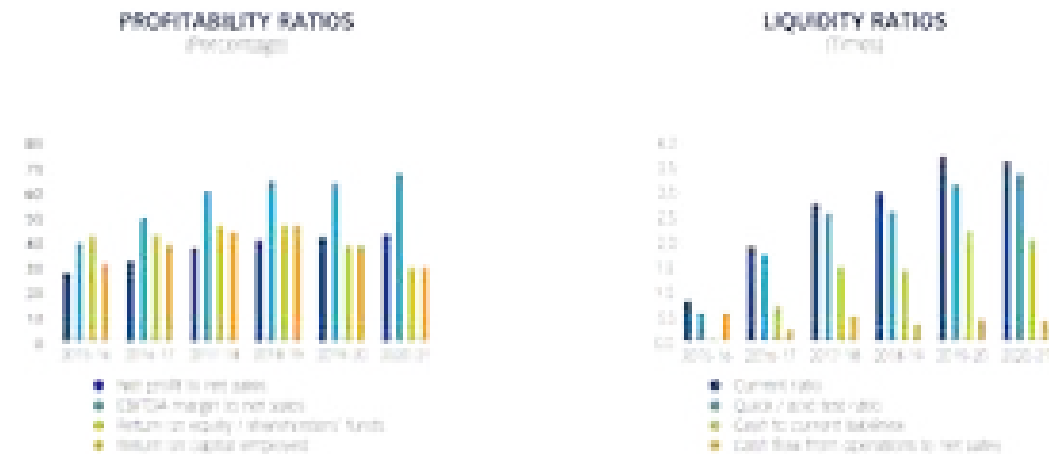
Note: Breakup value with revaluation reserves does not apply as MPCL has no revaluation reserves. Furthermore, carrying value of investment in related party - associate approximate its fair value.

Customer satisfaction index is not applicable as oil and gas industry in Pakistan is highly regulated.

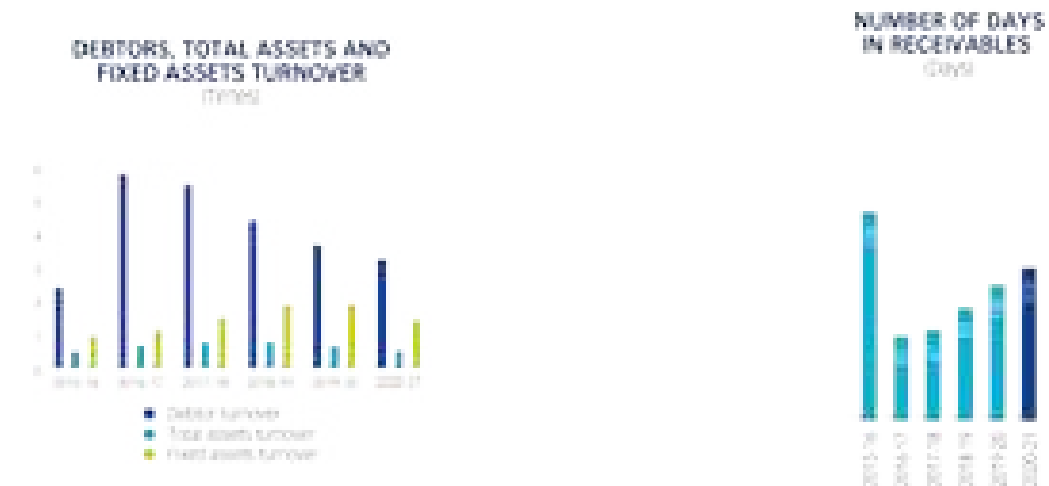
Previous years figures have been restated, wherever necessary for the purpose of comparison.

* This includes final dividend of 750% for the year ended June 30, 2021 proposed by the Board of Directors for approval of members in the Annual General Meeting to be held on October 26, 2021.

PROFITABILITY AND LIQUIDITY RATIOS



ACTIVITY / TURNOVER RATIOS



INVESTMENT / MARKET RATIOS



Quarterly Analysis

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total for the year ended June 30, 2021
(Rupees in million)					
Profit or Loss items					
Net sales	20,372.56	18,847.02	16,122.17	17,676.53	73,018.27
Profit	9,066.21	7,334.99	6,955.04	8,088.67	31,444.91
Earnings per ordinary share (Rupees)	67.96	54.98	52.14	60.63	235.71

Analysis:
Net sales declined in Q3 and Q4 due to a drop in applicable oil and gas prices in the second half of the year. Profit for the second half reduced on account of reduced net sales, netted off by lower expenditure.



Return on Equity DuPont Analysis

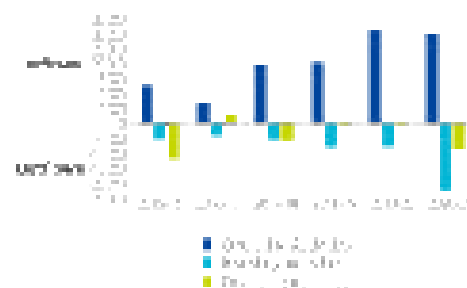


Analysis
Major reason for decline in return on equity from 38.68% to 30.14% is lower asset turnover which has temporarily dropped due to substantial capital projects in progress at the end of the year, whose contribution to profit is expected in future years.

Summary of the Statement of Cash Flows

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
	(Rupees in million)					
Cash flows from operating activities	30,137.25	31,613.05	20,436.05	20,225.24	7,120.29	12,638.33
Cash flows from investing activities	(22,864.80)	(7,818.32)	(8,051.54)	(5,543.56)	(4,081.59)	(5,287.58)
Cash flows from financing activities	(9,001.47)	(796.14)	(754.96)	(5,903.21)	3,262.94	(11,625.23)
Increase/(Decrease) in cash and cash equivalents	(1,729.02)	22,998.59	11,629.56	8,778.47	6,301.64	(4,274.48)
Cash and cash equivalents at beginning of year	50,334.40	27,335.82	15,706.26	6,927.79	626.15	4,900.64
Cash and cash equivalents at end of year	48,605.38	50,334.40	27,335.82	15,706.26	6,927.79	626.15

CASH FLOW ANALYSIS
2015-16 to 2020-21



CASH & CASH EQUIVALENTS
AT YEAR END
(Rupees in million)



Processing facilities at Zarghun South Gas Field, Balochistan

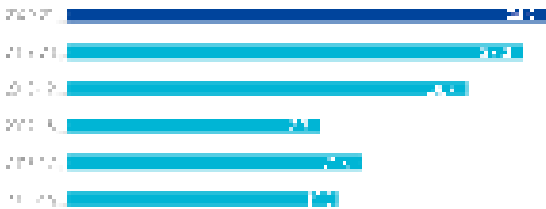
Horizontal Analysis
Statement of Financial Position

(Rupees in thousand)

	2021	21 vs 20 %age	2020	20 vs 19 %age	2019	19 vs 18 %age	2018	18 vs 17 %age	2017	17 vs 16 %age	2016	16 vs 15 %age
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital	1,334,025	-	1,334,025	10.00	1,212,750	10.00	1,102,500	-	1,102,500	-	1,102,500	-
Undistributed percentage return reserve	-	(100.00)	477,899	(20.67)	602,415	(1.74)	613,109	23.50	496,436	16.30	426,867	7.98
Other reserves	15,190,001	7.05	14,190,001	7.58	13,190,001	8.20	12,190,001	8.94	11,190,001	4.68	10,690,001	7.30
Unappropriated profit	99,009,539	28.34	77,147,181	58.73	48,601,563	84.89	26,286,128	106.19	12,748,733	168.59	4,746,555	13,256.66
	115,533,565	24.03	93,149,106	46.45	63,606,729	58.26	40,191,738	57.38	25,537,670	50.52	16,965,923	47.58
Non current liabilities												
Long term financing	-	-	-	-	-	-	-	-	4,172,727	317.27	1,000,000	(89.24)
Deferred liabilities	11,171,723	8.02	10,342,139	2.83	10,057,962	26.48	7,952,336	6.26	7,483,812	13.79	6,576,575	20.25
	11,171,723	8.02	10,342,139	2.83	10,057,962	26.48	7,952,336	(31.78)	11,656,539	53.85	7,576,575	(48.66)
Current liabilities												
Trade and other payables	17,256,803	21.43	14,211,612	10.95	12,809,483	54.86	8,271,834	(1.52)	8,399,633	(27.40)	11,569,801	(68.07)
Unclaimed dividend	118,875	170.01	44,026	35.20	32,563	68.10	19,371	12.14	17,274	70.36	10,140	(1.87)
Unpaid dividend	-	-	-	(100.00)	7,544	(34.48)	11,514	31.84	8,733	(24.11)	11,508	(97.19)
Current maturity of long term financing	-	-	-	-	-	-	-	(100.00)	955,037	529.25	151,774	(90.70)
Interest accrued on long term financing	-	-	-	-	-	-	-	(100.00)	254,552	29.77	196,154	(82.32)
Provision for income tax	6,305,167	(24.92)	8,397,850	40.31	5,985,202	186.72	2,087,503	100.00	-	-	-	-
	23,680,845	4.54	22,653,488	20.27	18,834,792	81.27	10,390,222	7.84	9,635,229	(19.30)	11,939,377	(69.70)
	150,386,133	19.22	126,144,733	36.37	92,499,483	58.03	58,534,296	24.99	46,829,438	28.36	36,481,875	(44.43)
ASSETS												
Non current assets												
Property, plant and equipment	37,672,536	69.64	22,207,552	37.29	16,176,231	21.93	13,266,282	4.55	12,688,670	15.11	11,023,452	12.78
Development and production assets	16,278,235	38.35	11,766,348	(7.76)	12,755,574	7.31	11,886,872	60.42	7,409,878	146.83	3,002,063	37.22
Exploration and evaluation assets	7,386,197	24.86	5,915,531	(9.74)	6,553,548	143.67	2,689,549	(54.96)	5,972,108	(40.78)	10,084,055	7.28
Long term investments	1,161,018	100.00	-	-	-	-	-	-	-	-	-	-
Long term loans and advances	34,053	2.68	33,165	(16.58)	39,755	12.27	35,411	9.86	32,233	19.08	27,069	32.11
Long term deposits and prepayments	182,274	(48.51)	353,999	53.25	230,999	267.31	62,890	141.87	26,002	72.15	15,104	41.97
Deferred income tax asset	2,209,320	16.98	1,888,594	190.04	651,147	(64.21)	1,819,166	(15.87)	2,162,308	(19.34)	2,680,622	12.03
	64,923,633	53.97	42,165,189	15.82	36,407,254	22.34	29,760,170	5.19	28,291,199	5.44	26,832,365	12.81
Current assets												
Stores and spares	2,866,855	(4.44)	2,999,993	27.69	2,349,391	250.11	671,051	(33.89)	1,015,000	(53.17)	2,167,328	26.16
Trade debts	28,046,706	20.02	23,369,070	9.32	21,377,155	121.21	9,663,590	26.15	7,660,556	101.08	3,809,518	(88.23)
Loans and advances	5,470,861	(22.46)	7,055,770	48.47	4,752,460	87.67	2,532,344	54.41	1,640,065	14.09	1,437,456	(18.11)
Short term prepayments	144,920	7.42	134,910	45.19	92,919	39.28	66,714	1.55	65,697	(18.08)	80,193	(34.45)
Other receivables	187,311	282.83	48,928	(37.86)	78,739	154.14	30,982	(22.11)	39,779	86.47	21,333	550.00
Current portion of long term investments	39,831	100.00	-	-	-	-	-	-	-	-	-	-
Short term investments	40,782,256	21.25	33,634,126	62.48	20,700,000	145.34	8,437,354	134.07	3,604,596	100.00	-	-
Interest accrued	100,635	175.95	36,469	(65.51)	105,747	2.48	103,183	119.39	47,031	1,087.35	3,961	106.09
Income tax paid in advance	-	-	-	-	-	-	-	(100.00)	1,142,319	(24.02)	1,503,388	48.65
Cash and bank balances	7,823,125	(53.16)	16,700,278	151.67	6,635,818	(8.71)	7,268,908	118.73	3,323,196	430.73	626,154	(87.22)
	85,462,500	1.77	83,979,544	49.72	56,092,229	94.94	28,774,126	55.21	18,538,239	92.12	9,649,510	(76.95)
	150,386,133	19.22	126,144,733	36.37	92,499,483	58.03	58,534,296	24.99	46,829,438	28.36	36,481,875	(44.43)

Previous years figures have been restated, wherever necessary for the purpose of comparison

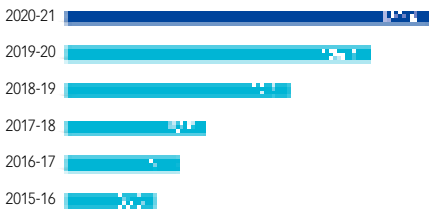
TOTAL LIABILITIES
(Rupees in thousand)



TOTAL SHARE CAPITAL AND RESERVES
(Rupees in thousand)



TOTAL ASSETS
(Rupees in thousand)

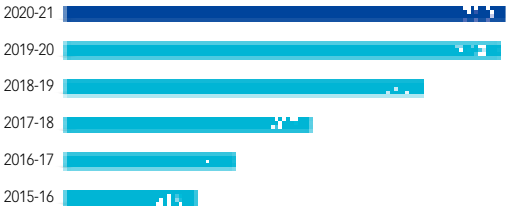


Horizontal Analysis Statement of Profit or Loss

	2021	21 vs 20 %age	2020	20 vs 19 %age	2019	19 vs 18 %age	2018	18 vs 17 %age	2017	17 vs 16 %age	2016	16 vs 15 %age
Net sales	73,018,271	1.38	72,026,368	21.14	59,457,121	46.00	40,722,698	44.19	28,242,922	29.79	21,761,176	12.45
Royalty	(9,315,126)	5.79	(8,805,560)	16.25	(7,574,515)	46.20	(5,180,869)	44.57	(3,583,522)	30.31	(2,750,095)	9.17
Operating and administrative expenses	(15,039,680)	12.96	(13,313,631)	13.58	(11,722,088)	16.85	(10,031,741)	33.45	(7,517,446)	29.34	(5,812,021)	8.59
Exploration and prospecting expenditure	(4,543,689)	(55.70)	(10,257,639)	138.11	(4,308,006)	29.96	(3,314,839)	(14.58)	(3,880,797)	(39.95)	(6,462,126)	102.30
Finance cost	(1,310,476)	130.74	(567,952)	(26.02)	(767,752)	20.01	(639,728)	(19.84)	(798,086)	39.03	(574,058)	(67.90)
Other charges	(3,082,462)	14.24	(2,698,227)	10.77	(2,435,811)	68.25	(1,447,747)	99.33	(726,290)	44.70	(501,943)	0.65
	(33,291,433)	(6.60)	(35,643,009)	32.96	(26,808,172)	30.04	(20,614,924)	24.89	(16,506,141)	2.52	(16,100,243)	20.58
	39,726,838	9.19	36,383,359	11.44	32,648,949	62.37	20,107,774	71.32	11,736,781	107.33	5,660,933	(5.64)
Other income / (expenses)	311,971	(8.24)	340,001	4.27	326,087	(156.04)	(581,846)	(29.07)	(820,328)	(246.54)	559,789	1,495.66
Finance income	3,940,536	(13.51)	4,556,085	162.86	1,733,298	126.39	765,616	228.58	233,006	(31.62)	340,730	(34.13)
Share of loss in associate	(47,982)	100.00	-	-	-	-	-	-	-	-	-	-
Profit before taxation	43,931,363	6.42	41,279,445	18.93	34,708,334	71.05	20,291,544	82.00	11,149,459	69.92	6,561,452	0.15
Provision for income tax	(12,486,454)	13.86	(10,966,572)	5.64	(10,381,246)	111.12	(4,917,204)	144.24	(2,013,265)	294.76	(509,997)	(43.43)
Profit for the year	31,444,909	3.73	30,312,873	24.61	24,327,088	58.23	15,374,340	68.28	9,136,194	50.98	6,051,455	7.10

Previous years figures have been restated, wherever necessary for the purpose of comparison

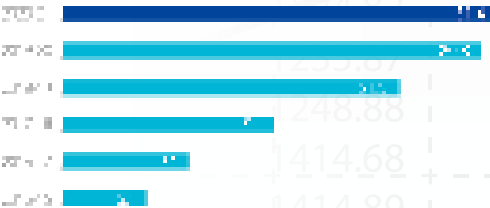
NET SALES



EXPLORATION AND PROSPECTING EXPENDITURE



NET PROFIT

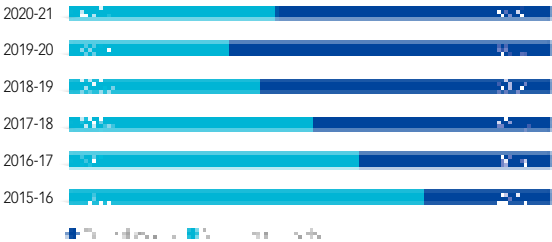


Vertical Analysis
Statement of Financial Position

	2021	% age	2020	% age	2019	% age	2018	% age	2017	% age	2016	% age
(Rupees in thousand)												
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital	1,334,025	0.89	1,334,025	1.06	1,212,750	1.31	1,102,500	1.88	1,102,500	2.35	1,102,500	3.02
Undistributed percentage return reserve	-	-	477,899	0.38	602,415	0.65	613,109	1.05	496,436	1.06	426,867	1.17
Other reserves	15,190,001	10.10	14,190,001	11.25	13,190,001	14.26	12,190,001	20.83	11,190,001	23.90	10,690,001	29.30
Unappropriated profit	99,009,539	65.84	77,147,181	61.16	48,601,563	52.54	26,286,128	44.91	12,748,733	27.22	4,746,555	13.01
	115,533,565	76.82	93,149,106	73.84	63,606,729	68.76	40,191,738	68.66	25,537,670	54.53	16,965,923	46.51
Non Current Liabilities												
Long term financing	-	-	-	-	-	-	-	-	4,172,727	8.91	1,000,000	2.74
Deferred liabilities	11,171,723	7.43	10,342,139	8.20	10,057,962	10.87	7,952,336	13.59	7,483,812	15.98	6,576,575	18.03
	11,171,723	7.43	10,342,139	8.20	10,057,962	10.87	7,952,336	13.59	11,656,539	24.89	7,576,575	20.77
Current Liabilities												
Trade and other payables	17,256,803	11.47	14,211,612	11.27	12,809,483	13.85	8,271,834	14.13	8,399,633	17.94	11,569,801	31.71
Unclaimed dividend	118,875	0.08	44,026	0.03	32,563	0.04	19,371	0.03	17,274	0.04	10,140	0.03
Unpaid dividend	-	-	-	-	7,544	0.02	11,514	0.02	8,733	0.02	11,508	0.03
Current maturity of long term financing	-	-	-	-	-	-	-	-	955,037	2.04	151,774	0.42
Interest accrued on long term financing	-	-	-	-	-	-	-	-	254,552	0.54	196,154	0.54
Provision for income tax	6,305,167	4.19	8,397,850	6.66	5,985,202	6.46	2,087,503	3.57	-	-	-	-
	23,680,845	15.75	22,653,488	17.96	18,834,792	20.36	10,390,222	17.75	9,635,229	20.58	11,939,377	32.73
	150,386,133	100.00	126,144,733	100.00	92,499,483	100.00	58,534,296	100.00	46,829,438	100.00	36,481,875	100.00
ASSETS												
Property, plant and equipment	37,672,536	25.05	22,207,552	17.60	16,176,231	17.49	13,266,282	22.66	12,688,670	27.10	11,023,452	30.22
Development and production assets	16,278,235	10.82	11,766,348	9.33	12,755,574	13.79	11,886,872	20.31	7,409,878	15.82	3,002,063	8.23
Exploration and evaluation assets	7,386,197	4.91	5,915,531	4.69	6,553,548	7.08	2,689,549	4.59	5,972,108	12.75	10,084,055	27.64
Long term investments	1,161,018	0.77	-	-	-	-	-	-	-	-	-	-
Long term loans and advances	34,053	0.02	33,165	0.03	39,755	0.04	35,411	0.06	32,233	0.07	27,069	0.07
Long term deposits and prepayments	182,274	0.12	353,999	0.28	230,999	0.25	62,890	0.11	26,002	0.06	15,104	0.04
Deferred income tax asset	2,209,320	1.47	1,888,594	1.50	651,147	0.70	1,819,166	3.11	2,162,308	4.62	2,680,622	7.35
	64,923,633	43.17	42,165,189	33.43	36,407,254	39.36	29,760,170	50.84	28,291,199	60.41	26,832,365	73.55
Current assets												
Stores and spares	2,866,855	1.91	2,999,993	2.38	2,349,391	2.54	671,051	1.15	1,015,000	2.17	2,167,328	5.94
Trade debts	28,046,706	18.65	23,369,070	18.53	21,377,155	23.11	9,663,590	16.51	7,660,556	16.36	3,809,697	10.44
Loans and advances	5,470,861	3.64	7,055,770	5.59	4,752,460	5.14	2,532,344	4.33	1,640,065	3.50	1,437,456	3.94
Short term prepayments	144,920	0.10	134,910	0.11	92,919	0.10	66,714	0.11	65,697	0.14	80,193	0.22
Other receivables	187,311	0.12	48,928	0.04	78,739	0.09	30,982	0.05	39,779	0.08	21,333	0.06
Current portion of long term investments	39,831	-	-	-	-	-	-	-	-	-	-	-
Short term investments	40,782,256	27.12	33,634,126	26.66	20,700,000	22.38	8,437,354	14.41	3,604,596	7.70	-	-
Interest accrued	100,635	0.07	36,469	0.03	105,747	0.11	103,183	0.18	47,031	0.10	3,961	0.01
Income tax paid in advance	-	-	-	-	-	-	-	-	1,142,319	2.44	1,503,388	4.12
Cash and bank balances	7,823,125	5.20	16,700,278	13.24	6,635,818	7.17	7,268,908	12.42	3,323,196	7.10	626,154	1.72
	85,462,500	56.83	83,979,544	66.57	56,092,229	60.64	28,774,126	49.16	18,538,239	39.59	9,469,510	26.45
	150,386,133	100.00	126,144,733	100.00	92,499,483	100.00	58,534,296	100.00	46,829,438	100.00	36,481,875	100.00

Previous years figures have been restated, wherever necessary for the purpose of comparison

COMPOSITION OF ASSETS
(Percentage)



COMPOSITION OF EQUITY & LIABILITIES
(Percentage)

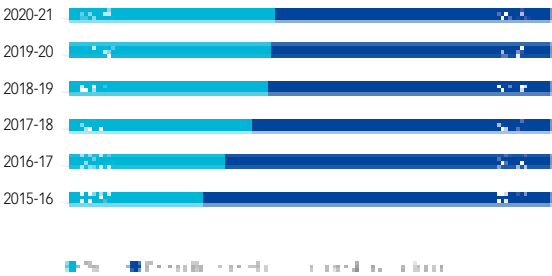


Vertical Analysis
Statement of Profit or Loss

	2021	% age	2020	% age	2019	% age	2018	% age	2017	% age	2016	% age
Net sales	73,018,271	100	72,026,368	100.00	59,457,121	100.00	40,722,698	100.00	28,242,922	100.00	21,761,176	100.00
Royalty	(9,315,126)	(12.76)	(8,805,560)	(12.23)	(7,574,515)	(12.74)	(5,180,869)	(12.72)	(3,583,522)	(12.69)	(2,750,095)	(12.64)
Operating and administrative expenses	(15,039,680)	(20.60)	(13,313,631)	(18.48)	(11,722,088)	(19.72)	(10,031,741)	(24.63)	(7,517,446)	(26.62)	(5,812,021)	(26.71)
Exploration and prospecting expenditure	(4,543,689)	(6.22)	(10,257,639)	(14.24)	(4,308,006)	(7.25)	(3,314,839)	(8.14)	(3,880,797)	(13.74)	(6,462,126)	(29.70)
Finance cost	(1,310,476)	(1.79)	(567,952)	(0.79)	(767,752)	(1.29)	(639,728)	(1.57)	(798,086)	(2.83)	(574,058)	(2.64)
Other charges	(3,082,462)	(4.22)	(2,698,227)	(3.75)	(2,435,811)	(4.10)	(1,447,747)	(3.56)	(726,290)	(2.57)	(501,943)	(2.31)
	(33,291,433)	(45.59)	(35,643,009)	(49.49)	(26,808,172)	(45.09)	(20,614,924)	(50.62)	(16,506,141)	(58.54)	(16,100,243)	(73.99)
	39,726,838	54.41	36,383,359	50.15	32,648,949	54.91	20,107,774	49.38	11,736,781	41.56	5,660,933	26.01
Other income / (expenses)	311,971	0.43	340,001	0.47	326,087	0.55	(581,846)	(1.43)	(820,328)	(2.90)	559,789	2.57
Finance income	3,940,536	5.40	4,556,085	6.33	1,733,298	2.92	765,616	1.88	233,006	0.83	340,730	1.57
Share of loss in associate	(47,982)	(0.07)	-	-	-	-	-	-	-	-	-	-
Profit before taxation	43,931,363	60.16	41,279,445	57.31	34,708,334	58.38	20,291,544	49.83	11,149,459	39.48	6,561,452	30.15
Provision for income tax	(12,486,454)	(17.10)	(10,966,572)	(15.23)	(10,381,246)	(17.46)	(4,917,204)	(12.07)	(2,013,265)	(7.13)	(509,997)	(2.34)
Profit for the year	31,444,909	43.06	30,312,873	42.09	24,327,088	40.92	15,374,340	37.75	9,136,194	32.35	6,051,455	27.81

Previous years figures have been restated, wherever necessary for the purpose of comparison

COMPOSITION OF PROFIT AND LOSS ACCOUNT



Six Years' Analysis

of Financial Position, Performance & Cash Flows



HORIZONTAL ANALYSIS

Statement of Financial Position Share Capital and Reserves

Unappropriated profit increased significantly in 2020-21 by 28% vis-à-vis 2019-20, primarily on account of profit retention. Resultantly, shareholders' equity rose to Rs 115.53 billion at the close of 2020-21 registering an increase of 24% in comparison to 2019-20.

Non Current Liabilities

Deferred liabilities registered an annual average increase of 14% since 2015-16 predominantly due to increase in provision for decommissioning cost over the years.

Current Liabilities

Current liabilities increased by 4.54% in 2020-21 in comparison to 2019-20, principally due to increase in trade and other payables.

Non Current Assets

Non-current assets of the Company primarily include 'property, plant & equipment', 'development and production assets' and 'exploration and evaluation assets', and have increased from Rs 26.83 billion in 2015-16 to Rs 64.92 billion at the

close of 2020-21 primarily reflecting the enhancement of asset base of the Company.

Current Assets

Current assets mainly comprise of 'trade debts', 'short term investments' and 'cash & bank balances'. Trade debts increased from Rs 3.81 billion in 2015-16 to Rs 28.05 billion at the close of 2020-21 mainly on account of circular debt issue.

In 2020-21, the Company's 'short term investments' and 'cash and bank balances' have accumulated to Rs 48.61 billion registering an increase of 77 times compared to 2015-16, due to retention of cash in business.

Statement of Profit or Loss

Net sales increased from Rs 21.76 billion in 2015-16 to Rs 73.02 billion in 2020-21 primarily due to enhancement of production and better selling prices prevailed over the years. Further, finance income has increased by more than 11 times in comparison to 2015-16 due to higher average bank/investment balances.

The Company achieved highest ever net sales of Rs 73.02 billion, which is only 1% higher than that of last year.

The net sales in money terms is not a true reflective of the efforts of the Company to enhance its production as the sale was negatively impacted by lower prices to the tune of 6% of net sales. In case the Company was not able to increase the production, the net sales for the current year would have been lower by approx Rs 4 billion at current year prices and the resultant net profit being lower by around Rs 2 billion that would have represented a decrease of 6%.

VERTICAL ANALYSIS

Statement of Financial Position Share Capital and Reserves

Unappropriated profit as a percentage of equity has increased from six years' average of 65% to 86% at the close of 2020-21 owing to profit retention in the business.

Non Current Liabilities

Non current liabilities as a percentage of total liabilities decreased from 55% in 2016-17 to 32% in 2020-21 on account of increase in trade and other payables and repayment of long term financing.

Current Liabilities

Trade and other payables as a percentage of current liabilities increased from 63% in 2019-20 to 73% in 2020-21 primarily on account of increase in accrued liabilities.

Non Current Assets

'Property, plant and equipment', 'development and production assets' and 'exploration and evaluation assets' cumulatively are 94% as a percentage of non-current assets and remained in line with the six years' average of 94% as the Company continued to invest in oil and gas assets.

Current Assets

Trade debts as a percentage of current assets increased in 2020-21 due

to circular debt issue. 'Short term investments' and 'cash and bank balances' cumulatively constitute 57% of current assets at the close of 2020-21 and increased significantly in comparison to six years' average of 44%, depicting improvement in the liquidity position over the years.

Statement of Profit or Loss

Net profit as a percentage of net sales witnessed a steady improvement from 28% in 2015-16 to 43% in 2020-21 mainly on account of improved cost controls and treasury management.

CASH FLOWS

Cash flows from operating activities have remained positive for the last six years. Cash and cash equivalents increased by 77 times from Rs 0.63 billion in 2015-16 to Rs 48.61 billion in 2020-21 depicting improvement in the liquidity position over the years.

PERFORMANCE INDICATORS

Methods and Assumptions Used in Compiling the Indicators

A performance indicator is a measurable value that shows how a company is performing in terms of profitability, operational efficiency, liquidity and solvency. It is a tool for management and other stakeholders to review the Company's performance over time, as well as to compare its performance indicators with peers in order to take decisions.

Because these indicators are based on historical data, trend analysis should be used in conjunction with other information rather than as a sole tool in making future strategic decisions.

The performance indicators presented by the Company are chosen with consideration for the Company's



dynamics, operations and financial structure, among other things.

Analysis of Performance Indicators

Profitability Ratios

Since 2015-16, the ratio of net profit to net sales has been steadily increasing, owing mostly to improved cost controls and treasury management. Return on equity and return on capital employed fell compared to last year due to major capital projects under progress at the end of the year that will give returns in future years.

Liquidity Ratios

Cash and cash equivalents decreased compared to last year due to investments in exploration and development assets, capital expenditures and dividend payments, resulting in a modest decrease in liquidity ratios. Quick ratio has improved mainly on account of increase in trade debts.

Activity / Turnover Ratios

Due to the circular debt issue, the number of days in receivables grew during the year, resulting in a decrease in debtor turnover. The

management is constantly in contact with concerned consumers and government officials to ensure quick resolution of the circular debt issue, which would eventually increase debtor turnover. Further, total assets and fixed assets turnover has decreased due to major capital projects under progress at the end of the year that will give return in future years.

Investment / Market Ratios

These ratios have improved from last year mainly due to exceptional dividends declared by the Company during the year after removal of dividend cap by the government.

Capital Structure Ratios

The Company is entirely equity financed and there is no external financing as of June 30, 2021.

EXPLANATION OF NEGATIVE CHANGES IN PERFORMANCE OVER THE PERIOD

All negative changes in performance over the past six years; including the horizontal and vertical analysis of the statement of financial position, statement of profit or loss, statement of cash flows and ratios have been explained in this section.

Ten Years at a Glance



	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
(Rupees in million)										
FINANCIAL										
Revenue *	87,294.48	88,529.75	72,000.53	48,472.99	33,824.82	29,791.50	27,073.69	19,950.99	18,690.98	11,822.02
Government levies:										
Income tax, other charges, royalty, excise duty, general sales tax, gas development surcharge and gas infrastructure development cess	63,067.73	78,287.21	77,045.51	70,409.10	74,298.34	77,328.34	73,242.31	58,599.39	55,511.89	41,617.72
Net sales	73,018.27	72,026.37	59,457.12	40,722.70	28,242.92	21,761.18	19,351.97	14,894.23	11,798.01	7,565.29
Profit before taxation	43,931.36	41,279.45	34,708.33	20,291.54	11,149.46	6,561.45	6,551.87	4,377.64	3,488.49	1,402.50
Profit for the year	31,444.91	30,312.87	24,327.09	15,374.34	9,136.19	6,051.46	5,650.31	3,943.30	2,421.08	1,115.17
Issued, subscribed and paid up capital	1,334.03	1,334.03	1,212.75	1,102.50	1,102.50	1,102.50	1,102.50	918.75	918.75	918.75
Reserves	114,199.54	91,815.08	62,393.98	39,089.24	24,435.17	15,863.42	10,393.72	15,903.48	12,637.98	10,557.40
Property, plant and equipment - at cost	53,587.07	35,809.64	27,648.46	22,345.12	20,315.85	17,217.73	14,857.61	12,798.64	9,426.47	7,560.05
Net current assets / (liabilities)	61,781.66	61,326.06	37,257.44	18,383.90	8,903.01	(2,289.87)	2,469.45	3,035.24	5,197.97	4,284.04
Long term liabilities including deferred liabilities	11,171.72	10,342.14	10,057.96	7,952.34	11,656.54	7,576.58	14,758.97	5,047.10	5,361.39	5,362.28
OPERATIONAL										
Development and production leases (sq. kilometres)	1,323.1	1,330.6	1,330.3	1,270.2	1,255.9	1,239.3	1,120.4	1,100.9	1,093.5	1,093.5
Estimated Ultimate recovery of proved gas reserves (BSCF)	11,565.79	10,854.12	10,858.72	10,542.36	10,534.50	8,235.40	8,320.85	8,312.10	8,309.47	8,309.47
Cumulative gas production (BSCF)	6,378.3	6,109.1	5,859.5	5,602.4	5,345.2	5,101.4	4,869.4	4,644.6	4,427.3	4,216.1
Number of producing wells	169	163	159	135	127	124	119	118	114	107
Gas production (BSCF)	269.26	249.55	257.14	257.16	243.84	232.0	224.7	217.3	211.2	206.5
Oil production (barrels)	457,205	383,548	405,055	543,820	554,081	472,413	414,433	175,312	192,259	124,279
LPG production (metric ton)	54.32	21.90	19.83	-	20	25	362	263	477	2,062

* It includes net sales, finance income and other income. Further, it excludes GDS and GIDC along with their related sales tax.



Free Cash Flow

	(Rupees in thousand)	
Description	June 30, 2021	June 30, 2020
Cash provided by operating activities	30,137,247	31,613,046
Less: Capital expenditures		
Property, plant & equipment	17,842,585	8,439,549
Development and production assets	5,694,829	963,139
Exploration and evaluation assets	2,657,742	3,191,295
	26,195,156	12,593,983
Free Cash Flow	3,942,091	19,019,063



Free cash flow
Capital expenditures

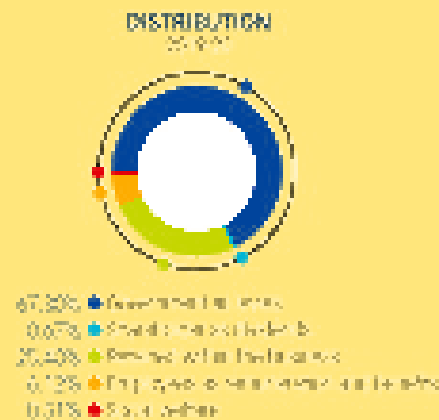
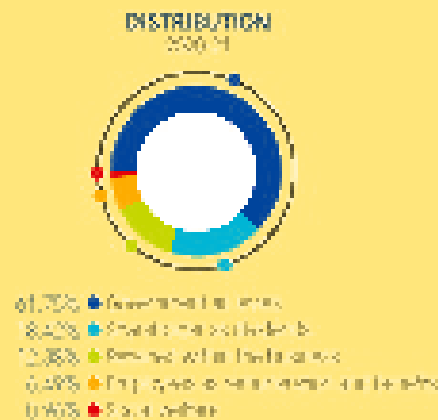


Free cash flow
Capital expenditures

Statement of Value Added

	Year 2020-21 (Rs. in million) % age		Year 2019-20 (Rs. in million) % age	
Gross sales to customers - including GDS and GIDC along with their related sales tax	111,183.76	108.86	126,859.08	109.09
Operating and exploration expenses	(12,287.79)	(12.03)	(16,147.73)	(13.89)
	98,895.97	96.83	110,711.35	95.20
Other income and other expenses	3,238.17	3.17	5,577.67	4.80
Total value added	102,134.14	100.00	116,289.02	100.00
DISTRIBUTED AS FOLLOWS:				
Employees as remuneration and benefits	6,631.65	6.49	7,111.75	6.12
Government as levies				
Direct	13,551.43	13.27	12,960.09	11.15
Indirect	49,516.30	48.48	65,293.52	56.15
	63,067.73	61.75	78,253.61	67.30
Shareholder as dividends	18,809.75*	18.42	783.06	0.67
Social welfare	978.93	0.96	591.79	0.51
Retained within the business	12,646.08	12.38	29,548.81	25.40
	102,134.14	100.00	116,289.02	100.00

* This includes final dividend of 750% for the year ended June 30, 2021 proposed by the Board of Directors for approval of members in the Annual General Meeting to be held on October 26, 2021.



Statement of Charity Account

(Rupees in thousand)

Description	2020-21
Health care	238,681
Education	59,296
Social Welfare	680,953
	978,930

Economic Value Added

Rs 16,639 million

Pattern of Shareholding

as at June 30, 2021

No. of Shareholders	Shareholding	Total shares held
920	1	36,604
560	101	150,170
321	501	242,534
596	1,001	1,225,407
120	5,001	874,163
47	10,001	556,676
34	15,001	588,704
22	20,001	487,232
13	25,001	349,363
13	30,001	423,108
14	35,001	528,597
9	40,001	375,130
7	45,001	337,104
3	50,001	163,197
3	55,001	169,647
2	60,001	128,562
3	65,001	200,832
5	70,001	358,131
3	80,001	245,606
1	90,001	91,594
2	95,001	190,798
2	105,001	214,014
1	110,001	112,884
1	115,001	115,840
1	120,001	122,190
2	125,001	255,270
1	130,001	134,800
2	140,001	282,006
2	145,001	292,680
1	160,001	161,293
1	170,001	174,119
1	175,001	175,944
1	180,001	181,096
1	195,001	196,240
1	200,001	200,849
1	215,001	215,184
1	220,001	220,191
1	245,001	250,000
1	265,001	265,049
2	275,001	556,891
1	280,001	284,887
1	285,001	287,982
1	320,001	322,574
1	345,001	345,640
1	385,001	388,960
1	440,001	441,812
2	460,001	926,845
1	505,001	508,432
1	665,001	666,465
1	680,001	680,910
1	735,001	736,120
1	1,005,001	1,010,009
1	1,530,001	1,533,945
1	1,780,001	1,783,358
1	2,135,001	2,135,832
1	2,575,001	2,579,603
1	3,015,001	3,018,236
1	24,525,001	24,526,716
1	26,455,001	26,458,162
1	52,915,001	52,916,313
2,743		133,402,500

Pattern of Shareholding as at June 30, 2021

Categories of Shareholders

Categories of Shareholders	Numbers	Shares held	Pending Shares *	Total Shares	%age
Associated companies, undertakings and related parties					
Oil & Gas Development Company Limited	1	26,458,162	222,338	26,680,500	20.00
Fauji Foundation	1	52,916,325	444,675	53,361,000	40.00
Mutual Funds					
Trustee HBL Energy Fund	1	40,749	-	40,749	0.03
Trustee ABL Stock Fund	1	220,191	-	220,191	0.17
Trustee AKD Index Tracker Fund	1	6,358	52	6,410	0.00
Trustee Al Ameen Islamic Dedicated Equity Fund	1	2,140	-	2,140	0.00
Trustee Al Meezan Mutual Fund	1	284,887	1,694	286,581	0.21
Trustee Al-Ameen Islamic Asset Allocation Fund	1	70,386	-	70,386	0.05
Trustee Al-Ameen Islamic Energy Fund	1	55,860	-	55,860	0.04
Trustee Al-Ameen Shariah Stock Fund	1	680,910	-	680,910	0.51
Trustee Alfalah GHP Alpha Fund	1	21,892	-	21,892	0.02
Trustee Alfalah GHP Islamic Dedicated Equity Fund	1	10,374	-	10,374	0.01
Trustee Alfalah GHP Islamic Stock Fund	1	56,644	-	56,644	0.04
Trustee Alfalah GHP Stock Fund	1	37,639	-	37,639	0.03
Trustee Alfalah GHP Value Fund	1	11,975	65	12,040	0.01
Trustee Alhamra Islamic Stock Fund	1	146,500	-	146,500	0.11
Trustee Allied Finergy Fund	1	41,334	-	41,334	0.03
Trustee APF - Equity Sub Fund	1	17,587	-	17,587	0.01
Trustee APIF - Equity Sub Fund	1	20,535	-	20,535	0.02
Trustee Atlas Islamic Dedicated Stock Fund	1	11,728	-	11,728	0.01
Trustee Atlas Islamic Stock Fund	1	95,790	121	95,911	0.07
Trustee Atlas Stock Market Fund	1	265,049	182	265,231	0.20
Trustee First Capital Mutual Fund	1	1,592	93	1,685	0.00
Trustee First Habib Asset Allocation Fund	1	5,470	-	5,470	0.00
Trustee First Habib Stock Fund	1	8,400	-	8,400	0.01
Trustee HBL - Stock Fund	1	26,069	-	26,069	0.02
Trustee HBL IPF Equity Sub Fund	1	6,406	169	6,575	0.00
Trustee HBL Islamic Asset Allocation Fund	1	4,095	-	4,095	0.00
Trustee HBL Islamic Equity Fund	1	3,647	-	3,647	0.00
Trustee HBL Multi - Asset Fund	1	4,015	-	4,015	0.00
Trustee HBL PF Equity Sub Fund	1	3,220	-	3,220	0.00
Trustee JS Islamic Dedicated Equity Fund (JSIDEF)	1	1,295	-	1,295	0.00
Trustee JS Islamic Fund	1	15,215	-	15,215	0.01
Trustee JS Islamic Pension Savings Fund-Equity Account	1	5,555	-	5,555	0.00
Trustee JS Large Capital Fund	1	7,520	-	7,520	0.01
Trustee JS Pension Savings Fund - Equity Account	1	7,339	-	7,339	0.01
Trustee KSE Meezan Index Fund	1	74,765	398	75,163	0.06
Trustee Lakson Equity Fund	1	64,680	1,222	65,902	0.05
Trustee Lakson Islamic Tactical Fund	1	9,826	-	9,826	0.01
Trustee Lakson Tactical Fund	1	8,256	-	8,256	0.01
Trustee MCB Pakistan Asset Allocation Fund	1	30,520	-	30,520	0.02
Trustee MCB Pakistan Stock Market Fund	1	388,960	-	388,960	0.29
Trustee Meezan Asset Allocation Fund	1	21,692	-	21,692	0.02
Trustee Meezan Balanced Fund	1	112,884	363	113,247	0.08
Trustee Meezan Energy Fund	1	57,143	-	57,143	0.04
Trustee Meezan Islamic Fund	1	1,783,358	10,889	1,794,247	1.34
Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	278,771	1,573	280,344	0.21
Trustee NBP Balanced Fund	1	35,783	-	35,783	0.03
Trustee NBP Islamic Active Allocation Equity Fund	1	28,617	-	28,617	0.02

Categories of Shareholders	Numbers	Shares held	Pending Shares *	Total Shares	%age
Trustee NBP Islamic Energy Fund	1	91,594	-	91,594	0.07
Trustee NBP Islamic Sarmaya Izafa Fund	1	215,184	-	215,184	0.16
Trustee NBP Islamic Stock Fund	1	322,574	-	322,574	0.24
Trustee NBP Sarmaya Izafa Fund	1	34,110	-	34,110	0.03
Trustee NBP Stock Fund	1	666,465	-	666,465	0.50
Trustee Pakistan Capital Market Fund	1	10,240	-	10,240	0.01
Trustee PICIC Growth Fund	1	33,453	-	33,453	0.03
Trustee PICIC Investment Fund	1	24,666	-	24,666	0.02
Trustee UBL Asset Allocation Fund	1	23,071	-	23,071	0.02
Trustee UBL Dedicated Equity Fund	1	1,157	-	1,157	0.00
Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	81,333	-	81,333	0.06
Trustee UBL Stock Advantage Fund	1	463,079	-	463,079	0.35
Trustee Unit Trust of Pakistan	1	20,700	-	20,700	0.02
Trustee Meezan Dedicated Equity Fund	1	40,848	-	40,848	0.03
Trustee Al-Ameen Islamic Ret. Sav. Fund - Equity Sub Fund	1	129,873	-	129,873	0.10
Trustee Alhamra Islamic Asset Allocation Fund	1	95,008	-	95,008	0.07
Trustee First Habib Islamic Stock Fund	1	23,880	-	23,880	0.02
Trustee HBL Islamic Stock Fund	1	15,579	-	15,579	0.01
MCBFSL - Trustee JS Growth Fund	1	65,520	-	65,520	0.05
MCBFSL - Trustee ABL Islamic Stock Fund	1	181,096	-	181,096	0.14
MCBFSL - Trustee JS Value Fund	1	16,820	-	16,820	0.01
MCBFSL - Trustee ABL Islamic Dedicated Stock Fund	1	35,195	-	35,195	0.03
Trustee PIML Islamic Equity Fund	1	-	42	42	0.00
Trustee PIML Strategic Multi Asset Fund	1	-	30	30	0.00
Trustee First Crosby Dragon Fund	1	-	24	24	0.00
Trustee JS KSE-30 Index Fund	1	-	9	9	0.00
NIT & ICP					
Investment Corporation of Pakistan	1	4,031	-	4,031	0.00
IDBL (ICP Unit)	1	964	-	964	0.00
Trustee Natonal Investment (Unit) Trust	1	2,579,603	46,268	2,625,871	1.97
Trustee NIT Asset Allocation Fund	1	7,000	-	7,000	0.01
Trustee NIT Islamic Equity Fund	1	140,080	-	140,080	0.11
Trustee NIT Equity Market Opportunity Fund	1	441,812	5,913	447,725	0.34
Trustee NITIPF Equity Sub-Fund	1	4,788	-	4,788	0.00
Trustee NITPF Equity Sub-Fund	1	1,326	-	1,326	0.00
Banks, Development Financial Institutions and Non-Banking Financial Institutions					
National Development Finance Corp.	1	5,398	-	5,398	0.00
Bank Alfalah Limited	1	146,180	-	146,180	0.11
MCB Bank Limited - Treasury	1	345,640	-	345,640	0.26
Meezan Bank Limited	1	175,944	-	175,944	0.13
National Bank of Pakistan	1	1,010,009	-	1,010,009	0.76
First Credit & Investment Bank Limited	1	1,447	-	1,447	0.00
Insurance & Takaful Companies					
Adamjee Life Assurance Company Limited - DGF	1	4,940	-	4,940	0.00
Adamjee Life Assurance Company Limited	1	33,228	-	33,228	0.02
Adamjee Life Assurance Company Limited - IMF	1	200,849	-	200,849	0.15
Alfalah Insurance Company Limited	1	11,000	-	11,000	0.01
Atlas Insurance Limited	1	25,260	-	25,260	0.02
Century Insurance Company Limited	1	2,165	-	2,165	0.00
Dawood Family Takaful Limited	1	33,644	-	33,644	0.03

Pattern of Shareholding as at June 30, 2020

Categories of Shareholders

Categories of Shareholders	Numbers	Shares held	Pending Shares *	Total Shares	%age
EFU Life Assurance Limited	1	278,120	-	278,120	0.21
GHAf Limited	1	2,000	-	2,000	0.00
IGI Life Insurance Limited	1	1,826	-	1,826	0.00
Jubilee General Insurance Company Limited	1	50,000	-	50,000	0.04
Jubilee General Window Takaful Fund - PTF	1	4,000	-	4,000	0.00
Jubilee General Window Takaful Operations	1	1,500	-	1,500	0.00
Jubilee Life Insurance Company Limited	1	3,018,236	-	3,018,236	2.26
State Life Insurance Corp. of Pakistan	1	1,533,945	-	1,533,945	1.15
Modarabas					
B.R.R. Guardian Modaraba	1	11,590	-	11,590	0.01
Pension Funds					
Trustee - ICI Pakistan Management Staff Pension Fund	1	10,938	-	10,938	0.01
Trustee National Bank of Pakistan Employees Pension Fund	1	463,766	-	463,766	0.35
Pfizer Pakistan DC Pension Fund	1	2,196	-	2,196	0.00
Unilever Pakistan DC Pension Fund (Sub Fund A)	1	6,969	-	6,969	0.01
Unilever Pakistan DC Pension Fund (Sub Fund B)	1	2,323	-	2,323	0.00
Unilever Pension Plan	1	313	-	313	0.00
Wyeth Pakistan DC Pension Fund	1	334	-	334	0.00
Trustee ABL Islamic Pension Fund - Equity Sub Fund	1	7,081	-	7,081	0.01
Trustee ABL Pension Fund - Equity Sub Fund	1	7,347	-	7,347	0.01
Trustee NAFA Islamic Pension Fund - Equity Account	1	70,598	-	70,598	0.05
Trustee NAFA Pension Fund Equity Sub - Fund Account	1	35,871	-	35,871	0.03
Engro Corp Ltd MPT Employees Def Contr Pension Fund	1	1,273	-	1,273	0.00
HPSL Pension Fund	1	2,500	-	2,500	0.00
Indus Motor Company Limited Employees Pension Fund	1	2,500	-	2,500	0.00
Nestle Pakistan Limited Employees Pension Fund	1	8,158	-	8,158	0.01
Pakistan Refinery Limited Workmen Pension Fund	1	420	-	420	0.00
Pakistan Refinery Limited Management Staff Pension Fund	1	3,760	-	3,760	0.00
Sanofi-Aventis Pak. Senior Executive Pension Fund	1	2,172	-	2,172	0.00
Trustee Pak Tobacco Co Ltd Staff Def Contri Pension Fund	1	3,872	-	3,872	0.00
Trustee Pak Tobacco Co Ltd Staff Pension Fund	1	39,354	-	39,354	0.03
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	66,312	-	66,312	0.05
Trustee Pakistan Petroleum Non Executive Staff Pension Fund	1	32,410	-	32,410	0.02
Trustee ANPL Management Staff Pension Fund	1	2,423	-	2,423	0.00
Trustee-Millat Tractors Ltd. Employees Pension Fund	1	2,940	-	2,940	0.00
Trustee of Crescent Steel & Allied Products Ltd-Pension Fund	1	357	-	357	0.00
Trustee-Shell Pakistan Dc Pension Fund	1	5,937	-	5,937	0.00
Treustee-Shell Pakistan Management Staff Pension Fund	1	6,023	-	6,023	0.00
Trustee-Shell Pakistan Staff Pension Fund	1	123	-	123	0.00
Trustee-The Kot Addu Power Co. Ltd. Employees Pension Fund	1	8,200	-	8,200	0.01
Pakistan Petroleum Executive Staff Pension Fund (Dc Shariah)	1	22,784	-	22,784	0.02
Trustee Pak. Petroleum Exec. Staff Pen. Fund Dc Conventional	1	6,250	-	6,250	0.00
Trustees Nestle Pakistan Limited Employees Pension Fund	1	12,045	-	12,045	0.01
Trustee AGIPF Equity Sub-Fund	1	1,879	-	1,879	0.00
Trustee AGPF Equity Sub-Fund	1	1,381	-	1,381	0.00
Trustee Pakistan Pension Fund - Equity Sub Fund	1	23,820	-	23,820	0.02
Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	1	30,510	-	30,510	0.02

Categories of Shareholders	Numbers	Shares held	Pending Shares *	Total Shares	%age
Local Individuals	2,393	5,958,167	-	5,958,167	4.47
Foreign Individuals	2	16,566	-	16,566	0.01
Others					
- Government of Pakistan	1	24,526,716	-	24,526,716	18.39
- Federal Board of Revenue	1	54,797	-	54,797	0.04
- Joint Stock Companies	67	911,404	-	911,404	0.68
- Executives	2	1,199	-	1,199	0.00
- Foreign Companies	30	648,996	-	648,996	0.49
- Others	106	2,517,318	-	2,517,318	1.89
	2,743	132,666,380	736,120	133,402,500	100
Public sector companies and corporations					
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Shareholders holdings 5% or more voting interest					
Fauji Foundation		52,916,325	444,675	53,361,000	40.00
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Government of Pakistan		24,526,716	-	24,526,716	18.39
Shares held by Sponsor Shareholders					
Fauji Foundation		52,916,325	444,675	53,361,000	40.00
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Government of Pakistan		24,526,716	-	24,526,716	18.39
Shares held by Directors and Executives					
Directors		510	-	510	0.00
Executives		1,199	-	1,199	0.00

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

Name	Dates	Purchase	Sale	*Rate Rs. Per Share**
Mr. Muhammad Sibtain Gohar	Jan 18, 2021 to Feb 03, 2021	40	-	1,408.42
Mr. Muhammad Sibtain Gohar	Jan 18, 2021 to Feb 03, 2021	-	40	1,476.39
Mr. Hassan Karim Raja	January 20, 2021	660	-	1,450.00

* Pending shares represent bonus shares withheld by the Company and have not been issued due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares.

** Average rates



Directors' Report

The Board of Directors is pleased to present the Directors' report along with audited financial statements of Mari Petroleum Company Limited (MPCL) for the year ended June 30, 2021 together with auditors' report thereon.

YEAR AT A GLANCE / KEY ACHIEVEMENTS

The year 2020-2021 was unique in many respects and took a toll on the socio-economic environment by severely affecting the world economy. The impact on the energy sector was profound as the Pandemic induced decline in demand led to a drastic reduction in oil and gas prices.

As every challenge creates an opportunity, MPCL took upon itself to

strive to proactively contribute further to the economy of the country and create value for all stakeholders by bringing the best out of its people and assets. An exemplary commitment was displayed by MPCL's employees towards safety, reliability and focus on value preservation & creation by enhancing the performance of MPCL that reflects the resilience of the Company.

The Company during the year has

been able to achieve landmarks that are historic in relation to the operations and financial results of MPCL that will have a positive impact on the long-term prospects of the Company. Notable achievements for the financial year are summarized below:

- i) The Company not only reversed the declining production trend of prior years but managed to achieve the highest ever



- hydrocarbon production in the history of the Company of 35.8 MMBOE;
- ii) The Company also achieved highest ever net sales of Rs 73 billion despite a decline in the applicable oil and gas prices. This resulted in highest ever net profit of Rs 31 billion;
- iii) The Company was able to obtain the approval from the Economic Coordination Committee (ECC) to have the cap on dividend distribution removed that while enhancing significantly the dividend distribution to the shareholders also resulted in longer term value creation;
- iv) The Company is one of the largest contributors to the Government exchequer in the form of taxes and levies, with overall contribution amounting to Rs 63.07 billion during the year;
- v) To achieve the Company's objective of being one of the major contributors to the energy sector in the long run, MPCL has strived to increase its reserve base which resulted in increase of net proved and probable reserves by ~ 70 MMBOE during the current, which equates to an exceptional 200% Reserves Replacement Ratio (RRR). The Company also added new resources of around 8 MMBOE;
- vi) To secure the incentive price under 2012 Petroleum Policy, the Company successfully achieved signing of the Supplemental Agreement to Mari D&P Lease, which was executed in April 2021. This allowed to avail incentive pricing under for incremental production from both existing eligible reserves and new exploratory efforts;
- vii) In order to commercialize the undrawn volumes of power customers that in normal circumstances would not have been sold, the Company planned and executed the HRL swing volume project by installing

a compression capacity of 40 MMSCFD; this allowed first ever gas sale of HRL undrawn volumes to SNGPL that reduced the gas deficit and thus, extra reliance on imported LNG by equivalent volume;

- viii) The Company in order to early monetise the available hydrocarbons has started commercial gas production from Benari-X1 (Shah Bander Block) and crude oil production under Extended Well Test from Bolan East-1 well (Ziarat Block) thus enhancing the revenue generating capacity of the Company;
- ix) The exploration success of the Company is reflected by key discoveries of Iqbal 1 in Mari field and Togh Bala-1 in Kohat Block; the exploratory drilling in three key blocks Bannu West, Karak and Kalchas has also commenced and the Company is hopeful of further success;

- x) To achieve its medium to long term targets, the Company has enhanced its exploration portfolio by adding four new exploration blocks during the year, which are represented by two operated and two non-operated blocks awarded in recently concluded bid round. In addition, subsequent to the financial year a farm-in with MOL Pakistan for their operated Margalla Block has been finalised and is pending Government of Pakistan approval;
- xi) To ensure long term sustainability and alignment with the ever changing environment

and diversify its business portfolio, the Company has acquired 20% equity interest in National Resources (Pvt) Limited – a company with principal line of business to undertake mineral mining projects in the province of Balochistan, Pakistan;

- xii) The Company made immense efforts and was successful in having the issuance of long outstanding wellhead gas price notifications in respect of Shaheen and Shahbaz discoveries in Mari field. This will result in enhancing of the cash flow in the financial year 2021-22;

- xiii) The Company was able to execute Supplemental Agreement to Bolan (Zarghun South) Petroleum Concession Agreement for availing Tight Gas incentives and issuance of pending wellhead gas price notifications of Zarghun South field, which will result in increasing the cash flow of the Company in financial year 2021-22;
- xiv) In order to reduce its reliance on 3rd party contractors and ensure continuity of our exploration and development plans, the Company, acquired two 2000 HP drilling rigs from Weatherford



Directors' Report

Drilling International. Additionally, the Company also commissioned its newly acquired Mud Logging Unit, which provided services at two wells drilled during the year. This is true reflection of the spirit of transforming the Company into an integrated Exploration and Production Company. Having these assets also provides the flexibility to the Company to work in security sensitive areas and tough terrains where third party contractors are not willing to work; and

xv) Significant projects, which were still under progress at year end that would contribute to enhancement of production and meet the ever growing needs of the country, are as follows:

- a. Greenfield GTH project; 4 development wells were also successfully drilled and completed as part of this project;
- b. Connectivity of Mari field with national gas network through a 20 inch 25 km pipeline;
- c. Debottlenecking project at Mari field to extend field production plateau of 650 MMSCFD to extend the operational life of the fertilizer plants;
- d. HRL swing (undrawn) volume project: Phase 3 of the HRL swing volume project will enhance the HRL gas supply capability to SNGPL up to 60 MMSCFD;

- e. Asset integrity management campaign at Mari field; and
- f. Mari field revitalization studies with an aim to extend its plateau and maximize its ultimate recovery.

The above achievements, in a year eclipsed by the socio-economic challenges, are a true reflection of the zeal and commitment of all the employees of the Company who proactively supported the efforts of the management and leadership team. It was because of them the Company was able to deliver such an exceptional performance.

COVID-19 MANAGEMENT AT MPCL

During the pandemic, the Company

has ensured effective implementation of robust measures to keep its employees, assets and working environment safe and protected. Employees showed true reflection of dedication and commitment to the required protocols ensuring no major hindrances in the operations of the Company. Further, the Company is continuously monitoring the situation to address the changed environment and to take effective measures to contain the impact as necessary. As business continuity of Mari field is of national importance, extensive vigilance and timely measures have been undertaken by the Company and no significant operational delays or disruption in activities occurred during the year and Company has been able to effectively contain any adverse impacts due to the pandemic.

HEALTH, SAFETY & ENVIRONMENT

The Company during the year recorded more than 16.3 million man hours (employees and contractual workforce) and achieved the following remarkable results:

Criteria	Target	Achieved
Total Recordable Case Frequency (TRCF)	0.49	0.18
Lost Time Injury Frequency (LTIF)	0.39	0.06
Process Safety Event Rate (PSER) -Tier-I	0.53	0.00
Process Safety Event Rate (PSER) -Tier-II	0.79	0.11

The Company's HSE objective of "no harm to people and environment" was achieved through management commitment and implementation of robust HSE Management system; being vital and one of Company's core values towards continuous improvement.

These remarkable results were achieved even though project, seismic and drilling crews worked in extreme weather and security sensitive conditions with harsh terrains which reflect the commitment of the employees.

In order to achieve excellence in HSE performance, a proper monitoring mechanism was introduced which include reporting of Safety Event Rates (PSER Tier I and PSER Tier





II) along with monitoring of Green House Gases emission monitoring for gauging margins of improvement for Carbon footprints reduction.

Certifications

The Company carried out IMS / ISMS Audit and have following certifications in place

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

For organizations like MPCL, who are serious about improving employee safety, reducing workplace risks and creating better, safer working conditions; complying with these standards is the only a part of the commitment.

HSE Trainings and Awareness Sessions

We believe that through effective training, high HSE standards can be implemented resulting in reduction of HSE incidents and bring Risks to ALARP (As Low As Reasonably Practicable). HSE trainings imparted by the HSE department enabled employees at all locations to work safely without any major incident.

As stated above, 12,867 Training man-hours were clocked for 1,133 HSEQ trainings and 154 HSEQ Crisis & Emergency Drills were organized for employees at all locations during the year.

Our Safety Performance TRCF of 0.18 is reflective of the numerous initiatives taken during our operational activities, some of which are:

- Development and implementation of Life Saving Rules, HSE Policy, Operational Integrity Management Standard

- Monitoring and controlling Air Emission & other Environmental regulations along with Noise, and Ambient Air Monitoring
- Establishment of clinics at all sites
- Conducting HAZOP, operational studies and Health Risk Assessments
- Carrying out Pandemic COVID-19, Malaria & dengue prevention campaign at all locations
- Performing Project and Task Risk Assessments at desired phases

Environmental Management & Compliance

MPCL is ISO 14001:2015 (Environmental Management System) certified and is one of the most environment friendly Oil & Gas Company in Pakistan by complying with maximum environmental standards. IMS Audit against the EMS Standard resulted in Zero Non-compliance & observations. Management has put due emphasis in improving environmental sustainability and contribution to climate change through plantation and avoiding loss of vegetation in the area of operations. During this year, more than 1,000 trees were planted and maintained across the operational locations.

Further, the Company drives an effective campaign for the discontinuation of utilizing non-degradable plastics and it has been strictly followed. Discouraging usage of plastics like bags, disposable cutlery, water bottles etc. has resulted in a major step towards environmental protection



from pollutants. Waste management plan is implemented at all locations with both hazardous and non-hazardous waste disposed through EPA certified contractor.

PRODUCTION

The Company achieved the highest ever production in the history of the Company. The Company continued with gas and crude oil supply to all its customers during the year ended as follows:

	Year ended June 30			
	2021		2020	
	Cumulative	Per day	Cumulative	Per day
Gas (MMSCF)				
Mari Field	256,903	704	238,674	652
Other Joint Ventures	12,354	34	10,876	30
	269,257	738	249,550	682
Crude oil (barrels)				
Mari Field	17,700	49	12,428	34
Other Joint Ventures	439,505	1,204	371,120	1,014
	457,205	1,253	383,548	1,048
Total production in equivalent BOEs	35,872,593	98,281	33,409,735	91,283

Production from Mari Field

MPCL faced continuous challenge of low gas offtake by Central Power Generation Company Limited (CPGCL) and Annual Turnarounds / Emergency Shutdowns owing to customers’ operational requirements during the year nonetheless, the Company was successful to secure the incentive price on volumes higher than last year from HRL reservoir. This achievement was a

result of proactive production planning through continuous engagement and coordination with the customers and successfully negotiating with SNGPL for supply of surplus gas volumes into the national grid. This assisted in meeting Country’s gas demand through indigenous resources at a crucial juncture where the country has been importing LNG to meet its increasing gas demand.

The sale of 8-10 MMSCFD to SNGPL started from January 2021, from Phase 1 of the HRL Swing Gas Project. Following successful installation, commissioning and start-up of Gas Dehydration and Compression facilities at our CMF-II facility in June 2021, monetization of undrawn volume has increased to 40 MMSCFD (termed as Phase 2). Phase 3 of the project is under execution and will enhance the gas supply capability to SNGPL up to 60 MMSCFD by 3Q 2022.

Other fields

- **Extended Well Testing (EWT) - Bolan East:** start-up of production during the year of crude oil under EWT arrangement from Bolan East Well in Ziarat Block in November 2020, which is mainly being sold to Attock Refinery. The Company is exploring various options for selling the increased volumes, where the current production is around 1,000 BOPD.
- **Commercial Production - Baneri X-1 Field:** Commercial production commenced from Baneri X-1 Field from Shah Bander Block operated by Pakistan Petroleum Limited (PPL) where MPCL is a partner by processing the gas through Sujawal Plant operated by MPCL, with a current production of 8 MMCFD. This is a result of the strategy of the Company to build on synergies and exploit the assets of the Company to the full potential. This synergetic approach has led to early monetisation of the gas as well as substantial investment saving for the Company.
- **Abandonment - Koonj Field:** Upon expiry of the Development and Production Lease in December 2020, the Company has discontinued the production from Koonj well and submitted the abandonment notice to the Director General Petroleum Concession.

RESERVES REPLACEMENT

The Company's efforts to increasing production coupled with the requirement to have a decent Reserve Replacement Ratio (RRR) in order to sustain growth of the Company. During the year, the proved and probable reserves has been increased by almost ~ 70 MMBOE which is an exceptional RRR of 200%. The primary addition to reserves have been in Mari field - HRL Reservoir due to improved recovery resulting from successful Phase-X development and debottlenecking of surface pipelines network. The other major contribution was the increased recovery in Mari field from Goru-B reservoir following an updated

development plan including compression. The reserves changes also include some other minor additions and revisions based on technical evaluations.

In addition, the Company net contingent resources also increased by estimated over 8 MMBOE during the financial year. The main contributors of resource additions are new exploration discoveries in Iqbal-1 (Mari field) and Togh Bala-1 (Kohat Block) and addition in Bolan East resources based on technical evaluations. Overall, these additions/ revisions resulted in 100% addition to the contingent resources.

FINANCIAL HIGHLIGHTS

Following table summarizes the key financial results of the Company:

	Year ended June 30	
	2021	2020
	Rupees in million	
Net sales	73,018	72,026
Profit before tax	43,931	41,279
Provision for taxation	12,486	10,967
Net profit for the year	31,445	30,313
Earnings per ordinary share (Rupees)	235.71	227.23

The Company achieved highest ever net sales of Rs 73 billion, which is only 1% higher than that of last year. The net sales in money terms is not a true reflective of the efforts of the Company to enhance its production as the sale was negatively impacted by lower prices to the tune of 6% of net sales.

In case the Company was not able to increase the production, the net sales for the current year would have been lower by approximately Rs. 4 Billion at





current year prices and the resultant net profit being lower by around Rs. 2 billion that would have represented a decrease of 6%.

DIVIDEND

The Economic Coordination Committee (ECC) of the Cabinet, in its meeting held on February 3, 2021, approved the removal of cap on distribution of dividends, allowing the Company to distribute dividends in accordance with the provisions of the Companies Act, 2017 and the regulations made thereunder. Subsequently, an Amendment Agreement to Mari Wellhead Gas Price Agreement 2015 has been executed between the Government of Pakistan and the Company on April 17, 2021, giving effect to the ECC decision, effective July 1, 2020.

The Company for the year 2020-21 has paid two interim cash dividends cumulating to Rs 66.00 per ordinary share equates to 660%. Additionally, final cash dividend of Rs 2.00 per share (20%) for the year ended June 30, 2020 was also declared and paid during the year.

The Board of Directors in its meeting held on August 26, 2021 has proposed final cash dividend for the year ended June 30, 2021 of Rs. 75 per share, for approval of the members in the Annual General Meeting.

FOREIGN EXCHANGE SAVINGS

The Company is one of the major contributors to the national economy. The Company's share of production of natural gas, crude oil and LPG from its Mari field and other joint ventures for the financial year 2020-21 in terms of energy equivalent was 35.87 MMBOE. This has resulted in foreign exchange saving of around Rs 311 billion for the year assuming an average crude oil price of US\$ 54.08 per barrel and average foreign exchange rate of US\$ = Rs 160.27 during the year.

CONTRIBUTION TO THE GOVERNMENT EXCHEQUER

The Company is a key contributor in national economy and contributes heavily in the Government exchequer in the form of direct and indirect taxes. The Company's overall contribution during the year to the Government exchequer in the form of taxes and levies stood at Rs 63.07 billion.

EXPLORATION, DEVELOPMENT AND OPERATIONAL ACTIVITIES

The Company with its strategy, dedication of the employees, management guidance and extra ordinary efforts to utilize its resources both human and operational has become the second largest gas producer in the Country and also has the second largest 2P reserves in the Country.

Key discoveries during the year:

The Company's effort for exploration are reflected by the following two key discoveries during the year:

Mari Field: Exploratory well (Iqbal-1) was declared as gas discovery in SUL and Ghazi formations, which has been connected with the pipeline to the grid.

The Government of Pakistan has approved EWT and process for gas allocation and price notifications are in process.

Kohat block: Exploratory/appraisal well (Togh Bala-1) was completed during the year and has been announced as gas discovery, the well has been completed in Lumshiwal formation as appraisal of Togh-1 discovery. The well has been connected with the system and gas is being supplied to SNGPL since December 25, 2020.

Drilling activities during the year:

During the year, the Company drilled a number of exploratory

and development wells to enhance the production and reserves of the Company. Following are the main drilling activities conducted during the year.

Mari Field: Development wells, Parwaaz Deep-1, MD-18, MD-19 and MD-21 were drilled and completed as gas producers in Lower Goru B Sand.

Karak Block: Exploratory well (Surghar-X1) spudded-in on April 30, 2021 and drilling is in progress.

Bannu West Block: Exploratory well (Bannu West-1) spudded-in on June 6, 2021 and drilling is in progress.

Kalchas Block: Exploratory well (Sundha Thal) spudded-in on June 9, 2021 and drilling is in progress.

Kohat Block: Development well (Togh Bala-2) spudded-in on June 28, 2021 to optimally produce Lockhart reservoir and drilling is in progress.

Sujawal Block: Fifth exploratory well (Daim-1) spudded-in on June 15, 2021 and has been concluded as dry hole subsequent to year end and consequently has been plugged and abandoned.

G&G activities during the year

The Company carried out G&G activities to identify prospects that





can be commercially developed. Following main activities were carried out:

Mari Field: Interpretation of 1,080 Sq.km 3D reprocessed Pre Stack Time Migration (PSTM) is complete and interpretation of Pre Stack Depth Migration (PSDM) seismic data and its G&G integration is in progress.

Block 28: 2D seismic data acquisition is in progress by MPCL's own seismic crew. Out of total planned acquisition of 1,542 L.km, a total of 1,356 L.km data has been acquired.

Bannu West Block: 3D and 2D Pre Stack Depth Migration (PSDM)

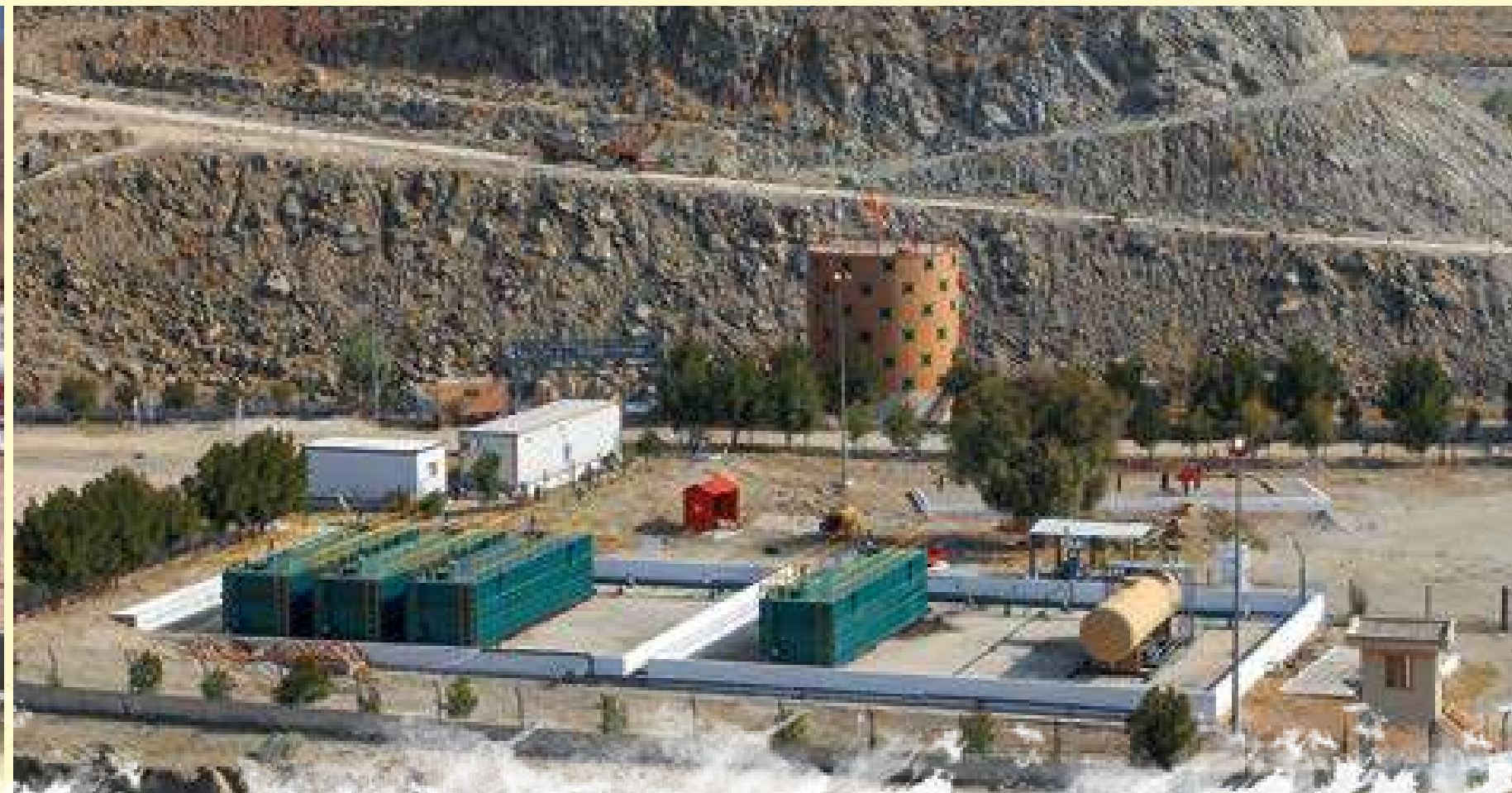
processing is in progress at M/s GRI, China, which will be followed by interpretation and integration with G&G data to firm up leads as prospect for drilling of exploratory well.

Taung Block: 3D seismic data acquisition is in progress by MPCL's Alpha Crew after securing necessary regulatory approvals. To date, a total of 240 Sq.km data has been recorded and expected project completion is scheduled for September 2021. Considering the expected stratigraphic/composition trapping mechanism, dual processing of newly acquired Taung 3D seismic data (341 Sq.km) and reprocessing of vintage Badhra 3D seismic data (234 Sq.km) is planned which is expected

to be completed by end November 2021, subject to completion of on-going Taung 3D seismic data.

Zarghun South: 2D PSDM processing has been completed at M/s SAGEo. Currently, G&G data evaluation is in progress.

Ziarat Block: MPCL's own Beta Crew was mobilized in the area and camp construction has been completed during June 2021 for acquisition of 234 Sq.km 3D and 194 L.km (Firm) & 70 L.km (Contingent) 2D seismic data. Preparations to commence acquisition campaign under elaborate security cover are in process. As per plan, 3D seismic acquisition is expected to be completed by April 2022 followed by processing and



interpretation by October 2022. It will help to firm up additional leads and to appraise Bolan East discovery area.

Harnai Block: Geological field work has been completed in the block. Currently, report finalization is in progress.

Kohat Block: OGDCL Seismic crew has been mobilized in the area to acquire 124 L.km Firm and 25 L.km Contingent 2D Seismic Data. Currently, recording is in progress. The acquisition campaign is expected to be completed by Q2 of financial year 2021-22, which will be followed by processing and interpretation to firm up two leads.

Bela West Block: JV partners have agreed to undertake post well G&G studies and based on the results, future course of action will be decided.

Significant Development Projects

Sale of undrawn GENCO volumes to SNGPL from HRL (Swing gas project)

The Company has always taken the initiative to explore opportunities available to fulfill Pakistan's energy requirement in the Country's best interest.

The Company, conceived, executed and brought online at breakneck speed the Swing Gas Project, installed processing facilities consisting of

dehydration and compression facilities at Mari field for supply of up to 40 MMSCFD of under-utilized volumes due to off-taker limitation from HRL to SNGPL instead of GENCO by processing the gas to pipeline quality.

Connectivity of Mari field with national gas network through a 20 inch 25 km pipeline

In order to have a direct connectivity with the grid which will also facilitate the Swing Gas Project which for now is relying on PFL facilities, a Pipeline having capacity of 150 MMSCFD of processed gas from MPCL to tie-in point of SNGPL is under construction. Expected completion and commissioning in Q2 of 2021-22.



Installation of Greenfield, stand-alone processing facilities at Mari field for low BTU gas from Tipu, Goru-B and HRL Reservoirs – GTH Project

The GTH project being one of its kind in the history of MPCL started last year and is in full swing. The project is on schedule and will be commissioned on a phased approach and all phases are on schedule with project engineering and procurement is more than 95% complete.

GTH Facilities were initially conceived and designed for processing of 180 MMSCFD raw gas, however, in-house studies suggested that a further 100 MMSCFD of upside reservoir potential. As a result, the system was re-engineered to provide installed processing capacity of 280 MMSCFD.

Engineering was finalized and orders were placed for all the processing equipment. To monetize early gas, a phased approach has been adopted with Phase 1 bringing 40 MMSCFD of Tipu gas, now scheduled to achieve First Gas in January 2022, to be followed by Phase 2, Goru facilities in May 2022, and lastly, Phase 3, to process HRL volume in July 2022.

Debottlenecking project at Mari field - to extend the field production plateau of 650 MMSCFD beyond the suggested curtailment time of year 2021 and to extend the operational life of the fertilizer plants

In order to enhance the productivity and gain most of the assets of the Company, major debottlenecking

of gathering pipeline network of HRL is underway to remove chokes / bottlenecks in the production system by installation of larger diameter pipelines at identified locations. To assess the effectiveness of the debottlenecking and to accelerate production this project is also being carried out in a phased approach. Phase 1, which involved procurement, installation and commissioning of approx. 55 km of pipelines of varying diameters, came on-stream in January 2021. An improvement in delivery pressure by 50 psi increment has been achieved, which translates into extension in HRL plateau till 2023-2024.

Asset integrity management campaign at Mari Field

The main field of the Company is Mari and most of its infrastructure has exhausted the designed service life as some infrastructure have been operating for over fifty years. With the existing aged infrastructure and significantly high remaining life of the field, Company has focused its efforts on field life extension and rejuvenation, by setting up a dedicated Maintenance and Asset Integrity Team. The objective is to keep the asset available for service in a safe, reliable and cost effective manner to maximize its economic life.

To achieve the target, in-house assessments and surveys along with non-destructive techniques are applied for gauging mechanical integrity of safety and business critical assets including underground pipeline and surface production facilities. Result of these campaigns will enable the Company to optimize maintenance and inspection intervals and devise future replacement and rehabilitation strategy which is fit for purpose. Based on completed survey reports, replacement and rehabilitation of certain assets short-term plans have been prepared and are in the course of being implemented.

Mari being the major contributor to production of the Company, this project will deliver value and enable the Company to extend the plateau production.

MARI FIELD REVITALIZATION STUDIES PROJECT

Mari being the largest gas field in Pakistan with respect to remaining



reserves and has multiple producing reservoirs. Habib Rahi Limestone (HRL) being the main reservoir has already produced more than 50% of its reserves but still has an economic life of several decades with a natural decline going forward.

As per the life cycle of every field, production is resulting in depletion and aging infrastructure, a field revitalization project is the need of the day in order to extend the plateau production and maximize the economic life of the field. Therefore, a revitalization project has been initiated to effectively manage late-life risks e.g., depleted HRL reservoir and integrity issues due to aging infrastructure. In addition, there are several potential opportunities and options to enhance production from the existing reservoirs which are under study.

The scope of revitalization project is to develop, integrated and synergize all on-going, planned and new ideas



to maximize value from all Mari D&P lease reservoirs.

EXPLORATION PORTFOLIO EXPANSION – LOCAL & INTERNATIONAL

Local expansion

During the year under review, the Government of Pakistan offered 20 Blocks during Bid Round 2020 for grant of exploration licenses. MPCL in alignment with its growth strategy actively participated in the said bid round for acquisition of new exploration licenses.

Directors' Report

MPCL has successfully secured four (4) blocks; two (2) as operator and two (2) as joint venture partner. Two blocks namely; Sharan (Operated) and Killa Saifullah (Non-operated) have been awarded and their PCAs were executed on April 23, 2021. Whereas, PCAs signing in respect of remaining two (2) blocks is under process.

Subsequent to year end, in July 2021, the Company has executed a farm-in agreement with MOL Pakistan Oil and Gas Co B.V. for acquisition of significant working interest in Margala Block. The assignment of working interest is under GoP approval.

International Expansion - ADNOC 2019 Block Bid Round

In Abu Dhabi's 2019 Bid Round, MPCL along with OGDCL, PPL and GHPL submitted a joint bid as a consortium with 25% share each, a company named as Pakistan International Oil Limited (PIOL) has been incorporated in Abu Dhabi Global Market.

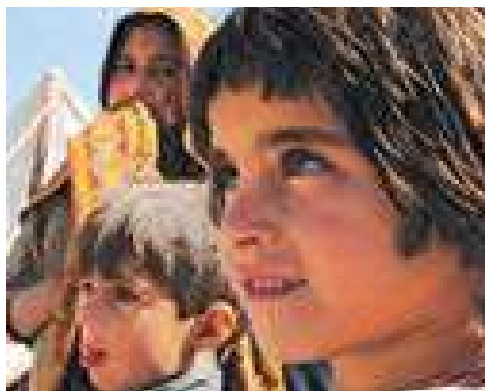
In case the block is awarded, the activities of PIOL will commence and equity investment will be made for which approval from shareholders of MPCL has already been obtained.

DIVERSIFICATION EFFORTS - Investment in National Resources (Pvt) Limited

Pursuant to the Board of Directors approval, the Company has made equity investment in National Resources (Private) Limited (NRL), a company registered in Quetta, Pakistan and operational since April 2019, by entering into an agreement with a consortium comprising of Y.B. Pakistan Limited, Arif Habib Equity (Private) Limited, Liberty Mills Limited and Reliance Commodities (Private) Limited on November 20, 2020.

During the year, the Company has invested Rs 209 million by subscribing to 20.9 million ordinary shares of NRL. Our present shareholding in NRL is 20%.

NRL is aiming to undertake mineral mining projects in the province of Baluchistan, Pakistan. These projects will involve, inter alia, exploration, survey, extraction, excavation, mining and sale of produced minerals.



MARI SEISMIC SERVICES UNIT (MSU)

MSU provides globally acclaimed technology for land seismic data acquisition, which has been tried and tested under diverse environmental and geological challenges. Currently, three crews are operating in various blocks of Pakistan. MSU provides an edge to the Company by working in security sensitive and hostile areas in the shortest possible time without compromising on cost effectiveness.

MARI DRILLING SERVICES UNIT (MDU)

With extensive experience from challenging terrains including ultra-deep wells, our rigs are designed, manufactured and equipped with OEM products that include automated drilling systems.

During the year, the Company increased its drilling capacity by acquiring two 2000 HP rigs i.e., Rig Mari 4 and Rig Mari 5, whose mobilization is complete from Weatherford Drilling International.

With addition of two additional Rigs, MDU now has the capacity of five drilling rigs including Rig Mari 1 (1500HP), Rig Mari 2 Sky Top Brewster (300 HP), Rig Mari 3 (2500 HP), Rig Mari 4 (2000 HP) and Rig Mari 5 (2000 HP). The maximum capacity of the rigs is to drill up to the depth of 8,000 meters.

MDU has successfully completed drilling of six wells and spudded one more well which will complete during the ensuing financial year.

Directors' Report

MARI SEISMIC PROCESSING CENTER (MSPC)

During the year, MSPC has carried out following processing projects:

- 3D seismic processing of 836 Sq.km Bannu West block.
- 3D seismic processing of 370 Sq.km Sukkur block.
- 2D seismic processing of 700 L.km Block 28.

MARI MUD LOGGING UNIT (MLLU)

During the year, the Company commissioned its own Mud Logging Unit and trained its crew from OEM. It successfully provided mud logging services at MD-18 well in Mari field and Daim 1 well in Sujawal Block.

INTERNAL CONTROL SYSTEM

The Board of Directors is responsible for ensuring an adequate and effective internal control system in the Company. The management of the company is responsible for designing, establishing and maintaining effective

internal controls including controls over financial reporting. The objective of such controls is to ensure reliability and completeness of accounting records and timely preparation and presentation of reliable financial and management information. The internal control system also ensures compliance with all applicable laws and regulations, promises optimum utilization of resources and protects the Company's assets and stakeholder's interests.

The Company has organizational structure and system of documenting processes, in the form of Management System Procedures that ensure effective and efficient operations while having effective controls in place. All major policies are approved by the Board of Directors and are reviewed periodically. The state-of-the-art ERP solution (SAP) has inbuilt controls including authorization controls which further enhances the control environment. In addition, the

Company has a Whistle Blower's Policy to address fraud and other wrongdoings at workplace, if any.

In Compliance of requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors of the Company has set up an Internal Audit function, which is headed by Head Internal Audit who functionally reports to the Audit Committee of the Board of Directors.

Based on the work performed by the internal and external auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal controls including controls over financial reporting are sound in design and were effectively implemented and monitored during financial year 2020-21.

ENTERPRISE RISK MANAGEMENT

Effective management of risks is a key priority for MPCL, as the Company believes that risk management contributes to business performance, achievement of organizational objectives, resilience and adherence to corporate governance standards. 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 strategic planning to business unit processes. The Company has adopted an enterprise-wide risk management methodology to ensure a proactive, adequate and holistic approach to risk

management.

MPCL aims to manage risk in a manner which maximises value and minimises potential effects while focusing on:

- Developing a link between risk, strategy and business performance;
- Building a stronger control environment;
- Complying with all laws and regulations in the jurisdictions in which MPCL operates;
- Developing and maintaining a culture of risk awareness, facilitating financial and operational performance and efficiency.

The Company's Board of Directors is responsible for the governance of risk at MPCL, determining level of risk appetite and tolerance, and establishing risk management policies and framework. This is delivered through the risk management and governance architecture, which includes Investment Committee. The Investment Committee is responsible for the oversight of risk and is, amongst other things, responsible for ensuring the adequacy, robustness and effectiveness of risk management policies and processes.

A dedicated ERM department at MPCL ensures smooth and streamlined adoption of ERM practices across the organisation, and provides risk-related advice, guidance and support to the departments. ERM department is supported in its activities by a group of focal persons (Risk Champions) within each department, who besides providing subject matter expertise of their area to ERM, where required,

also support their respective risk and control owners, and promote risk initiatives within their domains.

In essence, enterprise risk management programme in MPCL ensure 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties in the recent times have emanated from the low prices and potential impact on operations due to both international and local restrictions due to the Pandemic. These extraordinary risks, coupled with the normal risks and uncertainties that exists in the E&P sector which are depletion in existing gas reserves, security concerns that limit the access to exploration and development areas and fluctuating prices are potential major risks and uncertainties for the Company.

The Company has successfully addressed the issue of imminent decline in production levels by extending the plateau period of our reservoirs. However, lack of significant gas discoveries in the Country during the past decade has resulted in a sharp decline in the discovered resources of hydrocarbon in Pakistan.



Directors' Report

One of the major contributing reasons for this is the lack of access to new exploration areas because of prospective basins lying in security sensitive regions that limits movement of staff and carrying out our exploration activities, resulting in delays in acquisition of seismic data as well as drilling plans. However, the Company has been successful in largely overcoming this risk through collaboration with security agencies. Moreover, the Company's exploration schedule account for security related disruptions and realistic targets are set accordingly.

Like all E&P companies in Pakistan, the Company is also facing challenges when accessing additional acreage for potential

new discoveries to impede reserve depletion, which has been partially dealt with by acquisition of new blocks from the new bid round and farm-in.

Due to its strategic position in the national economy, the oil and gas remains a highly regulated sector and making it vulnerable to changes in government regulations and policies. There were no significant changes during the year with respect to petroleum related policies and regulations and thus stability prevailed in this area of risk.

INDUSTRIAL REALTIONS AND HUMAN RESOURCES

The Company believes in maintaining cordial relations with the Collective Bargaining Agent (CBA) that represent

its unionized staff. The company is committed to protecting workers' interests, improving their economic conditions and resolving any issues that they might have. The Company understands the importance of creating a working environment that enables employees to work with zeal whilst simultaneously ensuring that the company is meeting its social and legal responsibilities and meeting the Health, Safety and Environment standards at all locations and providing a healthy and conducive environment.

Human Resource plays a pivotal role in ensuring that the interest, image and success of the Company remains protected in every possible way by complying with laws, executing administrative processes, creating policies in the most effective,



employee centric and cost-efficient manner and overall providing an inclusive culture.

The HR strategy is focused on aligning the HR goals with the overall objectives of the organization by providing proactive talent management and training opportunities for professional and self-development. The Company strongly believes that investing in fresh talent builds a more competent and loyal workforce in the longer term. All such initiatives are geared up to ensure that the best HR practices are being implemented, with a purpose to enhance efficiency, maximizing employee retention and multiplying happiness and engagement at the same time.

Some key initiatives that were initiated during the year focusing on improvement of organization

efficiency, hiring of talent in key technical & support areas, employee engagement surveys, inculcating performance driven culture, rolling out of change management program on cultural transformation of the organization. These initiatives include:

- Implementation of success factor for performance & goal management
- Application of Job evaluation methodology
- Cultural transformation campaign including cultural audit and engagement survey

These initiatives will reinforce the organizational revamp for a more effective organizational structure which is conducive to implementation of best practices adopted by companies operating internationally.

INFORMATION TECHNOLOGY

The focus of the Company is on implementation of automated systems and digital transformation initiatives. This approach provides greater integration amongst cross-functional teams to induce effective planning, coordination and decision making during various E&P related activities.

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





To meet high-performance systems and infrastructure requirements, Virtual Desktop Infrastructure (VDI) System implemented in-house to run high resource demanding software systems has been working efficiently. This has boosted centralized processing capability for the high performance demanding technical software application and made MPCL pioneer in implementing VDI infrastructure in local E&P sector. During COVID-19 outbreak, the system enabled technical departmental to securely to carry on with their activities while working from home without any productivity and efficiency loss.

Mari Seismic 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 take technically more cognizant decisions. Its scalable infrastructure enables it to employ latest geophysical technology across the full spectrum of seismic imaging and reservoir characterization.

In pursuance of gaining more processes efficiency & paperless

office operations, digital transformation is part of Company's IT Strategy. In this regard, SAP modules including Budget Planning and Consolidation (BPC), Master Data Governance (MDG), Health and Safety Management Systems, Cross Application Timesheets (CATS), Ariba-Sourcing and Success Factors have been implemented. During COVID-19 breakout, the Company took work from home as an opportunity and converted many manual processes to automate them such as SAP System integration with banks for online payments . The Company has also initiated a project for Enterprise Data Management and Analytics for helping management to take data driven decisions. In this regard, various business intelligence (BI) dashboards have been developed for MPCL senior management and departments to continuously monitor KPIs and make the analytical results available to corporate decision makers as well as operational staff.

The Company strives to move towards a paperless environment, implement decisions support tools and digitalization of its operations so as to have effective and efficient flow of information by providing the management and stakeholders with the relevant data in real time basis to have an effective decision making process.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Earning the trust of all the stakeholders specially the Social community that live both either in the area of operations of the Company or not is of the utmost importance to the Company. The Company in its history has supported social causes and following the same legacy during the year has 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, especially in new blocks.

Mandatory Social Welfare Obligations

The Company discharged its mandatory social welfare obligations during the year by depositing the social welfare obligations into joint bank accounts maintained with respective District Commissioners



in our active blocks, which are being utilized to carry out community development projects, as approved by the respective social welfare committees, in accordance with social welfare guidelines.

CSR Projects at Mari Field Daharki

The Company is involved in performing following voluntary CSR activities:

- Noor-e-Sehar Special Education School
- Mari Education Complex
- Mari Medical Complex
- Three mobile dispensaries
- Maternity home
- General dispensary
- TB clinic
- Supply of safe drinking water
- MPCL - IBA Sukkur scholarship program

Mari Mobile Dastarkhawan

Mari Mobile Dastarkhawan is a collaborative effort between the Company and Comprehensive Disaster Recovery Service (CDRS) to distribute cooked meals to the needy people at various locations in Islamabad and Rawalpindi, through a custom-branded meal truck.

Mobile meals truck delivers food two times a day, providing a hearty cooked breakfast and dinner to the needy people i.e. daily wage laborers, street children, people who are in search of employment away from their villages, who cannot afford meals as well as those residing at "Panah Gah." The project also distributed iftar & dinner to 500 needy people per day during the month of Ramadan. Additionally, 400 food packs were also distributed to the deserving families. Celebrities and philanthropists are regularly participating in the food distributions.

Sarbuland – MPCL Initiative for Economic Empowerment

The Company has signed a Memorandum of Understanding (MoU) with Akhuwat for implementation of "Sarbuland" – An Initiative for Economic Empowerment.

The pilot project titled "Sarbuland" has been executed in Mianwali, wherein interest free micro-loans have been disbursed, through Akhuwat, to deserving

beneficiaries for economically viable entrepreneurial/small scale ventures, as verified by Akhuwat's assessment team.

MPCL contributions for other CSR initiatives

- Financial Assistance - cardiac treatment of deserving patients, through Fauji Foundation Health Care System
- High impact CSR projects in collaboration with Pak Army in North Waziristan
- Establishment of flood lights at Cricket Ground Islamabad Club
- MPCL Hockey Team Participation in National Hockey Championship
- MPCL contribution for Defense/ Martyrs Day
- Donation to Al Mujtaba Education Trust
- Renovation of School and Masajids in Surgarh - District Karak
- Sponsorship of Balochistan International Squash League
- Sponsorship of 66th National



Hockey Championship

- Financial assistance for completion of 'A' Level Education for deserving individuals
- Sponsorship of Tribal Cricket League by MPCL in Kohat
- Sponsorship of Islamabad Science Festival
- Installation of RO Plant - Balochistan Makran (Turbat)
- Establishment of Ramzan Bachat Bazar in Daharki City
- Sponsorship of MPCL Scholar at NUST
- Provision of furniture for Government Primary School – Daharki

CSR Awards and Recognition

The Company's CSR policies and practices were duly recognized at the 13th National Forum for Environment & Health CSR



Awards 2021. The Company won the following awards at the ceremony:

1. Best CSR practices and sustainability award 2020
2. Inclusive education (Inauguration and operationalization of Noor-e-

Sehar Special Education School, Daharki)

3. Sports and recreational activities (MPCL Hockey Stadium at Ayub Park, Rawalpindi, and other substantial contributions for the promotion of sports activities during the year)



CORPORATE GOVERNANCE

Board Structure

The Company has a highly effective Board, having appropriate mix of core competencies and diversity of backgrounds, skills, knowledge and experience. Current composition of the Board is as follows:

S.No	Director	Category
Representing Fauji Foundation		
1.	Mr. Waqar Ahmed Malik	Non-executive director
2.	Mr. Faheem Haider	Executive director
3.	Dr. Nadeem Inayat	Non-executive director
4.	Maj Gen Ahmad Mahmood Hayat (Retd)	Non-executive director
5.	Syed Bakhtiyar Kazmi	Non-executive director
6.	Maj Gen Naseer Ali Khan (Retd)	Non-executive director
Representing Government of Pakistan		
7.	Dr. Arshad Mehmood	Non-executive director
8.	Mr. Haroon-ur-Rafique	Non-executive director
9.	Mr. Abdul Rasheed Jokhio	Non-executive director
Representing OGDCL		
10.	Mr. Shahid Salim Khan	Non-executive director
11.	Mr. Ahmed Hayat Lak	Non-executive director
12.	Vacant	Vacant
Representing General Public		
13.	Mr. Adnan Afridi	Independent non-executive director
14.	Ms. Ayla Majid	Independent non-executive director

Male Directors: 12 Female Director: 01

Positions of Chairman of the Board and CEO are Held by Two Different Individuals

Mr. Waqar Ahmed Malik is the Chairman of the Board, while Mr. Faheem Haider is the Managing Director/CEO of the Company.

The names of the persons who, at any time during the financial year, were directors of the company

- 1) Lt Gen Ishfaq Nadeem Ahmad (Retd)
- 2) Maj Gen Javaid Iqbal Nasar (Retd) (Late)
- 3) Mr. Qamar Haris Manzoor
- 4) Mr. Rehan Laiq
- 5) Mr. Imran Moid
- 6) Mr. Jamil Akbar
- 7) Mr. Mian Asad Hayaud Din
- 8) Mr. Sajid Mehmood Qazi
- 9) Mr. Shahid Yousaf

Committees of the Board of Directors

The Company's Board of Directors oversees the operations and affairs of the Company in an efficient and effective manner, and in line with applicable laws, rules and regulations. The Board has constituted four committees to assist the

Board in its operations. These committees consider important matters relating to their respective domains and present their recommendations to the Board for final decision.

Audit Committee

Audit Committee of the Board currently comprises of the following directors:

Director	Designation
Ms. Ayla Majid	President (independent non-executive director)
Syed Bakhtiyar Kazmi	Member
Mr. Abdul Rasheed Jokhio	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

HR and Remuneration Committee

HR and Remuneration Committee of the Board currently comprises of the following directors:

Director	Designation
Mr. Adnan Afridi	President (independent non-executive director)
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Shahid Salim Khan	Member
Mr. Ahmed Hayat Lak	Member
Ms. Ayla Majid	Member

Technical Committee

Technical Committee of the Board currently comprises of the following directors:

Director	Designation
Syed Bakhtiyar Kazmi	President
Maj Gen Naseer Ali Khan (Retd)	Member
Mr. M. Haroon-ur- Rafique	Member
Mr. Shahid Salim Khan	Member
Mr. Abdul Rasheed Jokhio	Member

Investment Committee

Investment Committee of the Board currently comprises of the following directors:

Director	Designation
Dr. Nadeem Inayat	President
Maj Gen Naseer Ali Khan (Retd)	Member
Syed Bakhtiyar Kazmi	Member
Mr. Adnan Afridi	Member
Ms. Ayla Majid	Member

Annual Evaluation of the Performance of the Board, Board's Committees and Individual Directors

In order to bring more objectivity to the Board evaluation process, the Company has hired the services of Pakistan Institute of Corporate Governance (PICG) as external evaluator to conduct performance assessment of the Board as a whole, Board Committees and individual directors for financial year 2020-21 according to the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Board Members will undertake the self-assessment on an online portal based questionnaire developed entirely by PICG, but run through an independent third party that will compile and tabulate Board Members' responses to the questionnaire into a report for the Chairman of the Board. The process is designed to ensure the anonymity of Board Members' responses.

The deliverables of the assessment process are:

- Board Assessment Report Including Board Committees
- Individual Board Member Evaluation Report
- Analysis of results report
- Interpretation of results

PICG will submit the above deliverables directly to the Chairman of the Board, who will share the reports with the HR&R Committee for consideration and recommendations to the Board.

PICG is the premier governance institute in Pakistan, promoting good corporate governance practices in



the Country since 2004. PICG has, in collaboration with Corporate L.I.F.E. Centre International Inc., developed a specialized online solution for board, committees' and directors' evaluations.

Directors' Remuneration Policy

In compliance with clause 16 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal Directors' Remuneration Policy is in place since April 16, 2019. The policy has recently been reviewed and updated. The revised policy was approved by the Board in its 191st meeting held on April 19, 2021.

Executive Director: The Managing Director / CEO is the only executive director on the Board. He is entitled to salary and other benefits, including bonuses and post-retirement benefits as per his employment contract approved by the Board. When on Company's business, he is also entitled to receive travelling and daily allowances as per approved relevant

Policy. No fee is paid to the Managing Director to attend Board, Board Committees and general meetings.

Non-Executive Director: Non-executive directors are entitled to receive a fixed fee for attending Board and Board Committee meeting. The fee is determined by the Board and revised from time to time. When on Company's business, all directors are also entitled to receive travelling and daily allowances as per approved relevant Policy.

No fee is paid to the Non-Executive Directors for attending General Meetings of the Company. Further, they are not entitled to receive any bonuses and post-retirement benefits.

There is no stock option scheme in place for any category of directors.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2021 is provided on 135 - 139.

CODE OF CORPORATE GOVERNANCE (CCG)

The Securities and Exchange Commission of Pakistan (SECP) has issued Listed Companies (Code of Corporate Governance) Regulations, 2019, (the Regulations) to establish a framework of good corporate governance whereby every listed company is managed in compliance with the best practices.

The Company proactively undertakes to achieve full compliance with the Regulations. The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, prepared by the Board of Directors of the Company is reviewed by the External Auditors of the Company and their Review Report to the Members of the Company is included in the Annual Report every year.

Directors' Compliance Statement

The Directors of the Company hereby confirm the following:

a) The financial statements prepared by the management of the

Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

- b) Proper books of account of the Company have been maintained.
- c) There are no significant doubts regarding the Company's ability to continue as going concern.
- d) Appropriate accounting policies have been consistently applied in preparation of financial statements, except for changes as detailed in financial statements, and accounting estimates are based on reasonable and prudent judgment.
- e) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- f) Directors are responsible and have adequately ensured that the system of internal controls including financial controls is sound in design and has been effectively implemented and monitored.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- h) Key operating and financial data of the last ten years is annexed.
- i) Value of investments including bank deposits and accrued



income of various funds as at June 30, 2020, based on their respective audited accounts, is as under:

Contributory provident fund	Rs 1,246 million
Management staff gratuity fund	Rs 3,008 million
Non-management staff gratuity fund	Rs 1,097 million

j) Information regarding outstanding taxes and levies, as required by Listing Regulations, is disclosed in the notes to the financial statements.

FUTURE OUTLOOK OF THE COMPANY

Given the uncertainty surrounding the impacts of the Pandemic and the economic growth, energy demand and supply, the Company has been implementing a strategy that provides sustainable growth to the shareholders while contributing to the economy of the country.

The Company has steadily been expanding its operations and building its human, financial, technical, intellectual and social capitals to fuel and sustain its growth in the coming years.

The company is implementing the plans to enhance its production from the Mari field along with other blocks and increase its existing portfolio of exploration acreage by acquiring both local as well as international blocks.

Mari field has been the backbone of the Company's production and revenues and is expected to remain so in the foreseeable future. Therefore, a considerable portion of the Company's efforts and resources are focused on revitalizing the Mari field. To have geographical diversification, the Company is continuously evaluating farm-in opportunities in local and overseas projects either in exploration or producing assets with upside potential. By

Directors' Report

implementing this strategy MPCL as part of a consortium is awaiting the results of a bid submitted for award of a block in Abu Dhabi. The potential hydrocarbon discoveries in this block will augment the Company's reserve-led growth strategy and will also serve as stepping stone for the Company's internationalization efforts in case of award.

Diversification has been something that the Company is committed to and investment in Natural Resources Limited is a living example of this commitment. The Company is looking forward to the project and is always evaluating good opportunities of diversification that can add value to the shareholders.

The Company will follow its legacy of Social Responsibility which will be at the forefront to support social causes both in its area of operations and around the country.

With the decreased pricing of oil and gas now reversing and implementing the strategy of the Company and with the support of the BOD's, employees, management, suppliers and other stakeholder, the Company is confident that it would be able to reflect better results with high HSE standards and maintaining regulatory requirements.

Wells planned in 2021-22

Mari Field: Development well (MD-17) is planned to spud-in by Q2 of financial year 2021-22.

Sukkur Block: Exploratory well (Mian Miro Deep) is expected to be spud-in during Q2 of financial year 2021-22.

Block 28: First exploratory well is expected to spud-in during Q3 of financial year 2021-22, subject to firming up of commercially drillable prospect.

Kalchas Block: Exploration well (Kaleri Shum-1) is expected to spud-in during December 2021.

EXTERNAL AUDITORS

The present auditors, M/s A.F. Ferguson & Co., Chartered Accountants, will retire and being eligible, have offered themselves for re-appointment as external auditors of the Company.

The Audit Committee considered the appointment of auditors and recommended M/s A.F. Ferguson & Co., Chartered Accountants as external auditors of the Company for the financial year 2021-22. The recommendation of the Audit Committee was endorsed by the Board of Directors and the matter will be tabled at the upcoming AGM.

ACKNOWLEDGEMENT

The Board of Directors would like to express their 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 other locations, Provincial Governments, various departments of Federal Government especially the Ministry of Energy (Petroleum Division), Ministry of Finance, Oil and Gas Regulatory Authority, Directorates of Petroleum Concessions, Oil and Gas, Fauji Foundation, Oil & Gas Development Company Limited, Federal Board of Revenue and law enforcement agencies, its suppliers and other stakeholders.

For and on behalf of the Board



Faheem Haider
Managing Director/CEO

Islamabad
August 26, 2021



Ayla Majid
Director





- 1 ARELAS AS OPERATOR
- 2 ARELAS AS OPERATOR (EXPECTED)
- 3 ARELAS AS JOINT VENTURE PARTNER
- 4 ARELAS AS JOINT VENTURE PARTNER (EXPECTED)
- 5 D & F LEASES (OPERATED)
- 6 D & F LEASE (NON OPERATED)

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MARI PETROLEUM COMPANY LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019


We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mari Petroleum Company Limited, (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.


A.F. Ferguson & Co.
Chartered Accountants
Islamabad
Date: August 27, 2021

Engagement partner: Asim Masood Iqbal

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* KARACHI = LAHORE = ISLAMABAD

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Mari Petroleum Company limited
For the year ended June 30, 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is 14* as per the following:

a. Male:11

b. Female:01

*Two casual vacancies occurred on the Board as at June 30, 2021 due to withdrawal of nomination of directors.
2. The composition of the Board is as follows:

a) As at June 30, 2021:

Category	Names
Independent directors*	Mr. Adnan Afridi
	Ms. Ayla Majid
Executive director	Mr. Faheem Haider
Non-executive directors	Mr. Waqar Ahmed Malik
	Dr. Nadeem Inayat
	Maj. Gen Ahmad Mahmood Hayat (Retd)
	Syed Bakhtiyar Kazmi
	Maj. Gen Naseer Ali Khan (Retd)
	Dr Arshad Mehmood
	Mr. Abdul Rasheed Jokhio
	Mr. Shahid Salim Khan
	Mr. Ahmed Hayat Lak
Female director	Ms. Ayla Majid

- b) Subsequent to the year end, certain changes have occurred on the Board of Directors of the Company. Current composition of the Board is as follows:

Category	Names
Independent directors*	Mr. Adnan Afridi
	Ms. Ayla Majid
Executive director	Mr. Faheem Haider
Non Executive directors	Mr. Waqar Ahmed Malik
	Dr. Nadeem Inayat
	Maj Gen Ahmad Mahmood Hayat (Retd)
	Syed Bakhtiyar Kazmi
	Maj Gen Naseer Ali Khan (Retd)
	Dr Arshad Mehmood
	Mr. Haroon-Ur- Rafique **
	Mr. Abdul Rasheed Jokhio
	Mr. Shahid Salim Khan
	Mr. Ahmed Hayat Lak
Female director	Ms. Ayla Majid

* Please refer to point 18 of the Statement regarding the number of independent directors as required by regulation 6 of the Regulations.
** Appointed as Director on MPCL Board in place of Mr. Sajid Mehmood Qazi w.e.f July 02, 2021

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including MPCL;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for determining the remuneration of directors in accordance with the Act and the Regulations;

Statement of Compliance with the Code of Corporate Governance

9. The following Directors are certified under SECP approved Directors’ Training Program as at June 30, 2021.

S#	Directors
1.	Mr. Waqar Ahmed Malik
2.	Mr. Faheem Haider
3.	Dr. Nadeem Inayat
4.	Maj Gen Ahmad Mahmood Hayat (Retd)
5.	Mr. Abdul Rasheed Jokhio
6.	Mr. Shahid Salim Khan
7.	Mr. Ahmed Hayat Lak
8	Syed Bakhtiyar Kazmi
9.	Mr. Adnan Afridi
10.	Ms. Ayla Majid

The Board has arranged Directors’ Training program during the year for the following:

Directors:

- Mr. Faheem Haider - Executive Director
- Maj Gen Ahmad Mahmood Hayat (Retd) - Non-Executive Director
- Syed Bakhtiyar Kazmi - Non-Executive Director
- Mr. Shahid Salim Khan - Non-Executive Director
- Mr. Abdul Rasheed Jokhio - Non-Executive Director

Executive:

- Ms. Sabiha Shaukat – Assistant Manager Talent Acquisition

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

a) Audit Committee

Director	Designation
Ms. Ayla Majid	President (independent director)
Syed Bakhtiyar Kazmi	Member
Mr. Abdul Rasheed Jokhio	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 Ahmad Mahmood Hayat (Retd)	Member
Mr. Shahid Salim Khan	Member
Mr. Ahmed Hayat Lak	Member
Ms. Ayla Majid	Member

c) Investment Committee

Director	Designation
Dr. Nadeem Inayat	President
Maj Gen Naseer Ali Khan (Retd)	Member
Syed Bakhtiyar Kazmi	Member
Mr. Adnan Afridi	Member
Ms. Ayla Majid	Member

d) Technical Committee

Director	Designation
Syed Bakhtiyar Kazmi	President
Maj Gen Naseer Ali Khan (Retd)	Member
Mr. Muhammad Haroon-Ur- Rafique	Member
Mr. Shahid Salim Khan	Member
Mr. Abdul Rasheed Jokhio	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:-

	Committee	Frequency of meeting
a)	Audit Committee:	At least Quarterly/Required basis
b)	HR and Remuneration Committee:	At least once in a year/Required basis
c)	Investment Committee:	Required basis
d)	Technical Committee:	Required basis

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

Statement of Compliance with the Code of Corporate Governance

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Further, the Company has obtained relaxation from SECP in 2019 regarding minimum number of independent directors (Regulation 6 of the Listed Companies [CCG] Regulations, 2017 replaced by Regulation 6 of the Listed Companies [CCG] Regulations 2019) till divestment by the Government of Pakistan/reconstitution of the Board of Directors on expiry of its tenure starting from June 24, 2019; and
19. Explanations pertaining to the regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No	Requirement	Explanation	Reg. No.
i.	Constitution of Nomination Committee	Currently as per Articles of Association and Participation & Shareholders’ agreement, most of the directors on MPCL Board are nominated by the sponsor shareholders. The Company will consider establishing a Nomination Committee once composition of the Board changes.	29
ii.	Constitution of Risk Management Committee	The functions of risk management committee are currently performed by Investment Committee and are included in the ToRs of Investment Committee.	30



Waqar Ahmed Malik
Chairman



Faheem Haider
Chief Executive Officer

August 26, 2021



Financial Statements

for the year ended June 30, 2021

Independent Auditors’ Report to the Members	181
Statement of Financial Position	188
Statement of Profit or Loss	190
Statement of Comprehensive Income	191
Statement of Changes in Equity	192
Statement of Cash Flows	193
Notes to and Forming Part of the Financial Statements	194



A.F. FERGUSON & CO.

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, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit 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.

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Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	<p>Impairment assessment of development and production assets, exploration and evaluation assets and property, plant and equipment</p> <p><i>(Refer note 3.5, 3.7, 3.8, 11, 12 and 13 to the financial statements)</i></p> <p>As at June 30, 2021, the carrying value of development and production assets, exploration and evaluation assets and property, plant and equipment amounted to Rs 16,278 million, Rs 7,386 million and Rs 37,673 million respectively.</p> <p>The Company assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired.</p> <p>Where impairment indicator is triggered for any CGU, an impairment test is performed by the Company based on estimates of the recoverable value of that CGU.</p> <p>The assessment of recoverable value of these assets requires the exercise of significant management's estimates and judgements on certain assumptions such as (i) estimates of oil and gas reserves; (ii) future oil and gas prices; (iii) operating costs and inflation rate; (iv) foreign exchange rates and (v) discount rates.</p> <p>We considered this matter as key audit matter due to significant value of these assets at reporting date and due to significance of judgements / estimates used by management in determining the recoverable value of these assets.</p>	<p>Our audit procedures in relation to management's impairment assessment, amongst others, included:</p> <ul style="list-style-type: none"> Assessed the methodology used by management to assess the recoverable value of each CGU; Assessed the assumptions of cash flow projections in assessment of recoverable value, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, operating costs, foreign exchange rates, inflation rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data; Assessed the impairment indicators as per IFRS 6 "Exploration for and Evaluation of Mineral Resources" for material balances included in exploration and evaluation assets; Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices, discount rate and other assumptions; and Assessed the appropriateness of disclosures made in the financial statements.

ADJ



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S. No.	Key audit matters	How the matter was addressed in our audit
(ii)	<p>Recognition of Revenue</p> <p><i>(Refer note 3.12, 3.13 and 22 to the financial statements)</i></p> <p>The Company is engaged in the production and sale of oil and gas resources.</p> <p>The Company recognised net revenue during the year from the sales of natural gas, crude oil (including condensate) and Liquefied Petroleum Gas (LPG) amounting to Rs 69,944 million, Rs 3,071 million and Rs 4 million respectively.</p> <p>Revenue is recognised when the Company satisfies a performance obligation by transferring of promised product to a customer. The Company principally satisfies its performance obligation at a point in time and recognises as revenue the amount of transaction price that is allocated to the performance obligation. Effect of adjustments, if any, arising from revision in sale prices is reflected as and when the prices are finalised with the customers and / or approved by Government of Pakistan (GoP). The Company recognises interest on delayed payments from customers on probability of receipt basis.</p> <p>We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> Assessed the design, implementation and operating effectiveness of the relevant key internal controls over revenue recognition from the sale of products; Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers; Checked on sample basis, notifications of OGRA for gas prices. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of Economic Coordination Committee of the Cabinet; Where pricing is provisional / sales agreement not finalised, (a) checked correspondence with the customers and relevant government authorities during the year and held discussions with the Company; (b) inspected term sheets etc. and (c) checked price recorded is in line with applicable petroleum policy / agreed with the customers; Assessed sales transactions on either side of the statement of financial position date to assess whether they are recorded in relevant accounting period;

ADJ



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S. Key audit matters
No.

How the matter was addressed in our audit

(iii) Gas Infrastructure Development Cess (GIDC) and Gas Development Surcharge (GDS)

(Refer note 2.5 and 8.1 to the financial statements)

As a result of recent events and developments including judgment of the Supreme Court of Pakistan (SCP), on the matter of GIDC, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a guidance on "Accounting of Gas Infrastructure Development Cess (GIDC)" (the Guidance). The Company has applied the said guidance retrospectively for GIDC and GDS and prior years financial statements have been restated.

We considered this as a key audit matter, due to the significance of the amounts involved and the significant developments during the year.

- Performed analytical procedures to analyse variation in the price and quantity sold during the year;
- Performed test of details on sample basis for journal entries related to revenue recognised during the year based on identified risk criteria; and
- Assessed the appropriateness of disclosures made in the financial statements.

Our audit procedures in relation to the matter, amongst others, included:

- Obtained and read the detailed judgement announced by the Supreme Court of Pakistan (SCP);
- Obtained and read the "Guidance on Accounting of GIDC" issued by ICAP and understood the management's process for restatement of prior years' financial statements and held discussions with the management regarding accounting treatment of the matter and the related impact thereof;
- Checked the requirements of Gas Infrastructure Development Cess Act, 2015 and The Natural Gas (Development Surcharge) Ordinance, 1967;
- Checked the mathematical accuracy of the management's working; and
- Checked the appropriateness of disclosures made in the annexed financial statements in relation to the matter in accordance with the applicable accounting and reporting framework.



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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- 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 Asim Masood Iqbal.

Chartered Accountants
Islamabad
Date: August 27, 2021

Statement of Financial Position

As at June 30, 2021

	Note	2021	(Restated) 2020	(Restated) July 1, 2019
(Rupees in thousand)				
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	4	1,334,025	1,334,025	1,212,750
Undistributed percentage return reserve	5	-	477,899	602,415
Other reserves	6	15,190,001	14,190,001	13,190,001
Unappropriated profit		99,009,539	77,147,181	48,601,563
		115,533,565	93,149,106	63,606,729
NON CURRENT LIABILITIES				
Deferred liabilities	7	11,171,723	10,342,139	10,057,962
CURRENT LIABILITIES				
Trade and other payables	8	17,256,803	14,211,612	12,809,483
Unclaimed dividend	9	118,875	44,026	32,563
Unpaid dividend		-	-	7,544
Provision for income tax		6,305,167	8,397,850	5,985,202
		23,680,845	22,653,488	18,834,792
CONTINGENCIES AND COMMITMENTS				
	10			
		150,386,133	126,144,733	92,499,483

The annexed notes 1 to 43 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Faheem Haider
Managing Director / CEO

	Note	2021	(Restated) 2020	(Restated) July 1, 2019
(Rupees in thousand)				
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	11	37,672,536	22,207,552	16,176,231
Development and production assets	12	16,278,235	11,766,348	12,755,574
Exploration and evaluation assets	13	7,386,197	5,915,531	6,553,548
Long term investments	14	1,161,018	-	-
Long term loans and advances	15	34,053	33,165	39,755
Long term deposits and prepayments		182,274	353,999	230,999
Deferred income tax asset	16	2,209,320	1,888,594	651,147
		64,923,633	42,165,189	36,407,254
CURRENT ASSETS				
Stores and spares	17	2,866,855	2,999,993	2,349,391
Trade debts	18	28,046,706	23,369,070	21,377,155
Loans and advances	19	5,470,861	7,055,770	4,752,460
Short term prepayments		144,920	134,910	92,919
Other receivables		187,311	48,928	78,739
Current portion of long term investments		39,831	-	-
Short term investments	20	40,782,256	33,634,126	20,700,000
Interest accrued		100,635	36,469	105,747
Cash and bank balances	21	7,823,125	16,700,278	6,635,818
		85,462,500	83,979,544	56,092,229
		150,386,133	126,144,733	92,499,483



Ayla Majid
Director

Statement of Profit or Loss

for the year ended June 30, 2021

Note	2021 (Rupees in thousand)	(Restated) 2020
Gross sales	82,692,664	81,603,884
General sales tax	(7,668,767)	(7,701,093)
Excise duty	(2,005,626)	(1,876,423)
	(9,674,393)	(9,577,516)
Net sales	22 73,018,271	72,026,368
Royalty	(9,315,126)	(8,805,560)
Operating and administrative expenses	23 (15,039,680)	(13,313,631)
Exploration and prospecting expenditure	24 (4,543,689)	(10,257,639)
Finance cost	25 (1,310,476)	(567,952)
Other charges	26 (3,082,462)	(2,698,227)
	(33,291,433)	(35,643,009)
	39,726,838	36,383,359
Other income / (expenses)	27 311,971	340,001
Finance income	28 3,940,536	4,556,085
Share of loss in associate	14.1 (47,982)	-
Profit before taxation	43,931,363	41,279,445
Provision for income tax	29 (12,486,454)	(10,966,572)
Profit for the year	31,444,909	30,312,873
Earnings per share - basic and diluted		
Earnings per ordinary share (Rupees)	30 235.71	227.23

The annexed notes 1 to 43 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Faheem Haider
Managing Director / CEO



Ayla Majid
Director

Statement of Comprehensive Income

for the year ended June 30, 2021

Note	2021 (Rupees in thousand)	2020
Profit for the year	31,444,909	30,312,873
Other comprehensive income:		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement gains of defined benefit plans	32 23,399	45,693
Income tax effect related to remeasurement of defined benefit plans		
- Current tax charge	(14,911)	(33,604)
- Deferred tax credit	2,432	6,915
	10,920	19,004
Total comprehensive income for the year	31,455,829	30,331,877

The annexed notes 1 to 43 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Faheem Haider
Managing Director / CEO



Ayla Majid
Director

Statement of Changes in Equity

for the year ended June 30, 2021

			Other Reserves			
	Share capital	Undistributed percentage return reserve	Capital redemption reserve fund	Self insurance reserve	Unappropriated profit	Total
(Rupees in thousand)						
Balance as at July 1, 2019	1,212,750	602,415	10,590,001	2,600,000	48,601,563	63,606,729
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	30,312,873	30,312,873
Other comprehensive income	-	-	-	-	19,004	19,004
	-	-	-	-	30,331,877	30,331,877
Transfer from unappropriated profit to undistributed percentage return reserve						
	-	259,882	-	-	(259,882)	-
Final cash dividend for the year ended						
June 30, 2019 @ Rs 2.00 per share*	-	(239,353)	-	-	(3,197)	(242,550)
First interim cash dividend for the year ended						
June 30, 2020 @ Rs 4.10 per share *	-	(23,770)	-	-	(523,180)	(546,950)
Issuance of bonus shares *	121,275	(121,275)	-	-	-	-
Transfer from unappropriated profit to self insurance reserve						
	-	-	-	1,000,000	(1,000,000)	-
Balance as at June 30, 2020	1,334,025	477,899	10,590,001	3,600,000	77,147,181	93,149,106
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	31,444,909	31,444,909
Other comprehensive income	-	-	-	-	10,920	10,920
	-	-	-	-	31,455,829	31,455,829
Final cash dividend for the year ended						
June 30, 2020 @ Rs 2.00 per share *	-	(266,805)	-	-	-	(266,805)
First interim cash dividend for the year ended						
June 30, 2021 @ Rs 6.00 per share *	-	(188,891)	-	-	(611,524)	(800,415)
Transfer from undistributed percentage return reserve to unappropriated profit						
	-	(22,203)	-	-	22,203	-
Second interim cash dividend for the year ended						
June 30, 2021 @ Rs 60.00 per share *	-	-	-	-	(8,004,150)	(8,004,150)
Transfer from unappropriated profit to self insurance reserve						
	-	-	-	1,000,000	(1,000,000)	-
Balance as at June 30, 2021	1,334,025	-	10,590,001	4,600,000	99,009,539	115,533,565

* Distribution to owners - recorded directly in equity

The annexed notes 1 to 43 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Faheem Haider
Managing Director / CEO



Ayla Majid
Director

Statement of Cash Flows

for the year ended June 30, 2021

Note	2021	2020
	(Rupees in thousand)	(Rupees in thousand)
Cash flows from operating activities		
Cash receipts from customers	104,653,433	96,586,916
Cash paid to the Government for Government levies	(46,949,087)	(36,716,810)
Cash paid to suppliers, employees and others	(12,589,985)	(18,424,174)
Income tax paid	(14,977,114)	(9,832,886)
Cash generated from operating activities	30,137,247	31,613,046
Cash flows from investing activities		
Property, plant and equipment	(17,842,585)	(8,439,549)
Development and production assets	(5,694,829)	(963,139)
Exploration and evaluation assets	(2,657,742)	(3,191,295)
Proceeds from disposal of property, plant and equipment	702,813	17,417
Investment in associate	(209,000)	-
Investment in Term Finance Certificates	(1,000,000)	-
Dividend received	169,889	36,573
Interest received	3,666,650	4,721,674
Cash utilized in investing activities	(22,864,804)	(7,818,319)
Cash flows from financing activities		
Redemption of preference shares	(3,490)	(4,382)
Finance cost paid	(1,455)	(6,178)
Dividends paid	(8,996,521)	(785,581)
Cash utilized in financing activities	(9,001,466)	(796,141)
(Decrease) / increase in cash and cash equivalents	(1,729,023)	22,998,586
Cash and cash equivalents at beginning of year	50,334,404	27,335,818
Cash and cash equivalents at end of year	48,605,381	50,334,404

The annexed notes 1 to 43 form an integral part of these financial statements.



Muhammad Asif
General Manager Finance/CFO



Faheem Haider
Managing Director / CEO



Ayla Majid
Director

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

1. LEGAL STATUS AND OPERATIONS

1.1 Mari Petroleum Company Limited ("the Company") is a public limited company incorporated in Pakistan on December 4, 1984 under the repealed Companies Ordinance, 1984 (replaced by the Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange Limited. The Company is principally engaged in exploration, production and sale of hydrocarbons. The registered office of the Company is situated at 21 Mauve Area, 3rd Road, G-10/4, Islamabad.

1.2 Geographical location of blocks/fields is as under:

Block/Fields	Location
Mari Field, Sujawal block, Sukkur block, Taung block, Hala block, Shah Bandar block	Sindh
Zarghun South Field, Kalchas block, Ziarat Block, Harnai block, block 28, Bela West block, Killa Saifullah block, Nareli block, Sharan block	Balochistan
Bannu West block, Kohat block	Khyber Pakhtunkhwa (KPK)
Ghauri block, North Dhurnal block	Punjab
Karak block, Wali West Block, Peshawar East block	KPK and Punjab
Kohlu block	Balochistan and Punjab

The Company's largest field is Mari Field which is located at Daharki, District Ghotki, Sindh.

1.3 Revision in Mari Wellhead Gas Pricing Agreement

1.3.1 Previously, gas price mechanism for Mari field was governed by Mari Wellhead Gas Pricing Agreement ("the Agreement") dated December 22, 1985 between the President of Islamic Republic of Pakistan and the Company. Effective July 1, 2014, the Agreement was replaced with revised Mari Wellhead Gas Pricing Agreement dated July 29, 2015 ("Revised Agreement 2015") in line with the Economic Coordination Committee (ECC) decision, whereby the wellhead gas pricing formula was replaced with a crude oil price linked formula, which provides a discounted wellhead gas price. The Revised Agreement 2015 provided dividend distribution to be continued for ten years upto June 30, 2024 in line with the previous cost plus formula, according to which the shareholders were entitled to a minimum return of 30% per annum, net of all taxes, on shareholders' funds, 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 an annual basis, subject to a maximum of 45% per annum.

1.3.2 Effective July 1, 2020, dividend distribution cap has been removed vide ECC decision in the meeting held on February 3, 2021, which has also been ratified by the Federal Cabinet on February 9, 2021. Accordingly, the Company is allowed to distribute dividend in accordance with provisions of the Companies Act 2017 and rules made thereunder, without any lower or upper limit as mentioned in para 1.3.1. Subsequently, an amendment agreement to Revised Agreement 2015 has been executed between the Government of Pakistan and the Company on April 17, 2021, giving effect to the ECC decision.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards

as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees (Rupees), which is the functional currency of the Company. All figures are rounded off to the nearest thousands of Rupees.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements which are significant to these financial statements:

a) Estimation of oil and gas reserves

Oil and gas commercial reserves i.e. proved and probable developed reserves, are an important element in calculation of amortization charge and for impairment testing of development and production assets of the Company. Reserve estimates involve some degree of uncertainty, require the application of judgement and are subject to future revision. Reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. All reserve estimates are subject to revision, either upward or downward, based on new information, such as from development, drilling and production activities or from changes in economic factors, including contract terms or development plans.

b) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of commercial reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalized amount is charged to the statement of profit or loss in the period when such judgement is made.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

- c)

Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate approving authority. Judgement is applied by the management in determining whether a project is economically viable before obtaining project sanction approval. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgement is made that a development and production asset is impaired, the appropriate amount is charged to the statement of profit or loss in the period when such judgement is made.
- d)

Provision for decommissioning cost

Provision is recognized for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to changes. Estimates of the amounts of provision are based on current legal and constructive requirements, technology and price levels. Provision is based on best current estimates, however, because actual outflows may differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provision is reviewed periodically and adjusted to take account of significant changes.
- e)

Property, plant and equipment

The Company reviews the appropriateness of useful lives, method of depreciation and residual values of property, plant and equipment at each reporting date. Any change in the estimates may affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, if any.
- f)

Employee benefits

Certain actuarial assumptions have been adopted as disclosed in note 32 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 guidance based on the decisions of appellate authorities in the past. This involves judgement on the future tax treatment of certain transactions. Deferred tax is recognized based on the expectation of the tax treatment of these transactions.
- h)

Measurement of the expected credit loss allowance

The measurement of the Expected Credit Loss (“ECL”) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of counter parties defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include various formulas and choice of inputs, macroeconomic scenarios and economic inputs alongwith their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs).

As referred in note 2.7 to these financial statements, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due from the Government of Pakistan (GoP) till June 30, 2021. Accordingly, the Company reviews the recoverability of its financial assets that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 ‘Financial Instruments: Recognition and Measurement’ at each reporting date.

- i)

Stores and spares

The Company reviews the stores and spares for possible impairment on a periodic basis, which may affect the carrying amounts of the respective items of stores and spares with a corresponding affect on the provision.
- j)

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).
- k)

Joint arrangements

The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

- 2.5

Accounting guidance issued by ICAP and related restatement of prior years financial statements

As a result of recent events and developments including orders and judgements of the Honorable Supreme Court of Pakistan on the matter of Gas Infrastructure Development Cess (GIDC), the Institute of Chartered Accountants of Pakistan (ICAP) has issued a guidance "Accounting of Gas Infrastructure Development Cess (GIDC)" (the Guidance) through Circular no.1/2021 dated January 21, 2021. In light of said guidance, gas companies should consider the timing of recognition of liability (with a corresponding asset), where the obligation of the gas companies is to pay the collected amounts to the Government of Pakistan (GoP) on receipt basis. Liability for such amounts should be recognised at the point in time of amount received from the gas consumers and not at the time of amount billed to the gas consumers.

Under the laws and regulations governing Gas Infrastructure Development Cess (GIDC) and Gas Development Surcharge (GDS), the Company is responsible to invoice the same to the customers and deposit the collected amounts to the GoP on receipt from customers. Accordingly, the Company has recorded GIDC and GDS amounts along with their respective sales tax as liabilities in the statement of financial position to the extent that they are received from customers but not deposited with the GoP. Further, amounts of GIDC and GDS billed to customers and sales tax thereon have been excluded from the statement of profit or loss.

The Guidance has been applied retrospectively and the prior years financial statements have been restated, which has not affected current year or prior years’ net sales, profit, equity and cash flows. In accordance with requirements of IAS 1 "Presentation of Financial Statements", a third statement of financial position as of July 1, 2019 has also been presented. The effect of the restatement is summarized below:

Statement of financial position	June 30, 2020	July 1, 2019
	(Rupees in thousand)	
Decrease in trade debts	(155,932,570)	(127,562,723)
Decrease in trade and other payables	155,932,570	127,562,723
Net effect on equity	-	-

Statement of profit or loss	Effect for the year ended June 30, 2020
	(Rupees in thousand)
Effect on:	
Gross sales	(45,255,196)
Gas Development Surcharge	18,916,120
Gas Infrastructure Development Cess	21,273,225
General Sales Tax	5,065,851
Net effect on profit or loss	-

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

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.

- On August 27, 2020, the International Accounting Standards Board (IASB) issued 'Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 1, 2021.
- Amendment to IFRS 3 'Business Combinations' (effective for annual reporting periods beginning on or after January 1, 2022). The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements.
- Amendment to IAS 16 'Property, plant and equipment' (effective for annual reporting periods beginning on or after January 1, 2022). The amendments clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in statement of profit or loss.
- Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts: Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after January 1, 2022). The amendments specify the costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.
- On May 14, 2020, the IASB issued 'Annual Improvements to IFRS Standards 2018-2020' (Amendments to IAS 41, IFRS 1, IFRS 9, and IFRS 16). The amendments are effective for annual periods beginning on or after January 1, 2022.
- Amendment to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after January 1, 2023). The amendments provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2021:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

2.7 Exemption from application of IFRS 9 'Financial Instruments'

Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of

IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

Consequently, the Company has not recorded impact of application of ECL model on the financial assets due directly/ultimately from the GoP in these financial statements.

2.8 Exemption from 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 eligible employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investments. To administer the Scheme, the GoP transferred 12% of its investment to BESOS Trust Fund (the Trust) created for the purpose by each of such entities.

Keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP 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 granted exemption to such entities from the application of IFRS 2 (Share based payment) to the Scheme vide SRO 587 (I)/2011 dated June 7, 2011.

During the year, after the release of short order by the Supreme Court of Pakistan in October 2020, the GoP has directed to deposit all the accrued BESOS principal amounts along with interest thereon with the Federal Government. To comply with these instructions, the Company has requested the GoP to appoint GoP nominated Trustees on the Board of the Trust so that it can devise a way forward on the subject matter.

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 years presented in these financial statements except for the changes as disclosed in note 2.5 to these financial statements.

3.1 Income tax

Income tax comprises current and deferred tax and it is recognized in profit or loss except to the extent that it relates to items recognized outside of profit or loss (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside of profit or loss.

Current

Provision for current income tax is based on taxable income at the applicable tax rates after taking into account tax credits and tax rebates, if any.

Deferred

The Company accounts for deferred tax using the 'liability method' in respect of all temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent, it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax has been calculated at the estimated effective tax rate of 32% after taking into account the availability of depletion allowance and royalty. The tax rate is reviewed periodically and significant adjustments are incorporated, where required.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

3.2 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and significant adjustments are made to reflect the current best estimate.

3.3 Decommissioning cost

The activities of the Company normally give rise to obligations for site restoration, which may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration.

Liabilities for decommissioning cost are recognized when the Company has an obligation for site restoration and a reliable estimate of that liability can be made. The amount recognized is the estimated cost of decommissioning based on current requirements, technology and price levels and is discounted to its present value over the useful economic life of the reserves. The associated decommissioning cost asset is capitalized to the cost of property, plant and equipment, development and production assets and exploration and evaluation assets, as the case may be. The recognized amount of decommissioning cost asset is subsequently amortized/depreciated as part of the capital cost of the development and production assets and property, plant and equipment.

While the provision is based on the best estimates, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment, development and production assets and exploration and evaluation assets, as the case may be. The unwinding of discount on decommissioning provision is recognized as finance cost in the statement of profit or loss.

The decommissioning cost has been discounted at a real discount rate of 1.30% (2020: 1.30%) per annum.

3.4 Employee benefits

The Company operates following plans for its eligible employees:

- i) Defined benefit funded and unfunded plans:
 - a) The Company makes contributions to funded plans and records liability for funded and unfunded plans on the basis of actuarial valuations, carried out annually by independent actuaries using the "Projected Unit Credit Method" and the latest valuation was carried out as at June 30, 2021. The results of the valuation are summarized in note 32 to these financial statements.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the present value of the future benefit that employees have earned in return for their service in the current and prior periods. Past service cost and curtailments are recognized in statement of profit or loss, in the period in which change takes place.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise.
 - b) The Company has the policy to provide for compensated absences of its employees in accordance with respective entitlement on cessation of service; related expected cost thereof has been recognized in the statement of profit or loss.
- ii) Defined contribution provident fund, for which Rs 101,521 thousand (2020: Rs 93,670 thousand) are charged to statement of profit or loss for the year. The contributions to the fund are made by the Company at the rate of 10% of the basic salary.

3.5 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning cost as referred in note 3.3 to these financial statements. The cost of self constructed assets also includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation on property, plant and equipment is charged to statement of profit or loss using the straight line method at rates specified in note 11 to these financial statements except for decommissioning cost which is charged on unit of production basis, so as to write off the cost of property, plant and equipment over their estimated useful lives.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is derecognized.

Subsequent costs are included in the assets' carrying amounts when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Carrying amount of parts so replaced, if any, is derecognized. All other repairs and maintenance are charged to statement of profit or loss as and when incurred. Gains and losses on disposals are credited or charged to statement of profit or loss in the year of disposal.

Capital work in progress is stated at cost less impairment loss, if any, and transferred to respective item of property, plant and equipment when available for intended use.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized in the statement of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.6 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably. Intangible assets having definite useful life are stated at cost less accumulated amortization. Intangible assets which have indefinite useful life are not amortized and tested for impairment annually, if any.

3.7 Exploration and evaluation assets

The Company applies the "successful efforts" method of accounting for Exploration and Evaluation (E&E) expenditures. Under this method of accounting, all property acquisitions and exploratory/evaluation drilling expenditures are initially capitalized as E&E assets in cost centers by well, field or exploration area, as appropriate, till such time that technical feasibility and commercial viability of extracting gas and oil are demonstrated.

Major costs capitalized include material, chemical, fuel, well services, rig costs, cost of recognizing provisions for future site restoration and decommissioning and any other cost directly attributable to a particular well. All other exploration costs including cost of technical studies, seismic acquisition and processing, geological and geophysical activities are charged against income as exploration and prospecting expenditure. Costs

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

incurred prior to having obtained the legal rights to explore an area are charged directly to the statement of profit or loss as and when incurred.

Tangible assets used in E&E activities including the Company's vehicles, drilling rigs and other property, plant and equipment used by the Company's exploration function are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an E&E asset, the amount reflecting that consumption is recorded as part of the cost of the E&E asset. Such costs include directly attributable overheads, together with the cost of other materials consumed during the exploration and evaluation phases.

E&E assets relating to each exploration license/field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets. Otherwise, the capitalized costs are written off as dry hole costs. E&E assets are not amortized.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include, the point at which a determination is made as to whether or not commercial reserves exist, the period for which the Company has right to explore has either expired or will expire in the near future and is not expected to be renewed, substantive expenditure on further exploration and evaluation activities is not planned or budgeted and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E assets is increased due to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognized for the E&E assets in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.8 Development and production assets

Development and production assets represent the cost of developing the discovered commercial reserves, together with the capitalized E&E expenditures transferred from E&E assets as outlined in note 3.7 above. The cost of development and production assets also includes the cost of acquisitions of such assets, directly attributable overheads, production bonus and the cost of recognizing provisions for future site restoration and decommissioning. Development and production assets are amortized on a unit of production basis, which is the ratio of 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 are dealt with prospectively. Acquisition cost of leases, where commercial reserves have been discovered, are capitalized and amortized on unit of production basis.

Impairment test of development and production assets is also performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production concession and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against expected recoverable amounts of the oil and gas assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The cash generating unit applied for impairment test purpose is generally field by field basis, except that a number of fields may be grouped as a single cash generating unit where the cash flows of each field are inter-dependent.

Where an impairment loss subsequently reverses, the carrying amount is increased due to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognized in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.9 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting.

Under this method, investment in associates is carried in the statement of financial position at cost as adjusted for post acquisition changes (net of tax) in the Company's share of net assets of the associate, less any impairment in the value of investment. Dividend distribution by the associate is adjusted against the carrying amount of investment. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of Company's interest in the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long term interest that, in substance, form part of the Company's net investment in the associate) are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The Company's share of post-acquisition profit or loss is included in statement of profit or loss, its share of post-acquisition other comprehensive income or loss is included in statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves.

3.10 Stores and spares

These are valued at the lower of cost and net realizable value less allowance for obsolete and slow moving items. Material in transit is valued at cost. Cost is determined on the moving average basis and comprises cost of purchases and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

When stores and spares meet the definition of property, plant and equipment, they are classified as stores and spares held for capital expenditure under property, plant and equipment.

3.11 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange prevailing at the statement of financial position date. All exchange differences are taken to the statement of profit or loss.

3.12 Revenue recognition

Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring of promised good or service to a customer. In case of goods, the Company principally satisfies its performance obligations at a point in time. The transfer of control of hydrocarbons usually coincides with the delivery of the same to customers.

When, or as, a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

Amounts billed or received prior to being earned, are deferred and recognized as deferred income. The Company recognizes revenue on take or pay arrangements with the customers only to the extent that it is highly probable that a significant reversal in the amount recognized will not occur when the uncertainty, if any, associated with the revenue is subsequently resolved. The Company considers such uncertainty as resolved when such revenue is received by the Company and customer cannot adjust the unused paid volumes in the future.

3.13 Finance income and cost

Interest income on financial assets at amortized cost is calculated using the effective interest method and is recognized in statement of profit or loss as part of finance income. Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets. Dividend income is recognized when the right to receive is established. Foreign currency gains and losses are reported on a net basis. The Company recognizes interest on delayed payments from counter parties on probability of receipt basis.

Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred. Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The Company suspends capitalization of borrowing costs during extended period when active development of a qualifying asset is suspended.

3.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method.

Preference shares, which are mandatorily redeemable by the Company are classified as liabilities. The profit on these preference shares is recognized in the statement of profit or loss as finance cost.

3.15 Joint operations

Investments in joint arrangements are classified as either joint operations or joint ventures depending on contractual rights and obligations of the parties to the arrangement. The Company has assessed the nature of its arrangements and determined them to be joint operations.

The Company has recognized its share of assets, liabilities, revenues and expenses jointly held or incurred under the joint operations on the basis of latest available audited financial statements of the joint operations and where applicable, the cost statements received from the operator of the joint venture, for the intervening period up to the statement of financial position date. Unrealized gains on transactions between the Company and its joint operations are eliminated to the extent of Company's interest in the joint operations.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Financial assets are recognized initially at fair value, normally being the transaction price. In the case of financial assets not classified at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The Company derecognizes financial assets when the contractual rights to the cash flows expire.

The Company classifies its financial assets as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the business model

for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the classification of financial asset at initial recognition.

(i) Financial assets measured at amortized cost

Financial assets are classified as measured at amortized cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in statement of profit or loss when the assets are derecognized or impaired and when interest is recognized using the effective interest method.

(ii) Financial assets measured at fair value through other comprehensive income

Financial assets are classified as measured at fair value through other comprehensive income when they are held in a business model the objective of which is both to collect contractual cash flows and sell the financial assets, and the contractual cash flows represent solely payments of principal and interest. Such assets are carried on the statement of financial position at fair value with gains or losses recognized in the other comprehensive income.

(iii) Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortized cost or fair value through other comprehensive income. Such assets are carried on the statement of financial position at fair value with gains or losses recognized in the statement of profit or loss.

b) Financial liabilities

The measurement of financial liabilities depends on their classification, as follows:

(i) Financial liabilities measured at fair value through profit or loss

Financial liabilities that meet the definition of held for trading are classified as measured at fair value through profit or loss. Such liabilities are carried on the statement of financial position at fair value with gains or losses recognized in the statement of profit or loss.

(ii) Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of directly attributable transaction costs.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

c) Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

d) Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each statement of financial position date. Expected credit losses are measured based on the maximum contractual period over which the Company is exposed to credit risk. Since this is typically less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the Company's in-scope financial assets. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the Company expects to receive discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the statement of profit or loss.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the Company has no reasonable expectation of recovering amounts due.

3.17 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on 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.

3.18 Dividend distribution

Dividend is recognized as a liability in the financial statements in the period in which it is declared.

3.19 Leases

Right of use asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. If a contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts are short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.20 Contingent liabilities and assets

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, which is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.21 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
4. SHARE CAPITAL			
Authorized capital			
250,000,000 (2020: 250,000,000)			
ordinary shares of Rs 10 each		2,500,000	2,500,000
Issued, subscribed and paid up capital			
24,850,007 (2020: 24,850,007) ordinary shares of			
Rs 10 each issued for cash		248,500	248,500
11,899,993 (2020: 11,899,993) ordinary shares of			
Rs 10 each issued for consideration other than cash	4.1	119,000	119,000
96,652,500 (2020: 96,652,500) ordinary shares of			
Rs 10 each issued as bonus shares	4.2	966,525	966,525
		1,334,025	1,334,025

4.1 This represents shares allotted to the Government of Pakistan (GoP) and Fauji Foundation in consideration for transfer of assets and liabilities of Pak Stanvec Petroleum Project.

4.2 736,120 bonus shares have not been issued as at June 30, 2021 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares (2020: 736,120 bonus shares).

4.3 Major shareholding of the Company is as follows:

	2021 (Percentage)	2020
Fauji Foundation	40.00 *	40.00 *
Oil and Gas Development Company Limited (OGDCL)	20.00 *	20.00 *
Government of Pakistan	18.39 **	18.39 **

* Shareholding includes 444,675 and 222,337 bonus shares (2020: 444,675 and 222,337 bonus shares) of Fauji Foundation and OGDCL respectively, which have not been issued as at year end due to pending resolution of issue as referred to in note 4.2 to these financial statements.

** It excludes shares transferred to BESOS Trust Fund in prior years as referred to in note 2.8 to these financial statements.

4.4 Rights and privileges in the Participation and Shareholders Agreement (PSA)

A Participation and Shareholders Agreement (PSA) was signed among sponsor shareholders i.e. Fauji Foundation, the GoP and OGDCL on June 3, 1985 which contained the rights and privileges of the parties. PSA was later amended through a Supplemental PSA dated July 25, 1992.

Right of First Refusal

If any of the sponsor shareholders desires to sell or transfer its shares in the Company in whole or in part, the remaining sponsor shareholders shall have the first right to purchase such shares, subject to the conditions and in the manner prescribed in the PSA.

Board Selection

The membership of the Board of Directors of the Company shall reflect as closely as possible the proportion in which shares of the Company are held by the sponsor shareholders and others.

Management Right

The management of the affairs and the business of the Company shall vest in and be conducted by Fauji Foundation through a Managing Director exclusively nominated by Fauji Foundation.

	Note	2021 (Rupees in thousand)	2020
5. UNDISTRIBUTED PERCENTAGE RETURN RESERVE			
Balance at beginning of the year		477,899	602,415
Bonus shares issued		-	(121,275)
Final cash dividend:			
for the year ended June 30, 2020	5.1	(266,805)	-
for the year ended June 30, 2019		-	(239,353)
Interim cash dividend:			
for the year ended June 30, 2021	5.2	(188,891)	-
for the year ended June 30, 2020		-	(23,770)
Transferred (to) / from unappropriated profit		(22,203)	259,882
Balance at end of the year		-	477,899

5.1 The Board of Directors in its meeting held on August 20, 2020 proposed a final cash dividend for the year ended June 30, 2020 @ Rs 2.00 per share amounting to Rs 266,805 thousand, which was subsequently approved by the shareholders in the Annual General Meeting held on September 29, 2020.

5.2 The Board of Directors in its meeting held on February 18, 2021 declared a first interim cash dividend for the year ended June 30, 2021 @ Rs 6.00 per share amounting to Rs 800,415 thousand, out of which Rs 188,891 thousand have been appropriated and paid out of undistributed percentage return reserve.

	Note	2021 (Rupees in thousand)	2020
6. OTHER RESERVES			
Capital redemption reserve fund	6.1	10,590,001	10,590,001
Self insurance reserve	6.2	4,600,000	3,600,000
		15,190,001	14,190,001

6.1 This statutory reserve was created for redemption of redeemable preference shares in the form of cash to the preference shareholders.

6.2 The Company has set aside a specific capital reserve for self insurance of assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

	Note	2021 (Rupees in thousand)	2020
7. DEFERRED LIABILITIES			
Provision for decommissioning cost	7.1	10,149,673	9,235,085
Provision for employee benefits - unfunded	7.2	1,022,050	1,107,054
		11,171,723	10,342,139
7.1 Provision for decommissioning cost			
Balance at beginning of the year		9,235,085	9,111,825
Provision made during the year		364,680	227,613
Revision due to change in estimates		(323,597)	(1,083,874)
Cost incurred during the year		(25,792)	-
Unwinding of discount	25	899,297	979,521
Balance at end of the year		10,149,673	9,235,085
The above provision is analysed as follows:			
Wells		8,934,927	8,079,757
Production facilities including gathering lines		1,214,746	1,155,328
		10,149,673	9,235,085
Wholly owned		7,801,716	6,926,636
Joint operations		2,347,957	2,308,449
		10,149,673	9,235,085

It is expected that cash outflows resulting from decommissioning will occur between 2022 to 2050.

	Note	2021 (Rupees in thousand)	2020
7.2 Provision for employee benefits - unfunded			
Post retirement leaves	32.2	595,633	576,915
Post retirement medical	32.2	90,009	79,698
Compensated leave absences		336,408	326,745
Pension plan		-	123,696
		1,022,050	1,107,054

	Note	2021 (Rupees in thousand)	(Restated) 2020
8. TRADE AND OTHER PAYABLES			
Creditors		502,045	929,048
Accrued liabilities		9,598,734	7,641,356
Joint operating partners		628,380	548,036
Retention money payable		231,997	169,183
Provident fund		226	25,642
Gas Development Surcharge (GDS)		1,961,337	1,092,025
General sales tax		441,374	891,952
Excise duty		153,737	149,959
Gas Infrastructure Development Cess (GIDC)		300,464	-
Royalty		2,319,172	1,674,797
Redeemable preference shares	8.2	107,783	111,273
Profit accrued on redeemable preference shares		9,953	10,024
Deferred income	8.3	-	167,132
Workers' Welfare Fund		731,770	729,379
Workers' Profit Participation Fund		50,691	-
Others		219,140	71,806
		17,256,803	14,211,612

8.1 As explained in detail in note 2.5, GIDC and GDS and their related sales tax amounting to Rs 135,443,792 thousand (2020: Rs 138,414,591 thousand) and Rs 24,816,991 thousand (2020: Rs 17,517,979 thousand) respectively are recoverable from customers as at year end and payable to the GoP when collected from customers and accordingly are not reflected in these financial statements.

During the year, the Supreme Court of Pakistan has decided the matter of GIDC and ordered gas consumers to pay GIDC arrears in installments. The fertilizer companies have obtained stay orders against recovery from the Sindh High Court, where the matter is subjudice.

8.2 5,335,946 (2020: 5,335,946) preference shares have not been issued as at June 30, 2021 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares. Further, 5,442,384 (2020: 5,791,331) preference shares have not been claimed/redeemed by certain minority shareholders as at June 30, 2021.

8.3 Prior year amount included Rs 102,626 thousand received from an associated company, Foundation Power Company Daharki Limited, adjusted against gas off-takes during the year as per the agreement.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

	2021 (Rupees in thousand)	2020
9. UNCLAIMED DIVIDEND		
Fauji Foundation	42,395	12,157
Oil and Gas Development Company Limited	21,198	6,079
Others	55,282	25,790
	118,875	44,026

9.1 This includes unclaimed dividend due to pending resolution of issue as referred to in note 4.2 to these financial statements.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- a) There are no legal cases and claims, which warrant disclosure in these financial statements.
- b) The unavailed credit facilities issued by various banks to the Company in the ordinary course of business at year end amount to Rs 13,499,700 thousand (2020: Rs 3,990,389 thousand).

	2021 (Rupees in thousand)	2020
10.2 Commitments for capital expenditure		
Wholly owned	17,627,701	7,344,173
Joint operations	10,975,425	17,911,546
	28,603,126	25,255,719

11. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Freehold land	Buildings on freehold land	Buildings on leasehold land	Roads and bridges	Drilling rig, tools and equipment	Equipment and general plant	Computers and allied equipment	Gathering lines	Furniture and fixtures	Vehicles heavy	Vehicles light	Decommissioning Cost-Mari field and Joint Operations' production facilities including gathering lines (note 3.3)	Stores and spares held for capital expenditure	Capital work in progress	Total
(Rupees in thousand)															
As at July 1, 2019															
Cost	700,467	102,224	1,295,163	828,141	200,389	3,715,368	10,077,616	3,900,507	140,423	1,203,130	926,158	676,142	1,946,674	1,421,393	27,648,462
Accumulated depreciation	-	-	608,670	233,253	159,216	2,093,578	4,336,232	397,678	2,210,605	83,029	725,488	439,920	-	-	11,472,231
Net book value	700,467	83,299	686,493	594,888	41,173	1,621,790	5,741,384	1,169,902	57,394	477,642	493,238	503,505	1,946,674	1,421,393	16,176,231
Year ended June 30, 2020															
Opening net book value	700,467	83,299	686,493	594,888	41,173	1,621,790	5,741,384	1,169,902	57,394	477,642	493,238	503,505	1,946,674	1,421,393	16,176,231
Additions / transfers from capital work in progress	-	-	416,353	4,086	9,846	69,446	3,876,107	107,787	350,439	90,179	153,843	32,082	-	7,476,660	12,586,828
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	962,889	-	962,889
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	-	-	-	(125,105)	-	-	(125,105)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(130,333)	(118)	-	-	(22,815)	-	-	-	(153,266)
Accumulated depreciation	-	-	-	-	-	-	53,478	103	-	-	22,815	-	-	-	76,396
Transfers	-	-	-	-	-	-	(76,855)	(15)	-	-	-	-	-	(5,110,168)	(5,110,168)
Depreciation charge	-	(1,487)	(59,392)	(38,645)	(9,870)	(223,580)	(1,100,895)	(119,173)	(273,726)	(173,283)	(129,086)	(64,057)	-	-	(2,206,253)
Net book value	700,467	81,812	1,043,454	560,329	41,149	1,467,656	8,439,741	105,588	1,766,615	134,514	458,202	314,343	2,999,563	3,787,885	22,207,552
As at July 1, 2020															
Cost	700,467	102,224	1,711,516	832,227	210,235	3,784,814	13,823,390	622,336	4,250,946	230,602	1,356,973	935,425	2,999,563	3,787,885	35,809,640
Accumulated depreciation	-	20,472	668,062	271,898	169,086	2,317,158	5,383,649	516,748	2,484,331	96,088	898,771	236,694	-	-	13,602,088
Net book value	700,467	81,812	1,043,454	560,329	41,149	1,467,656	8,439,741	105,588	1,766,615	134,514	458,202	314,343	2,999,563	3,787,885	22,207,552
Year ended June 30, 2021															
Opening net book value	700,467	81,812	1,043,454	560,329	41,149	1,467,656	8,439,741	105,588	1,766,615	134,514	458,202	314,343	2,999,563	3,787,885	22,207,552
Additions / transfers from capital work in progress	-	-	(1,487)	(38,800)	(10,895)	(192,245)	(1,285,480)	(48,076)	(277,874)	(19,456)	(212,545)	(118,653)	(42,699)	-	(2,330,521)
Additions - net of transfers	-	-	212,993	17,135	14,732	672,220	1,112,151	74,884	1,697,332	17,346	320,196	176,872	10,385	15,671,535	19,997,781
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	-	-	-	-	2,581,672	-	2,581,672
Disposals	-	-	-	-	-	-	-	-	-	-	-	(12,722)	-	-	(12,722)
Cost	(450,290)	-	-	-	-	(4,935)	(839)	(10,822)	(202)	-	(6,351)	-	-	-	(473,439)
Accumulated depreciation	-	-	-	-	-	4,435	736	10,677	202	-	2,024	-	-	-	18,074
Transfers	(450,290)	-	-	-	-	(500)	(103)	(145)	-	-	(4,327)	-	-	-	(455,365)
Depreciation charge	-	(1,487)	(82,311)	(38,800)	(10,895)	(192,245)	(1,285,480)	(48,076)	(277,874)	(19,456)	(212,545)	(118,653)	(42,699)	-	(4,315,861)
Net book value	250,177	80,325	1,174,136	538,664	44,986	1,947,131	8,266,309	132,251	3,186,073	132,404	565,853	450,126	269,307	5,491,235	37,672,536
As at June 30, 2021															
Cost	250,177	102,224	1,924,509	849,362	224,967	4,452,099	14,934,702	686,398	5,948,278	247,746	1,677,169	1,105,946	548,700	5,491,235	53,587,071
Accumulated depreciation	-	21,899	750,373	310,698	179,981	2,504,968	6,668,393	554,147	2,762,205	115,342	1,111,316	655,820	279,393	-	15,714,535
Net book value	250,177	80,325	1,174,136	538,664	44,986	1,947,131	8,266,309	132,251	3,186,073	132,404	565,853	450,126	269,307	5,491,235	37,672,536
Rates of depreciation (%)															
	-	1-3	5	5	10	5-33.33	10	25	10	30	20	-	-	-	-

Line heaters having Rs Nil net book value have been rented to an associated company, Foundation Power Company Daharki Limited. It also includes assets having net book value amounting to Rs 1,332,725 thousand (2020: Rs 436,665 thousand), being Company's share in joint operations operated by OGDCL and PPL (assets not in the possession of the Company).

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

	2021 (Rupees in thousand)	2020
11.1 Net book value at year end represents:		
Wholly owned	33,270,771	19,176,305
Joint operations	4,401,765	3,031,247
	37,672,536	22,207,552
11.2 The depreciation charge has been allocated as follows:		
Operating expenses	1,764,210	1,220,242
Other income / (expenses):		
Mari Seismic Unit - Net	66,674	211,890
Mari Drilling Unit - Net	15,206	95,231
Mari Seismic Processing Centre - Net	-	2,353
Exploration and prospecting expenditure	391,967	543,879
Development and production assets	69,997	9,018
Exploration and evaluation assets	22,467	123,640
	2,330,521	2,206,253

11.3 Detail of property, plant and equipment disposed off during the year is as follows:

Description	Cost	Net Book value	Proceeds	Gain / (loss)	Particulars of purchaser	Mode of disposal
(Rupees in thousand)						
Freehold land	450,290	450,290	700,000	249,710	Defense Housing Authority	Negotiation
Drilling rig, tools and equipment	4,935	500	71	(429)	Mr. Muhammad Khurshid	Scrap sold through auction
Equipment and general plant	839	103	6	(97)	Mr. Rozi Khan	Scrap sold through auction
Computers and allied equipment	9,604	-	361	361	Mr. Rozi Khan	Through auction
Computers and allied equipment	1,218	145	297	152	Various employees of the Company	Company policy
Furniture and fixtures	202	-	112	112	Mr. Rozi Khan	Through auction
Vehicles - light	4,327	4,327	433	(3,894)	Ex CEO	Company policy
Vehicles - light	2,024	-	1,533	1,533	Mr. Shakeel Khan	Through auction
	473,439	455,365	702,813	247,448		

11.4 Gain/(loss) on disposal has been allocated as follows:

	2021 (Rupees in thousand)	2020
Other income / (expenses)	247,448	(8,379)
Exploration and prospecting expenditure	-	(51,074)
	247,448	(59,453)

11.5 Particulars of the Company's significant immovable fixed assets as at June 30, 2021 are as follows:

Description	Location	Approximate Area of Land
Wells, production / processing facilities, residential area, field office and warehouse	Sindh	2,799.24 acres
Land and head office building	Islamabad	0.96 acres
Wells, production / processing facilities, field office and warehouse	Balochistan	80.97 acres
Wells, production / processing facilities and guest house	KPK	56.64 acres
Wells, production / processing facilities and field office	Punjab	23.37 acres
Wells, production / processing facilities and field office	Punjab/KPK	68.88 acres

12. DEVELOPMENT AND PRODUCTION ASSETS

	Development expenditure	Decommissioning cost	Total
(Rupees in thousand)			
As at July 1, 2019			
Cost	19,046,080	2,055,281	21,101,361
Accumulated amortization	(7,288,968)	(1,056,819)	(8,345,787)
Net book value	11,757,112	998,462	12,755,574
Year ended June 30, 2020			
Opening net book value	11,757,112	998,462	12,755,574
Additions	972,157	137,720	1,109,877
Transferred from exploration and evaluation assets	859,415	6,853	866,268
Revision due to change in estimates of provision for decommissioning cost	(611,761)	(269,797)	(881,558)
Amortization charge	(1,770,656)	(313,157)	(2,083,813)
Closing net book value	11,206,267	560,081	11,766,348
As at July 1, 2020			
Cost	20,265,891	1,930,057	22,195,948
Accumulated amortization	(9,059,624)	(1,369,976)	(10,429,600)
Net book value	11,206,267	560,081	11,766,348
Year ended June 30, 2021			
Opening net book value	11,206,267	560,081	11,766,348
Additions	5,739,034	308,423	6,047,457
Transferred from exploration and evaluation assets	770,943	69,410	840,353
Left over inventory transferred to stores and spares held for capital expenditure	(143,560)	-	(143,560)
Revision due to change in estimates of provision for decommissioning cost	(125,280)	86,851	(38,429)
Impairment loss	(200,000)	-	(200,000)
Amortization charge	(1,821,875)	(172,059)	(1,993,934)
Closing net book value	15,425,529	852,706	16,278,235
As at June 30, 2021			
Cost	26,507,028	2,394,741	28,901,769
Accumulated amortization	(10,881,499)	(1,542,035)	(12,423,534)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	15,425,529	852,706	16,278,235

	2021 (Rupees in thousand)	2020
Net book value at year end represents:		
Wholly owned	11,253,538	6,802,819
Joint operations	5,024,697	4,963,529
	16,278,235	11,766,348

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

13. EXPLORATION AND EVALUATION ASSETS

	Exploration and evaluation expenditure	Decommissioning cost	Total
(Rupees in thousand)			
As at July 1, 2019			
Cost	7,462,149	621,168	8,083,317
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	6,004,297	549,251	6,553,548
Year ended June 30, 2020			
Opening net book value	6,004,297	549,251	6,553,548
Additions	3,314,935	89,893	3,404,828
Transferred to development and production assets	(859,415)	(6,853)	(866,268)
Revision due to change in estimates of provision for decommissioning cost	-	(77,211)	(77,211)
Cost of dry and abandoned wells	(3,024,668)	(74,698)	(3,099,366)
Closing net book value	5,435,149	480,382	5,915,531
As at July 1, 2020			
Cost	6,893,001	552,299	7,445,300
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	5,435,149	480,382	5,915,531
Year ended June 30, 2021			
Opening net book value	5,435,149	480,382	5,915,531
Additions	2,680,209	45,872	2,726,081
Transferred to development and production assets	(770,943)	(69,410)	(840,353)
Left over inventory transferred to stores and spares held for capital expenditure	(267,062)	-	(267,062)
Revision due to change in estimates of provision for decommissioning cost	-	(96,087)	(96,087)
Cost of dry and abandoned wells	(51,913)	-	(51,913)
Closing net book value	7,025,440	360,757	7,386,197
As at June 30, 2021			
Cost	8,483,292	432,674	8,915,966
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	7,025,440	360,757	7,386,197
		2021	2020
		(Rupees in thousand)	
Net book value at year end represents:			
Wholly owned		525,617	252,164
Share in joint operations		6,860,580	5,663,367
		7,386,197	5,915,531

	Note	2021 (Rupees in thousand)	2020
14. LONG TERM INVESTMENTS			
Investment in related party - associate (Un-quoted)	14.1	161,018	-
Term Finance Certificates (TFCs) - at amortized cost (Quoted)	14.2	1,039,831	-
Less: Current portion classified under current assets		(39,831)	-
		1,000,000	-
		1,161,018	-
14.1 Investment in related party - associate (Un-quoted)			
Cost of investment		209,000	-
Share of post acquisition loss - net of taxation		(47,982)	-
		161,018	-

During the year, the Company has made investment in National Resources (Pvt) Limited (NRL), whose principal activity is exploration and mining of minerals in the province of Baluchistan, Pakistan. The registered office of NRL is located at Quetta, Pakistan. The Company has 20% shareholding in the associate, which has not yet commenced its commercial operations.

14.2 This represents investment in TFCs issued by Bank Alfalah Limited having maturity of three years and are rated as AAA by PACRA. TFCs are secured by 105% lien over GoP securities and have earned profit at an effective rate of 9.03% per annum. Minimum profit rate is 9% per annum or 3 years Pakistan Revaluation rate (PKRV) plus 0.75% per annum, whichever is higher, with principal repayment at maturity.

	2021 (Rupees in thousand)	2020
15. LONG TERM LOANS AND ADVANCES		
Considered good		
Loans and advances to employees	63,879	53,598
Less: Current portion classified under current assets	(29,826)	(20,433)
	34,053	33,165

15.1 Loans and advances to employees are for house rent advance, purchase of vehicle, emergency and purchase of household appliances as per Company's Human Resource policy. These are recoverable in 12 to 60 equal monthly instalments. Interest free loans to employees have not been discounted as the effect is immaterial. These do not include any amount receivable from the directors.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

	2021 (Rupees in thousand)	2020
16. DEFERRED INCOME TAX ASSET		
Balance at beginning of the year	1,888,594	651,147
Credit for the year:		
Statement of profit or loss	318,294	1,230,532
Statement of comprehensive income	2,432	6,915
	320,726	1,237,447
Balance at end of the year	2,209,320	1,888,594

16.1 The balance of deferred income tax asset is in respect of following temporary differences:

	2021 (Rupees in thousand)	2020
Exploration expenditure charged to statement of profit or loss		
but to be claimed in future years against tax liabilities	6,268,399	5,436,161
Accounting and tax depreciation / amortization	(4,316,515)	(3,804,462)
Provision for employee benefits - unfunded	327,383	354,257
Others	(69,947)	(97,362)
	2,209,320	1,888,594

16.2 The deferred tax asset has been recognised taking into account the availability of future taxable profits and it is probable that the Company will be able to achieve these profits.

	2021 (Rupees in thousand)	2020
17. STORES AND SPARES		
Wholly owned	2,651,268	2,623,217
Share in joint operations	215,587	376,776
	2,866,855	2,999,993

17.1 Stores and spares include Rs 23,706 thousand (2020: Rs 23,706 thousand), being Company's share in joint operations operated by other joint operating partners (assets not in the possession of the Company).

	2021 (Rupees in thousand)	(Restated) 2020
18. TRADE DEBTS		
Due from associated companies * - considered good		
Fauji Fertilizer Company Limited	593,739	878,971
Foundation Power Company Daharki Limited	642,569	343,328
Fauji Cement Company Limited	19,836	-
Foundation Gas	6,290	1,739
	1,262,434	1,224,038
Due from others - considered good		
Central Power Generation Company Limited	9,876,297	7,972,300
Engro Fertilizer Limited	5,908,553	4,117,440
Pak Arab Fertilizers Limited	2,280,767	1,668,484
Fatima Fertilizer Company Limited	238,060	291,304
Sui Southern Gas Company Limited	5,379,293	5,437,579
Sui Northern Gas Pipelines Limited	2,169,520	2,157,316
Others	931,782	500,609
	28,046,706	23,369,070

* These companies are associated companies by virtue of common directorship.

18.1 As detailed in note 8.1 and 2.5 to these financial statements, GIDC and GDS amounts and their related sales tax billed to customers but not received are not included in these financial statements.

18.2 The maximum aggregate amount due from associated companies at the end of any month during the year was Rs 2,851,474 thousand (2020: Rs 2,209,648 thousand).

	Note	2021 (Rupees in thousand)	(Restated) 2020
18.3 The ageing of trade debts is as follows:			
Neither past due nor impaired			
Due from associated companies		937,346	883,935
Due from others		18,392,568	14,334,406
		19,329,914	15,218,341
Past due but not impaired			
Due from associated companies			
Past due 0-30 days		-	-
Past due 30-60 days		-	-
Past due 60-90 days		-	773
Over 90 days		325,087	339,330
Due from others			
Past due 0-30 days		1,352,988	1,660,309
Past due 30-60 days		1,103,290	2,076,109
Past due 60-90 days		705,361	864,798
Over 90 days		5,230,066	3,209,410
	18.4	8,716,792	8,150,729
		28,046,706	23,369,070

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

18.4 'Past due but not impaired' trade debts include amounts receivable directly/ultimately from the GoP amounting to Rs 8,469,842 thousand (2020: Rs 7,745,381 thousand). Due to exemption provided by SECP from application of ECL model on financial assets receivable from the GoP upto June 30, 2021, the Company has not recorded the impact of application of ECL model on trade debts due directly/ultimately from GoP for impairment assessment.

	Note	2021 (Rupees in thousand)	2020
19. LOANS AND ADVANCES			
Considered good			
Current portion of long term loans and advances	15	29,826	20,433
Advances to employees against expenses		105,185	251,044
Advances to suppliers and contractors		2,639,687	4,512,167
Receivables from joint operating partners		1,815,367	1,840,974
Workers' Profit Participation Fund		-	431,152
Gratuity Fund		880,796	-
		5,470,861	7,055,770
20. SHORT TERM INVESTMENTS			
Local currency term deposits with banks	20.1	36,044,931	33,134,126
Mutual funds	20.2	4,737,325	500,000
		40,782,256	33,634,126

20.1 These have a maximum maturity period of 6 months, carrying profit ranging from 7.00% to 8.15% (2020: 6.40% to 8.25%) per annum.

20.2 Fair value has been determined using quoted repurchase prices, being net asset value of units as of June 30, 2021.

	Note	2021 (Rupees in thousand)	2020
21. CASH AND BANK BALANCES			
Cash on hand		2,877	4,176
Balances with banks on:			
Deposit accounts	21.1	7,790,641	16,639,260
Current accounts		29,607	56,842
		7,820,248	16,696,102
		7,823,125	16,700,278

21.1 These include US\$ 28,651 thousand (2020: US\$ 18,680 thousand) having mark-up of 0.50% (2020: 1.95%) per annum. The mark-up for local currency accounts ranges from 3.25% to 7.70% (2020: 3.25% to 7.50%) per annum.

	2021 (Rupees in thousand)	2020
22. NET SALES		
Product wise breakup of net sales is as follows:		
Natural gas	69,943,982	69,502,325
Crude oil	3,070,658	2,522,424
Liquefied Petroleum Gas (LPG)	3,631	1,619
	73,018,271	72,026,368

22.1 The wellhead gas price notifications of certain fields/blocks are pending with the Oil and Gas Regulatory Authority (OGRA) for issuance and their revenue has been recorded in these financial statements on the basis of applicable gas prices determined on the basis of prescribed mechanism of the GoP.

	Note	2021 (Rupees in thousand)	2020
23. OPERATING AND ADMINSTRATIVE EXPENSES			
Salaries, wages and benefits	23.1	5,888,423	6,387,764
Rent, rates and taxes	23.2	341,097	370,001
Legal, professional and support services		414,830	150,564
Fuel, light, power and water		174,710	240,531
Maintenance and repairs		1,077,395	742,527
Insurance		190,044	109,091
Depreciation		1,764,210	1,220,242
Amortization and impairment loss	23.3	2,017,574	2,083,813
Employees medical and welfare		428,223	443,983
Field and other services		2,054,345	1,690,910
Travelling		107,978	160,993
Licences and equipment maintenance		103,070	274,682
Auditor's remuneration and tax services	23.4	21,785	14,534
Mobile dispensary and social welfare		935,000	582,641
Training		94,037	324,066
Directors' fee and expenses		61,167	25,576
Reservoir study and production logging		105,502	78,053
Crude oil transportation		130,803	91,304
Reversal of provision for doubtful debts		-	(238,000)
Others		478,191	260,063
		16,388,384	15,013,338
Less: Allocation of expenses to activities		1,348,704	1,699,707
		15,039,680	13,313,631

23.1 These include operating lease rentals amounting to Rs 131,116 thousand (2020: Rs 67,832 thousand) in respect of leased vehicles provided to eligible employees.

23.2 These include expense amounting to Rs 223,362 thousand (2020: Rs 258,287 thousand) relating to short-term leases.

23.3 This is net of reversal due to change in estimates of provision for decommissioning cost.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

	2021 (Rupees in thousand)	2020
23.4 Auditor's remuneration and tax services		
Annual audit fee	3,150	3,000
Review of half yearly accounts, verification of special reports and other certifications	1,349	1,285
Tax services	16,864	9,774
Out of pocket expenses	422	475
	21,785	14,534
24. EXPLORATION AND PROSPECTING EXPENDITURE		
Prospecting expenditure	4,491,776	7,158,273
Cost of dry and abandoned wells	51,913	3,099,366
	4,543,689	10,257,639
25. FINANCE COST		
Unwinding of discount on provision for decommissioning cost	899,297	979,521
Interest on Workers' Profit Participation Fund	-	4,031
Bank charges	1,384	2,024
Exchange loss / (gain)	409,795	(417,624)
	1,310,476	567,952
26. OTHER CHARGES		
Workers' Profit Participation Fund	2,350,692	1,968,848
Workers' Welfare Fund	731,770	729,379
	3,082,462	2,698,227
27. OTHER INCOME / (EXPENSES)		
Mari Seismic Unit income - net of related expenses	44,056	204,477
Mari Drilling Unit income - net of related expenses	70,891	74,905
Gain on disposal of property, plant and equipment	247,448	17,402
Others	(50,424)	43,217
	311,971	340,001
28. FINANCE INCOME		
Interest income on bank deposits	1,231,130	1,612,093
Interest income on short term investments	2,486,821	2,815,452
Interest income on long term investments - TFCs	52,696	-
Dividend income	169,889	36,573
Interest income on delayed payments	-	91,967
	3,940,536	4,556,085
29. PROVISION FOR INCOME TAX		
Current - charge for the year	12,804,748	12,197,104
Deferred - credit for the year	(318,294)	(1,230,532)
	12,486,454	10,966,572

	2021 (Percentage)	2020
29.1 Reconciliation of effective tax rate		
Applicable tax rate	48.1	47.1
Tax effect of depletion allowance and royalty payments	(19.7)	(20.5)
Effective tax rate	28.4	26.6

29.2 The management has assessed that tax provision carried in the Company's financial statements is sufficient. Income tax liability as per financial statements for the last three tax years is adequate considering latest tax assessments for the said years.

	2021	2020
30. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees in thousand)	31,444,909	30,312,873
Number of ordinary shares outstanding (in thousand)	133,403	133,403
Earnings per ordinary share (in Rupees)	235.71	227.23

There is no dilutive effect on the basic earnings per ordinary share of the Company.

	2021 (Rupees in thousand)	2020
31. CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,823,125	16,700,278
Short term investments	40,782,256	33,634,126
	48,605,381	50,334,404

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

32. EMPLOYEE BENEFITS

The results of the actuarial valuations carried out as at June 30, 2021 and June 30, 2020 are as follows:

32.1 Funded benefits

	2021		2020	
	Management Gratuity	Non- Management Gratuity	Management Gratuity	Non- Management Gratuity
(Rupees in thousand)				
Reconciliation of net defined benefit plan				
Present value of defined benefit obligations	2,165,588	981,299	2,960,596	1,088,659
Fair value of plan assets	(3,046,384)	(981,299)	(2,960,596)	(1,088,659)
(Asset) / liability recognized in statement of financial position	(880,796)	-	-	-
Movement in net defined benefit plan				
Balance as at beginning of year	-	-	800,238	207,360
(Credit) / expense for the year	(604,232)	18,033	749,310	14,106
	(604,232)	18,033	1,549,548	221,466
Contribution to fund during the year	(276,564)	(18,033)	(1,549,548)	(221,466)
Balance as at end of year	(880,796)	-	-	-
Movement in the present value of defined benefit obligation				
Present value at beginning of the year	2,960,596	1,088,659	2,336,934	992,460
Current service cost	316,827	45,638	260,409	44,528
Past service (credit) / cost	(880,796)	(40,389)	381,468	-
Interest cost	252,791	86,734	322,844	136,535
Benefits during the year	(379,090)	(163,179)	(261,808)	(53,197)
Remeasurement gain on obligation	(104,740)	(36,164)	(79,251)	(31,667)
Present value at end of the year	2,165,588	981,299	2,960,596	1,088,659
Movement in fair value of plan assets				
Balance as at beginning of year	2,960,596	1,088,659	1,536,696	785,100
Contributions during the year	276,564	18,033	1,549,548	221,466
Interest income on plan assets	249,387	86,617	207,719	107,347
Remeasurement (loss) / gain on plan assets	(61,073)	(48,831)	(71,559)	27,943
Benefits during the year	(379,090)	(163,179)	(261,808)	(53,197)
Balance as at end of year	3,046,384	981,299	2,960,596	1,088,659
Plan assets comprise of:				
Deposit with banks	3,046,384	981,299	2,960,596	1,088,659
(Credit) / expense for the year:				
Recognized in statement of profit or loss				
Current service cost	316,827	45,638	260,409	44,528
Past service (credit) / cost	(880,796)	(40,389)	381,468	-
Interest cost	252,791	86,734	322,844	136,535
Interest income on plan assets	(249,387)	(86,617)	(207,719)	(107,347)
	(560,565)	5,366	757,002	73,716

	2021		2020	
	Management Gratuity	Non- Management Gratuity	Management Gratuity	Non- Management Gratuity
(Rupees in thousand)				
Recognized in statement of comprehensive income				
Remeasurement loss / (gain) on obligations:				
Due to change in financial assumptions	67,556	25,942	121,677	44,743
Due to change in experience adjustments	(172,296)	(62,106)	(200,928)	(76,410)
Remeasurement loss / (gain) on plan assets	61,073	48,831	71,559	(27,943)
	(43,667)	12,667	(7,692)	(59,610)
Total for the year	(604,232)	18,033	749,310	14,106
Actual return on plan assets	188,314	37,786	136,160	135,290

32.2 Un-funded benefits

	2021		2020	
	Post Retirement Leaves	Post Retirement Medical	Post Retirement Leaves	Post Retirement Medical
(Rupees in thousand)				
Present value of defined benefit obligations	595,633	90,009	576,915	79,698
Movement in un-funded defined benefit plan				
Balance at beginning of the year	576,915	79,698	511,409	75,047
Expense for the year	92,950	15,241	108,616	7,151
	669,865	94,939	620,025	82,198
Benefits paid during the year	(74,232)	(4,930)	(43,110)	(2,500)
Balance at end of the year	595,633	90,009	576,915	79,698
Expense for the year:				
Recognized in statement of profit or loss				
Current service cost	64,858	1,100	58,738	2,244
Interest cost	49,038	6,540	71,597	10,240
Remeasurement (gain) / loss	(20,946)	-	(21,719)	-
	92,950	7,640	108,616	12,484
Recognized in statement of comprehensive income				
Remeasurement (gain) / loss on obligations (experience adjustment)	-	7,601	-	(5,333)
Total expense for the year	92,950	15,241	108,616	7,151

32.3 The principal actuarial assumptions used in the actuarial valuations are as follows:

	2021	2020
	(Per annum)	
- Discount rate	9.0%	8.5%
- Expected rate of salary increase	14.0% - 15.0%	18.0%
- Increase in cost of medical benefits	9.0%	8.5%
- Mortality rates	SLIC (2001-05)-1	

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

32.4 Weighted average duration and projected payments

	Management Gratuity	Non- Management Gratuity	Post Retirement Medical
Weighted average duration of the obligation as at June 30, 2021 (in years)	8.70	5.63	7.78
Projected benefit payments (undiscounted) are as follows:	Rupees in thousand		
For the year 2022	133,478	63,904	7,930
For the year 2023	174,615	126,535	8,243
For the year 2024	326,358	127,676	8,516
For the year 2025	296,165	189,684	8,741
For the year 2026	313,945	205,010	8,915
For the years 2027-31	1,815,527	724,312	47,355
For the years 2031 onwards	16,351,261	1,607,787	247,566

32.5 Sensitivity analysis of the obligation:

	Effect on present value of obligation		
	Management Gratuity	Non- Management Gratuity	Post Retirement Medical
	(Rupees in thousand)		
Discount rate:			
0.5% point increase	(90,946)	(27,628)	(3,502)
0.5% point decrease	97,790	29,067	3,769
Salary / Medical rate:			
0.5% point increase	92,155	26,622	31
0.5% point decrease	(86,576)	(25,558)	(31)

33. OPERATING SEGMENTS

The Company has following operating segments:

- i) Exploration and Production
- ii) Mari Seismic Unit (MSU)
- iii) Mari Drilling Unit (MDU)

33.1 Information about reportable segments

Information related to each reportable segment is set below. Segment profit / (loss) before tax and other charges is used to measure performance as 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, 2021				
Net revenue from external customers	73,018,271	291,160	122,667	73,432,098
Inter-segment revenue	-	2,631,839	1,061,822	3,693,661
	73,018,271	2,922,999	1,184,489	77,125,759
Royalty	(9,315,126)	-	-	(9,315,126)
Operating and administrative expenses	(9,932,335)	(3,484,071)	(866,224)	(14,282,630)
Depreciation and amortization	(3,223,332)	(910,236)	(214,102)	(4,347,670)
Exploration and prospecting expenditure	(4,276,079)	-	-	(4,276,079)
Cost of dry and abandoned wells	(51,913)	-	-	(51,913)
Finance cost	(1,310,476)	-	-	(1,310,476)
Other income / (expenses)	197,024	-	-	197,024
Finance income	3,940,536	-	-	3,940,536
Share of loss in associate - net of taxation	(47,982)	-	-	(47,982)
Profit / (loss) before taxation and other charges	48,998,588	(1,471,308)	104,163	47,631,443

Year ended June 30, 2020				
Net revenue from external customers	72,026,368	1,270,762	811,665	74,108,795
Inter-segment revenue	-	5,068,824	1,136,218	6,205,042
	72,026,368	6,339,586	1,947,883	80,313,837
Royalty	(8,805,560)	-	-	(8,805,560)
Operating and administrative expenses	(10,009,576)	(4,441,007)	(1,173,054)	(15,623,637)
Depreciation and amortization	(3,304,055)	(755,769)	(227,889)	(4,287,713)
Exploration and prospecting expenditure	(8,131,922)	-	-	(8,131,922)
Cost of dry and abandoned wells	(3,099,366)	-	-	(3,099,366)
Finance cost	(985,576)	(35)	-	(985,611)
Other income / (expenses)	60,619	(76,855)	-	(16,236)
Finance income	4,973,709	112,206	-	5,085,915
Profit before taxation and other charges	42,724,641	1,178,126	546,940	44,449,707

33.2 Reconciliation of segments' revenue & profit before taxation and other charges

	2021 (Rupees in thousand)	2020
i) Net revenue from reportable segments	77,125,759	80,313,837
Elimination of inter-segment revenue - Mari Seismic Unit	(2,631,839)	(5,068,824)
Elimination of inter-segment revenue - Mari Drilling Unit	(1,061,822)	(1,136,218)
Net revenue of the Company	73,432,098	74,108,795
ii) Profit before taxation and other charges from reportable segments	47,631,443	44,449,707
Elimination of inter-segment in 'Exploration and prospecting expenditure' - Exploration and Production	(215,697)	973,649
Elimination of inter-segment loss / (profit) in 'Mari Seismic Unit'	215,697	(973,649)
Elimination of inter-segment (profit) / loss in 'Mari Drilling Unit'	(617,618)	(472,035)
Profit before taxation and other charges of the Company	47,013,825	43,977,672

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

33.3 Other information

Revenue from major customers constitutes 95% of the total revenue during the year ended June 30, 2021 (2020: 96%).

		2021 (Rupees in thousand)	2020
34. FINANCIAL INSTRUMENTS			
34.1 Financial assets and liabilities			
Financial assets			
Maturity up to one year			
Trade debts	at amortized cost	28,046,706	23,369,070
Loans and advances	at amortized cost	1,845,193	1,861,407
Current portion of long term			
investments	at amortized cost	39,831	-
Interest accrued	at amortized cost	100,635	36,469
Short term investments	at amortized cost	36,044,931	33,134,126
Short term investments	at fair value through profit or loss	4,737,325	500,000
Cash and bank balances	at amortized cost	7,823,125	16,700,278
Maturity after one year			
Long term investments	at amortized cost	1,000,000	-
Long term loans and advances	at amortized cost	34,053	33,165
Long term deposits	at amortized cost	181,818	353,979
		79,853,617	75,988,494
Financial liabilities			
Maturity up to one year			
Trade and other payables	at amortized cost	11,298,258	9,469,920

34.2 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), VIS Credit Rating Company Limited (VIS) and Moody's. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2021 (Rupees in thousand)	2020
Trade debts			
Counterparties with external credit rating	A1+	8,074,750	5,966,379
	A1	7,548,813	7,594,895
	A2	2,496,182	1,813,884
Counterparties without external credit rating		9,926,961	7,993,912
		28,046,706	23,369,070
Loans and advances			
Counterparties without external credit rating			
Joint operating partners and employees with no default in the past		1,845,193	1,861,407
Current portion of long term investments			
Counterparties with external credit rating	AAA	39,831	-
Interest accrued			
Counterparties with external credit rating	A1+	100,057	33,905
	A1	578	2,564
		100,635	36,469
Short term investments			
Counterparties with external credit rating	AAA (f)	2,236,244	500,000
	AA+ (f)	2,000,877	-
	AA(f)	500,204	-
	A1+	34,544,931	30,134,126
	A1	1,500,000	3,000,000
		40,782,256	33,634,126
Bank balances			
Counterparties with external credit rating	A1+	7,786,592	16,418,612
	A1	33,656	277,490
		7,820,248	16,696,102
Long term investments			
Counterparties with external credit rating	AAA	1,000,000	-
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees with no default in the past		34,053	33,165
Long term deposits			
Counterparties without external credit rating			
Deposits with counter parties with no default in the past		181,818	353,979

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

34.3 Financial risk management

34.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

a) Credit risk

Credit risk is the risk of financial loss to the Company on a financial asset if counterparty fails to meet its contractual obligations and principally arises from trade debts, investments and bank balances. To manage credit risk, the Company maintains procedures covering the function for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes, the financial viability of all counterparties is regularly monitored and assessed.

Financial assets are considered to be credit-impaired when there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. This includes observable data concerning significant financial difficulty of the counterparty; a breach of contract; it becoming probable that the counterparty will enter bankruptcy or other financial re-organization because of financial difficulties. Where the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof for example where all legal avenues for collection of amounts due have been exhausted, the financial asset (or relevant portion) is impaired.

The Company has not recorded impact of application of ECL model on the financial assets due directly/ ultimately from the GoP in these financial statements. For other financial assets, the management believes that the impact of ECL is not material as outstanding balances are receivable from counter parties who have high credit ratings with no history of default.

The carrying amount of financial assets represents the maximum credit exposure. The Company conducts transactions with the following major types of counterparties:

Customers

Trade debts are essentially due from fertilizer companies, power generation companies, gas distribution companies and refineries and the Company does not expect these companies to fail to meet their obligations. Payment terms are agreed with customers which vary from 7 to 45 days.

An impairment analysis is performed at each reporting date in accordance with impairment requirements of IFRS 9 read with S.R.O. 985 (I)/2019 dated September 2, 2019 issued by SECP, which has exempted financial assets due from the GoP from application of IFRS 9 till June 30, 2021. While evaluating the concentration of risk with respect to trade debts, the Company takes into account that the oil and gas industry in Pakistan is highly regulated, supported by the GOP and there is no history of default by any of the customers in the past. The Company considers current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables and applies the IFRS 9 simplified approach, read with S.R.O. 985 (I)/2019 dated September 2, 2019 issued by SECP, to measure the expected credit losses which uses a lifetime expected loss allowance for trade debts.

Banks, mutual funds and long term investments

The Company limits its exposure to credit risk by placing funds only with approved counterparties that have a high credit rating. Investments of surplus funds are made in a safe and secure manner while ensuring optimum return and liquidity. Given these high credit ratings, strict regulations by the State Bank of Pakistan and no history of default, management does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

Others

The relationship with the joint operating partners is governed under Petroleum Concession Agreements (PCAs) signed by the Government of Pakistan, the Company and its respective joint operating partners with the prior approval of the Ministry of Petroleum and Natural Resources, the Government of Pakistan. Various avenues are available for the recovery of dues from joint operating partners including engaging the regulator, right to forfeit working interest, assignment of invoices etc. Based on above and considering there is no history of default by any counter party, management considers the risk of default as very low. In respect of deposits, the management does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when due under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient cash and cash equivalents and the Company's financial assets are in excess of financial liabilities by Rs 68,555,359 thousand (2020: Rs 66,518,574 thousand).

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on financial instruments.

i) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's profit or the value of its holdings of financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimizing the return on financial instruments.

Exposure to foreign currency risk

The Company's exposure to currency risk is as follows:

	2021 (Rupees in thousand)	2020	2021 (US\$ in thousand)	2020
Cash and bank balances	4,535,417	3,153,636	28,651	18,688
Trade debts	-	18,240	-	108
Loans and advances	1,815,367	1,840,974	11,468	10,909
Trade and other payables	(5,103,654)	(1,298,716)	(32,240)	(7,696)
Net financial assets	1,247,130	3,714,134	7,879	22,009

The following are significant exchange rates:

	Average rate		Closing rate	
	2021	2020	2021	2020
	(Rupees)		(Rupees)	
US\$ 1	160.27	159.30	158.30	168.75

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

Foreign currency sensitivity analysis

A 10 percent variation of the Pak Rupee against the US\$ at June 30, would have affected profit or loss after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Change in foreign exchange rates	Effect on profit after tax	Effect on equity
(Rupees in thousand)			
2021			
US\$	+10%	64,726	64,726
	-10%	(64,726)	(64,726)
2020			
US\$	+10%	185,967	185,967
	-10%	(185,967)	(185,967)

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:

	2021 (Rupees in thousand)	2020
Financial assets		
Long term investments	1,000,000	-
Current portion of long term investments	39,831	-
Interest accrued	100,635	36,469
Short term investments	40,782,256	33,634,126
Bank balances	7,790,641	16,639,260
	49,713,363	50,309,855

The effective interest rates for the financial assets are mentioned in respective notes to the financial statements.

Interest rate sensitivity analysis

At June 30, 2021 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, 2021 would increase/ decrease by Rs 1,764,824 thousand (2020: increase/ decrease by Rs 1,786,000 thousand).

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

34.3.2 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain a going concern and continue to provide returns to shareholders and benefits to other stakeholders.

In order to achieve the above objectives, the Company may issue new shares through right issue or raise financing from financial institutions.

34.4 Fair value of financial instruments

The fair value of financial assets at fair value is given below. The carrying values of other financial assets and liabilities not carried at fair value is a reasonable approximation of their fair value.

Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Short term investments - at fair value through profit or loss				
June 30, 2021	4,737,325	-	-	4,737,325
June 30, 2020	500,000	-	-	500,000

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

35. INFORMATION ABOUT JOINT OPERATIONS

The Company's working interests in Pakistan are as follows:

	2021 Working interest (%)	2020
OPERATED BLOCKS / FIELDS		
Zarghun Field	35.00	35.00
Ziarat Block	60.00	60.00
Karak Block	60.00	60.00
Wali West Block	95.00	100.00
Taung Block	60.00	60.00
Harnai Block	60.00	60.00
Ghauri Block	65.00	65.00
Peshawar East Block	98.18	98.18
Bannu West Block	55.00	55.00
Block 28	95.00	95.00
Khetwaro Block *	51.00	51.00
Sharan Block	60.00	-
Nareli Block **	39.00	-
NON - OPERATED BLOCKS		
Hala Block	35.00	35.00
Kohat Block	33.33	33.33
Kohlu Block	30.00	30.00
Kalchas Block	50.00	50.00
Shah Bandar Block	32.00	32.00
Bela West Block	25.00	25.00
North Dhurnal Block **	40.00	-
Killa Saifullah Block	40.00	-

* The Company has applied for the relinquishment of these blocks and GoP's approval is awaited.

** The Company has submitted PCAs with the GoP, whose approval is awaited.

36. DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES AND THE COMPANIES LISTED ON ISLAMIC INDEX

Description	Explanation	Rupees in thousand
i) Balance as at June 30, 2021:		
Long term investments including	Placed under interest arrangement	1,039,831
current portion - TFCs	Placed under Shariah permissible arrangement	-
		1,039,831
Interest accrued	Placed under interest arrangement	90,688
	Placed under Shariah permissible arrangement	9,947
		100,635
Short term investments	Placed under interest arrangement	35,281,826
	Placed under Shariah permissible arrangement	5,500,430
		40,782,256
Bank balances	Placed under interest arrangement	7,563,833
	Placed under Shariah permissible arrangement	256,415
		7,820,248
ii) Transactions for the year ended June 30, 2021		
Interest income on bank deposits	Placed under interest arrangement	1,178,198
	Placed under Shariah permissible arrangement	52,932
		1,231,130
Interest income on short term investments	Placed under interest arrangement	2,136,237
	Placed under Shariah permissible arrangement	350,584
		2,486,821
Interest income on long term investments - TFCs	Placed under interest arrangement	52,696
	Placed under Shariah permissible arrangement	-
		52,696
Dividend income	Placed under interest arrangement	159,295
	Placed under Shariah permissible arrangement	10,594
		169,889
Exchange loss - net		409,795
iii) Names of Company's shariah compliant banks		
	1. Askari Bank Limited (Islamic)	
	2. Bank Alfalah Limited (Islamic)	
	3. Meezan Bank Limited	
	4. Al Baraka Bank (Pakistan) Limited	
	5. Bank Islami Pakistan Limited	
	6. Dubai Islamic Bank	

Disclosures other than above are not applicable on the Company.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements as remuneration and allowances including all benefits to key management personnel (chief executive and directors) and executives of the Company is as follows:

	2021		2020	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousand)			
Managerial remuneration	22,964	800,621	6,792	756,882
Company's contribution to provident fund	2,296	68,561	679	66,864
Company's contribution to / (receivable from) gratuity fund	3,570	(565,648)	2,970	641,208
Housing and utilities	13,385	809,963	6,786	774,380
Other allowances and benefits	5,168	1,510,141	8,883	1,449,645
Bonuses	22,253	1,143,030	10,908	1,259,593
	69,636	3,766,668	37,018	4,948,572
Number of persons including those who worked part of the year	2	317	1	294

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 14 (2020: 13) directors were paid aggregate fee and reimbursable expenses of perquisite nature of Rs 61,167 thousand (2020: Rs 25,576 thousand).

	2021	2020
38. NUMBER OF EMPLOYEES		
Total number of employees as at year end	1,293	1,219
Average number of employees during the year	1,270	1,220

39. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED COMPANIES

The related parties of the Company comprise of entities having significant influence over the Company, associates, employees' retirement funds and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive and Directors to be key management personnel.

Amounts receivable from / payable to related parties and associated companies, other than below, have been disclosed in relevant notes to these financial statements.

Related parties

Nature of relationship	Nature of transaction / balance	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Entities with significant influence over the Company			
Fauji Foundation*	Dividend paid	3,598,310	313,168
	Dividend payable	42,395	12,157
	Corporate Social Responsibility	153,270	60,000
	Cost recharge expense	248,941	-
	Cost recharge payable	61,858	-
OGDCL *	Dividend paid	1,799,155	156,584
	Dividend payable	21,198	6,079
	Payable to joint operating partner	388,709	197,799
	Receivable from joint operating partner	642,982	270,474
Key management personnel			
Chief executive	Advance as per Company's policy	12,020	16,218
Employees' retirement funds			
Gratuity funds (Management and Non-Management)	Company's contribution	294,597	1,771,014
Provident fund	Company's contribution	112,030	90,136

* These entities are also associated entities by virtue of common directorship.

Associated companies

Nature of relationship	Nature of balance	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Associated entities by virtue of common directorship			
Askari Bank Limited	Short term investments	5,000,000	-
	Interest accrued	28,122	6,331
	Bank balances	5,316,603	11,662,140

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

40. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Significant transactions and events that have affected the Company's financial position, performance and cash flows during the year includes:

- i) Increase in production resulted in increased net sales despite lower prices prevailed during the year.
- ii) Fixed assets representing property, plant & equipment and exploration, development & production assets have increased by more than 50% over the year, reflecting the enhancement of asset base of the Company.
- iii) As referred to in note 1.3.2, dividend distribution cap has been removed. Accordingly, dividend payments during the year were significantly increased from prior years.

41. CORRESPONDING FIGURES

Comparative figures have been restated as a result of restatement of prior years' financial statements as referred in note 2.5 to these financial statements.

Furthermore, following changes have been made in corresponding figures to conform to current year's presentation:

Statement of profit or loss	Rupees in thousand
Amount reclassified to "operating and administrative expenses" from "sales"	11,472
Amount reclassified to "finance cost" from "finance income"	417,624

42. NON - ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to the year end, following significant events have taken place:

- 42.1 The Board of Directors in its meeting held on August 26, 2021 has proposed final cash dividend for the year ended June 30, 2021 @ Rs 75 per share, for approval of the shareholders in the Annual General Meeting.
- 42.2 An exploratory well in Sujawal block has been completed and declared as dry hole in July 2021.
- 42.3 Complying with one of the conditions of bidding process for a block offered in Abu Dhabi's 2019 Bid Round, in which MPCL along with OGDCL, PPL and GHPL submitted a joint bid as a consortium with 25% share each, a company named as Pakistan International Oil Limited (PIOL) has been incorporated in Abu Dhabi Global Market. Once the block is awarded, the activities of PIOL will commence and equity investment will be made for which approval from shareholders of MPCL has already been obtained. In case the block is not awarded, PIOL will be dissolved.
- 42.4 The Company has executed a farm-in agreement with MOL Pakistan Oil and Gas Co B.V. in July 2021, for acquisition of significant working interest in Margala Block. The assignment of working interest is subject to GoP approval.

43. GENERAL

43.1 Impact of COVID-19 on the financial statements

The Company has taken appropriate measures to keep its human resource and assets safe and secure. Further, the company is continuously monitoring the situation to counter act the changed environment.

The management believes that there is no significant financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income or expenses, as disclosed in these financial statements. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosures in these financial statements.

43.2 Capacity and Production

Product	Unit	Production for the year
Gas	MMSCF	269,257
Crude oil	Barrels	457,205
LPG	Metric ton	54.32

Due to the nature of operations of the Company, installed capacity of above products is not relevant. However, processing facilities are installed at Sujawal block and Zarghun Field, which are not significant to the financial statements of the Company.

- 43.3 All investments out of Provident Fund and Gratuity Funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified for this purpose.
- 43.4 These financial statements have been authorized for issue by the Board of Directors of the Company on August 26, 2021.



Muhammad Asif
General Manager Finance/CFO



Faheem Haider
Managing Director / CEO



Ayla Majid
Director

240

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

2D/3D	2 Dimensional/3 Dimensional
2P	Total of Proven and Probable Reserves
ACCA	Association of Certified Chartered Accountants
ADB	The Asian Development Bank
AGM	Annual General Meeting
ALARP	As Low As Reasonably Practicable
ATL	Active Taxpayer List
B2B	Business to Business
BBLs	Barrels
BCF	Billions of standard Cubic feet of gas
BI	Business Intelligence
BOE	Barrel of Oil Equivalent
BOPD	Barrels of Oil Per Day
BPC	Budget Planning and Consolidation
BSCF	Billion Standard Cubic Feet
BSPI	Board's Strategic Performance Index
BTU	British Thermal Unit
CAA	Pakistan Civil Aviation Authority
Capex	Capital Expenditure
CATs	Cross Application Timesheets
CCG	Listed Companies (Code of Corporate Governance) Regulations, 2019
CCRT	Cental Coordination Response Team
CDC	Central Depository Company of Pakistan Limited
CDNS	Central Directorate of National Savings
CDRS	Comprehensive Disaster Response Services
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGS	Chief of General Staff
CNIC	Computerized National Identity Card
COO	Chief Operating Officer
Covid-19	Coronavirus disease 2019
CPGCL	Central Power Generation Company Limited
CSR	Corporate Social Responsibility
CT	Computed Tomography
D&P	Development and Production
DFID	Department for International Development
DGPC	Directorate General of Petroleum Concessions
DRP	Disaster Recovery Plan
DTP	Directors' Training Programme
DVD	Digital Video Disc
E&P	Exploration and Production
EBITDA	Earnings Before Interest Taxes Depreciation and Amortization
ECC	Economic Coordination Committee

EIA/IEE	Environmental Impact Assessment/Initial Environmental Examination
EMS	Emergency Medical Services
ENI	Ente Nazionale Idrocarburi
EOGM	Extraordinary General Meeting
EPA	Environmental Protection Agency
EPS	Earnings Per Share
ERM	Enterprise Risk Management
EWI	Extended Well Test
FBR	Federal Board Of Revenue
FCA	Fellow Chartered Accountant
FF	Fauji Foudnation
FFBL	Fauji Fertilizer Bin Qasim Limited
FFC	Fauji Fertilizer Company Limited
FLNG	Floating Liquified Natural Gas
FY	Financial Year
G&G	Geological and Geophysical
GDP	Gross Domestic Product
GDS	Gas Development Surcharge
GENCO	Generation Company
GHG	Greenhouse Gas
GHPL	Government Holding Private Limited
GIDC	Gas Infrastructure Development Cess
GLS	Gas Lift System
GM	General Manager
GmbH	Gesellschaft mit beschränkter Haftung
GoP	Government of Pakistan
GPA	Gas Wellhead Price Agreement
GTH	GoruB, Tipu & Habib Rahi Limestone
HAZOP	Hazard and Operability Study
HI(M)	Hilal-i-Imtiaz (Military)
HIA	Head of Internal Audit
HP	Horsepower
HPHT	High Pressure High Temperature
HQ	Headquarter
HR&R	Human Resource and Remuneration
HRD	Human Resource Department
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
HSEQ	Health, Safety, Environment and Quality
IASB	International Accounting Standards Board
IBAN	International Bank Account Number
ICAP	Institute of Chartered Accountants of Pakistan
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IHRDC	International Human Resource Development Corporation

IMS	Integrated Management System
ISE	Islamabad Stock Exchange
ISMS	Information Security Management System
ISO	International Standards Organization
JD, Magna Cum Laude	Juris Doctor
JV	Joint Venture
KMI	KSE Meezan Index
KPIs	Key Performance Indicators
KPK	Khyber Pakhtunkhwa
KPMG	Klynveld Peat Marwick Goerdeler
KPOGCL	Khyber Pakhtunkhwa Oil & Gas Company Limited
KUFPEC	Kuwait Foreign Petroleum Exploration Company
LASMO	London and Scottish Marine Oil
LEAs	Law Enforcement Agencies
LESCO	Lahore Electric Supply Company
LLB	Bachelor of Laws
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTI	Lost Tme Injury
LTIF	Lost Time Injury Frequency
M&A	Mergers and acquisitions
M/S	Messrs
MAP	Management Association of Pakistan
MDG	Master Data
MDG	Master Data Governance
MDU	Mari Drilling Unit
MGCL	Mari Gas Company Limited
MICP	Mercury Injection Capillary Pressure
MMBOE	Million Barrel of Oil Equivalent
MMSCF	Million Standard Cubic Feet
MOU	Memorandum of Understanding
MSD	Mari Services Division
MSPC	Mari Seismic Data Processing Center
MSU	Mari Seismic Unit
MTPA	Million Tons Per Annum
NITL	National Investment Trust Limited
NMR	Nuclear Magnetic Resonance
NOB	Net Overburden Condition
NRL	National Resources (Privtae) Limited
NTC	National Telecom Corporation
NTN	National Tax Number
NUST	National University of Science & Technology
OEM	Original Equipment Manufacturer
OGDCL	Oil & Gas Development Company Limited
OICCI	Overseas Investors Chamber of Commerce and Industry
OMV	Österreichische Mineralölverwaltung Aktiengesellschaft
OPL	Ocean Pakistan Limited
P/E	Price to Earnings Ratio
PARCO	Pak-Arab Refinery Company Limited
PBC	Pakistan Bar Council
PCAs	Petroleum Concession Agreement
PCR	Polymerase Chain Reaction
PICG	Pakistan Institute of Corporate Governance
PIOL	Pakistan International Oil Limited
PLTs	Production Logging Tool

PNSC	Pakistan National Shipping Corporation
POD	Point of Departure
POL	Pakistan Oilfields Limited
PPEPCA	Pakistan Petroleum Exploration and Production Companies Association
PPIS	Pakistan Petroleum Information Service
PPL	Pakistan Petroleum Limited
PSDM	Pre Stack Depth Migration
PSER	Preapplication Safety Evaluation Report
PSIG	Pounds per Square Inch Gauge
PSO	Pakistan State Oil
PSX	Pakistan Stock Exchange
Q&A	Questions and Answers
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
RCA	Routine Core Analysis
Rel. Perm	Relative Permeability Test
Retd	Retired
RLNG	Re-gasified Liquefied Natural Gas
RO	Reverse Osmosis
RRR	Reserve Replacement Ratio
SAP	Systems, Applications and Products
SCADA	Supervisory Control and Data Acquisition
SCAL	Special Core Analysis
SDGs	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SEHCL	Sindh Energy Holding Company Limited
SEL	Saif Energy Limited
SML	Sui Main Limestone
SNGPL	Sui Northern Gas Pipelines Limited
SOPs	Standard Operating Procedures
SPE	Society of Petroleum Engineers
SRO	Statutory Regulatory Order
SUL	Sui Upper Limestone
SWOT	Strength Weakness Opportunities & Threats
TB	Tuberculosis
TCF	Trillion Cubic Feet
TRCF	Total Recordable Case Frequency
TRSCSSV	Tubing Retrievable Surface- Controlled Subsurface Safety Valves
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
VDI	Virtual Desktop Infrastructure
WHO	World Health Organization
YGL	Young Global Leaders
YoY	Year-over-year
ZPCPL	Zaver Petroleum Corporation (Pvt Ltd)

ڈائریکٹرز رپورٹ

کمپنی کا مستقبل

وہابی امراتھ کے اثرات اور معاشی نمو، توانائی کی طلب اور سود کے حوالے سے موجود غیر یقینی صورتحال کے پیش نظر، کمپنی ایک ایسی حکمت عملی پر عمل کر رہی ہے جو ملک کی معیشت میں حصہ ڈالنے والے نئے شیئرز بولڈرز کو پائیدار ترقی فراہم کرتی ہے۔

کمپنی اپنے آپ بچکر کو مسلسل بڑھاتی رہے اور آئے والے برسوں میں اپنی ترقی کو برقرار رکھنے کے لیے اپنے ذیلی مالی، عملی، دانشورانہ اور مالی سرمایہ کو تحلیل دے رہی ہے۔

کمپنی دیگر پبلک کمپنیوں کے ساتھ ساتھ مالی فیڈل سے اپنی پیہ اور بڑھانے اور مقامی اور بین الاقوامی دونوں سطحوں پر پاک حاصل کر کے، ایک پبلک لیٹن ڈیگریج کے اپنے موجودہ ریسٹ فلو کو بڑھانے کے لیے حلقہ منصوبوں کا نفاذ کر رہی ہے۔

ماری فیڈل کمپنی کی پیہ اور آمدن کے حصول میں رینڈ کی بڑی کی حیثیت رکھتا ہے اور توقع کی جاتی ہے کہ مستقبل قریب میں بھی ایسی رہے گا۔ چنانچہ، کمپنی کی کوششوں اور وسائل کا ایک بڑا حصہ ماری فیڈل کو دوبارہ استعمال کرنے پر مرکوز ہے۔ جغرافیائی دائرہ وسیع کیسٹ کیلے کمپنی مقامی اور بین الاقوامی سطح پر ویسٹمنس جن میں ایک پبلک لیٹن پائپ لائن ماری انجائن میں اور جانے کی صلاحیت ہے، مگر ان (farm-in) کے مواقع کا مسلسل جائزہ لے رہی ہے۔ اس حکمت عملی پر عمل درآمد کرتے ہوئے MPCL ایک کنسورٹیم کے حصے کے طور پر، اب بھی میں ایک پاک کے اے اور اے کے لیے جیٹ کی نئی پوری کے تاج کا انکشاف کر رہی ہے۔ اگر یہ پوری کامیاب ہو جاتی ہے تو اس پاک میں محکمہ پائیدار کاروبار کی دریا فٹنس کمپنی کی ذخائر کی بنیاد پر جی ترقی کی حکمت عملی کو بڑھاتی رہے گی اور کمپنی کی بین الاقوامی سطح پر جانے کی کوششوں کے لیے ایک اہم قدم ثابت ہوگی۔

ڈائریکٹریکٹیشن ایک ایسی چیز رہی ہے جس کے لیے کمپنی پر حزم ہے اور پچھلے دور میں مزید نیوینٹ لچلڈ میں سرمایہ کاری اس حزم کی ذمہ داری مثال ہے۔ کمپنی اس منصوبے کے لیے پرجوش ہے اور پچھلے ڈائریکٹریکٹیشن کے ایسے ایسے مواقع کا جائزہ لے رہی ہے جو کہ اسے شیئرز بولڈرز کے لیے گراں قدر بنائیں گے۔

کمپنی مقامی ذمہ داری کے اپنے جوش و خروش پر عمل کرے گی، جو اس کے آپ بچکر کے حقوق اور ملک بھر میں مقامی سود کے کاموں کی حمایت میں سب سے مقدم ہو گا۔ تیل اور گیس کی قیمتوں میں کمی کے ختم ہوتے اثرات کے ساتھ، اور کمپنی کی حکمت عملی کے نفاذ سے اور بڑا آف ڈائریکٹرز ملازمین، مینجمنٹ، سپلائرز اور دیگر اسٹیک ہولڈر کے تعاون سے، کمپنی کو یقین ہے کہ وہ اپنی HSE معیارات اور رینجیلری ضروریات کو برقرار رکھنے سے بھرپور تاج کی دکائی کرنے میں کامیاب ہوگی۔

2021-22 کے لیے گراں گزریں

ماری فیڈل:	دولت و ملی (MD-17) کی ڈارنگ ملی سال 2021-22 کی دوسری سرمایہ تک شروع کیا جانا متوقع ہے۔
تھمر پاک:	ایک پبلک لیٹن کنویں (میں پبلک لیٹن) کی ڈارنگ ملی سال 2021-22 کی دوسری سرمایہ کے دوران متوقع ہے۔
پاک 28:	جداتی طور پر ایل کرنے کے امکان کی شرح کے ساتھ، مالیاتی سال 2021-22 کی تیسری سرمایہ کے دوران پہلے ایک پبلک لیٹن کنویں کی ڈارنگ متوقع ہے۔
پاکس پاک:	ایک پبلک لیٹن کنویں (کھیری ٹیم-1) کی ڈارنگ دسمبر 2021 کے دوران متوقع ہے۔

بیرونی آؤٹریز

موجودہ آؤٹریز، صمد زے ایف فرم کنویں اینڈ کمپنی، چارڈا ڈیٹنس، رینڈ زہو جابیں کے اور ایل ہونے کی بنیاد پر، خود کو کمپنی کے بیرونی آؤٹریز کے طور پر دوبارہ تحریری کے لیے جیٹ کر رہے ہیں۔

آؤٹ کمپنی نے آؤٹریز کی تحریری پر غور کیا اور صمد زے ایف فرم کنویں اینڈ کمپنی، چارڈا ڈیٹنس کو ملی سال 2021-22 کے لیے کمپنی کا بیرونی آؤٹریز مقرر کرنے کی سفارش کی۔ بورڈ آف ڈائریکٹرز نے آؤٹ کمپنی کی سفارشات کو منظور کیا اور یہ معاملہ آئندہ ہونے والے AGM اجلاس میں جیٹ کیا جائے گا۔

اظہار نظر

بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کی استحکام صحت اور گمن کی حد درجہ تحریف کرتے ہیں، جس کی بدولت انکھامی اس عرصہ میں کمپنی کو مؤثر انداز پر چلانے کے قابل ہوئی اور اپنے صارفین کو پائیدار کاروبار کی مسلسل پیہ اور فراہمی کو یقینی بنایا۔ بورڈ ملازمین کی اور دیگر مقلات پر بصر و تعاون کرنے پر مقامی انکھامی کا بھی مشکور ہے۔ اس کے علاوہ بورڈ صوبائی حکومتوں، وفاقی حکومت کے متعدد محکموں یا خصوصاً وزارت کو تالی (پٹرولیم ڈویژن)، وزارت خزانہ، آئل اینڈ گیس رینجیلری اتھارٹی، پٹرولیم پر رولز کے ڈائریکٹوریٹ، قومی گیس ڈیپوٹس کمپنی لچلڈ، فیڈرل بارڈ آف رینج اور چائون ہنڈ کرنے والے اداروں کا بھی مشکور ہے۔

بورڈ کے لیے اور اس کی جانب سے

محمد حیدر

فہیم حیدر
چیف ڈائریکٹر ای سی اے

اسلام آباد
26 اگست 2021ء

عالمہ مجید
ڈائریکٹر

ڈائریکٹرز رپورٹ

بورڈ ممبران کی کئیوں اور انگریزی اور انگریزی کا کردار کی کامیابی

بورڈ کے جائزے کے عمل میں مزید معروضات ہونے کے لیے، کمپنی نے بیرونی جائزہ کار کے طور پر پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کی ہیں۔ تاہم مالی سال 2020-21 کے لیے سسٹم کنٹریول (کوڈ آف کارپوریٹ گورننس) کے معیارات کی ضروریات کے مطابق، بحیثیت مجموعی، بورڈ، بورڈ کمیٹیاں اور انگریزی ڈائریکٹرز کی کارکردگی کا جائزہ لیا جائے۔

بورڈ ممبران ان آئین چارٹر پر مبنی سوالات کی بنیاد پر، جو مکمل طور پر پی آئی سی جی (PICG) نے جاری کیا ہے، اپنا جائزہ خود لیں گے، لیکن اسے ایک آزاد تجربے فریق سے گزارا جائے گا جو بورڈ کے ممبران کے لیے بورڈ کے ممبروں کے جوہات کو ایک رپورٹ میں مرتب کرے گا۔ یہ عمل بورڈ ممبران کے جوہات کی شناخت کا بہتر ذریعہ کرنے کے لیے بنایا گیا ہے۔

جائزہ سال کے عمل درآمد میں ہیں:

- بورڈ کی کمیٹیاں سمیت بورڈ کے جائزے کی رپورٹ
- انگریزی بورڈ ممبر کی جائزہ سال کی رپورٹ
- سالانہ رپورٹ کا تجزیہ
- سالانہ رپورٹ کا تجزیہ

پی آئی سی جی نے بورڈ کے قابل امور (deliverables) کو بروہا راست بورڈ کے تجزیہ میں کو پیش کر کے گا، جو بورڈ کو غور و خوض اور سفارشات پیش کرنے کے لیے رپورٹوں کو HR&R کمیٹی کو فراہم کرے گا۔

پی آئی سی جی (PICG) گورننس کا ایک اہم پاکستانی ادارہ ہے، جو 2004 سے ملک میں کارپوریٹ گورننس کے طریقوں کو فروغ دے رہا ہے۔ پی آئی سی جی (PICG) نے Corporate L.I.F.E. Centre International Inc. کے تعاون سے بورڈ کمیٹیاں اور ڈائریکٹرز کی جائزہ سال کے لیے ایک خصوصی آئن آف انٹیکوٹام جاری کیا ہے۔

ڈائریکٹرز کی ذمہ داریاں

سسٹم کنٹریول (کوڈ آف کارپوریٹ گورننس) کے معیارات 2019 کی ترقی 16 کی تعمیل میں، 16 اپریل 2019 سے ڈائریکٹرز کی ایک باقاعدہ معاہدہ پالیسی نافذ ہے۔ اس پالیسی پر عمل میں نظر ثانی کی گئی اور اسے اپڈیٹ کیا گیا۔ بورڈ نے 19 اپریل 2021 کو اپنی 191 ویں میٹنگ میں نظر ثانی شدہ پالیسی کو منظور کیا۔

ایگزیکٹو ڈائریکٹر: چیف ایگزیکٹو آفیسر / سی ای او بورڈ پر موجود واحد ایگزیکٹو ڈائریکٹر ہے۔ وہ بورڈ کی طرف سے، اپنے عہدہ کی مدت کے منظور شدہ معاہدے کے مطابق فکس ہوگا اور دیگر فوائد بشمول نوٹس اور بعد از عہدہ منافع فوائد کا حقدار ہے۔ جب وہ کمپنی کے کاروبار کے شعبہ میں کہیں موجود ہو گا، تو وہ منظور شدہ مصروفیت پالیسی کے مطابق سفری اور روزانہ کے اخراجات وصول کرنے کا بھی حقدار ہے۔ چیف ایگزیکٹو آفیسر کو بورڈ، بورڈ کمیٹیوں اور عام اجلاسوں میں شرکت کے لیے کوئی فیس اور اخراجات کی جاتی ہے۔

جی ایگزیکٹو ڈائریکٹر: جی ایگزیکٹو ڈائریکٹر بورڈ اور بورڈ کمیٹی کے اجلاس میں شرکت کے لیے ایک مقررہ فیس وصول کرنے کے حقدار ہیں۔ اس فیس کا فیصلہ بورڈ کرتا ہے اور اس پر وہ فوائد نظر ثانی کی جاتی ہے۔ جب ڈائریکٹر کمپنی کے کاروبار کے شعبہ میں کہیں پر موجود ہوں، تو تمام ایگزیکٹو ڈائریکٹرز منظور شدہ مصروفیت پالیسی کے مطابق سفری اور روزانہ کے اخراجات وصول کرنے کے بھی حقدار ہیں۔

جی ایگزیکٹو ڈائریکٹر کو کمپنی کی جرنل میٹنگ میں شرکت کے لیے کوئی فیس اور اخراجات کی جاتی ہے، مزید برآں، وہ کسی نوٹس اور رچیز منٹ کے بعد فوائد حاصل کرنے کے حقدار نہیں ہوتا۔

ڈائریکٹرز کی کسی بھی میٹنگ کے لیے ایسا آجائی کی تنظیم موجود نہیں ہے۔

ڈائریکٹرز کی ذمہ داریاں

30 جنوری 2021 کے ڈائریکٹرز کی ذمہ داریاں کی تفصیلات مندرجہ ذیل ہیں۔

کوڈ آف کارپوریٹ گورننس (COG)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے بہترین کارپوریٹ گورننس کا ایک فریم ورک قائم کرنے کے لیے سسٹم کنٹریول (کوڈ آف کارپوریٹ گورننس) ریکمینیٹیشنز، 2019 (ریکمینیٹیشنز) جاری کیے ہیں جن کے تحت ہر سسٹم کنٹریول کو بہترین طریقوں کے مطابق چلایا جاتا ہے۔

کمپنی باقاعدگی سے قواعد و ضوابط کی مکمل تعمیل کرنے کے لیے جدوجہد کرتی ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے، سسٹم کنٹریول (کوڈ آف کارپوریٹ گورننس) ریکمینیٹیشنز، 2019 کی تعمیل کی جارہے ہیں۔ بورڈ آف ڈائریکٹرز کی ذمہ داریاں اور کمپنی کے ممبران کو ان کی جانچ رپورٹ ہر سال سالانہ رپورٹ میں شامل کی جاتی ہے۔

ڈائریکٹرز کی مطابقت کی بیانات (Compliance Statements)

کمپنی کے ڈائریکٹرز ذیل ذمہ داریوں کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے جاری کیے گئے باہمی کو خدشہ ہے، درست طور پر اس کے معاملات، اس کے آپریٹرز کے نتائج، کمپنی غور و خوض اور رپورٹوں میں تبدیلی کے مکمل ہیں۔
- کمپنی کے معاملات کے حوالے سے درست طور پر برقرار رکھے گئے ہیں۔
- کمپنی کے ایک ممبر کی کردار و بار کے طور پر برقرار رہنے کے حوالے سے کوئی شک نہیں ہے۔
- باہمی کو خدشہ کی چابی کے لیے مناسب اکاؤنٹنگ پالیسیاں دفتر کے ساتھ لاگو کی گئی ہیں اور حساب کتاب کے تجزیہ معقول اندازوں پر مبنی ہیں۔
- باہمی کو خدشہ کی چابی میں پاکستان میں نافذ اصول یا عمل یا عمل پر ایک کے مالی معیارات پر عمل کیا گیا ہے۔
- ڈائریکٹرز اس بات کے ذمہ دار ہیں اور انہوں نے مناسب طور پر اس بات کو یقینی بنایا ہے کہ انہوں نے انٹرویو کا حکم، بشمول باہمی کنٹرول لاء، اعلیٰ طریقے سے لیاؤ ان اور ان پر مؤثر طریقے سے عمل درآمد عملیاتی جاری ہے۔
- کارپوریٹ گورننس کے بہترین طریقے عمل کی، جن کا مرکزی ریکمینیٹیشنز میں اضافہ کیا گیا ہے، کوئی قابل ذکر خلاف ورزی نہیں کی گئی۔
- آپریٹرز اور فنانس کا پچھلے 10 سال کا ریکارڈ اس دستاویز کے ساتھ منسلک ہے۔

30 جنوری 2020 تک سرمایہ کاری، بشمول بینک ڈپازٹس اور مختلف فنڈز سے حاصل ہونے والی آمدن، اپنے آؤٹ شدہ اخراجات کی بنیاد پر حسب ذیل ہے:

کنٹرولنگ لائی پروفٹ فنڈ	1,246 ملین روپے
منجمنٹ فنڈ گریجویٹ فنڈ	3,008 ملین روپے
جی منجمنٹ فنڈ گریجویٹ فنڈ	1,097 ملین روپے

باقی ماندہ ایکسچینج اور لیون کے حوالے سے معلومات، مرکزی ریکمینیٹیشنز کے ضمیموں کے مطابق کو خدشہ کی نوٹس میں ظاہر کی گئی ہیں۔

ہمارے چیئرمین اور سی ای او کے مہمے وہ مختلف اداروں کے پاس موجود ہیں۔
جناب و قدامت ملک ہمارے چیئرمین، جبکہ جناب جمیل میجر کیپٹن کے چیف ڈائریکٹر ای سی ای او ہیں۔

ان افراد کے کام جہاں مسائل کے دوران کسی بھی وقت کھینے کے ڈائریکٹر تھے

1. لیفٹیننٹ جنرل (ارجنٹ) (ایف ایف سی) (ایف ایف سی)
2. میجر جنرل (ارجنٹ) (ایف ایف سی) (ایف ایف سی)
3. جناب قمر عارف منظور
4. جناب سلمان الہی
5. جناب عمران سعید
6. جناب جمیل ڈاکٹر
7. جناب مہاں احمد جیالوہی
8. جناب ساجد محمود قاضی
9. جناب شاہد عیسیٰ

ہمارے ڈائریکٹرز کی کمیٹیاں

کئی کارپوریشن ڈائریکٹر ایک ممبر ہوتے ہیں، اور قابل اطلاق قوانین، قواعد و ضوابط کے مطابق کئی کے آپ ممبرانہ معاملات کی نگرانی کرتے ہیں۔ ہمارے اپنے آپ ممبرانہ
مدد کے لیے ہمارے کمیٹیاں تشکیل دی ہیں۔ یہ کمیٹیاں اپنے مختلف معاملات سے متعلق اہم امور پر غور کرتی ہیں اور اسی لیے کے لیے ہمارے معاملات میں جتنی کرتی ہیں۔

لگاتار کھین

ہمارے لگاتار کھین اس وقت درج ذیل ڈائریکٹر پر مشتمل ہے۔

ڈائریکٹر	مہمہ
محمد سجاد علی	صدر (آزاد، میان، دیگر کنگڈم ڈائریکٹر)
سید مختار کاظمی	ممبر
جناب محمد ارشد برکتیو	ممبر
جناب احمد حیات لک	ممبر
جناب مہمان آفریدی	ممبر

HR & R کھین

ہمارے HR & R کھین درج ذیل ڈائریکٹر پر مشتمل ہے۔

ڈائریکٹر	مہمہ
جناب مہمان آفریدی	صدر (آزاد، میان، دیگر کنگڈم ڈائریکٹر)
میجر جنرل (ارجنٹ) (ایف ایف سی) (ایف ایف سی)	ممبر
جناب شاہد سلیم خان	ممبر
جناب احمد حیات لک	ممبر
محمد سجاد علی	ممبر

جینیٹک کھین

ہمارے جینیٹک کھین درج ذیل ڈائریکٹر پر مشتمل ہے۔

ڈائریکٹر	مہمہ
سید مختار کاظمی	صدر
میجر جنرل (ارجنٹ) (ایف ایف سی) (ایف ایف سی)	ممبر
جناب احمد حیات لک	ممبر
جناب شاہد سلیم خان	ممبر
جناب محمد ارشد برکتیو	ممبر

سرمایہ کاری کھین

ہمارے سرمایہ کاری کھین اس وقت درج ذیل ڈائریکٹر پر مشتمل ہے۔

ڈائریکٹر	مہمہ
ڈاکٹر نویم حیات	صدر
میجر جنرل (ارجنٹ) (ایف ایف سی) (ایف ایف سی)	ممبر
سید مختار کاظمی	ممبر
جناب مہمان آفریدی	ممبر
محمد سجاد علی	ممبر

ڈائریکٹرز رپورٹ

موہاگل کھانے کا ٹرک دن میں 11 بار، ضرورت مند لوگوں کو، مختار، دکان ڈسٹ پر کام کرنے والے مزدوروں، اگلی کے بچوں، ان لوگوں کو جو اپنے گھروں سے اور روزگار کی تلاش میں ہیں، جو کھانا کھانے کی استطاعت نہیں رکھتے، اور جو بچہ گاہ میں، پائش پذیر ہیں، اہل سے نکالا گیا ناشتہ اور رات کا کھانا فراہم کر رہا ہے۔ اس منصوبے کے تحت ہر مہینہ میں 500 ضرورت مندوں میں انعام اور رات کا کھانا بھی تقسیم کیا۔ مزید برآں، مستحق خاندانوں میں 4000 فوڈ ایکس بھی تقسیم کیے گئے۔ مشہور طبیات اور غیر حضرات باقاعدگی سے کھانے کی تقسیم میں حصہ لے رہے ہیں۔

سرگودھا - اقتصادی سپارمنٹ کے لیے ایچ پی سی ایل (MPCL) کا منصوبہ

کمپنی نے اخوت کے ساتھ اقتصادی سپارمنٹ کے ایک منصوبے "سرگودھا" کے آغاز کے لیے مفاہمت کی یادداشت پر دستخط کیے ہیں۔ "سرگودھا" کے نام سے ایک پائلٹ پروڈیوٹ میٹافوڈی میں شروع کیا گیا ہے، جس میں اخوت کے ذریعے، مستحق مستحقین کو معاشی طور پر قابل عمل کاروباری اچھوتے چلانے پر کاروبار کے لیے، جیسے کہ اخوت کی جائزہ نام سے خود بنی شدہ ہے، 30 سے پاک چھوٹے قرض دیئے گئے ہیں۔

ڈیٹر CSR اقدامات کے لیے ایچ پی سی ایل کی شرکت

- ملی دھڑ - مستحق مریضوں کے لیے فوری فائوڈ پلان میں ایچ پی سی ایل سسٹم کے ذریعے دل کا علاج
- جلی دھڑ - تان میں پاک فون کے اشتراک سے اعلیٰ اثرات کے حامل CSR منصوبے
- کرکٹ گراؤنڈ اسلام آباد کلب میں فٹبال ٹیم کی تحصیل
- قومی ہائی چیمپئن شپ میں MPCL ہائی ٹیم کی شرکت
- یوم دھڑ / شہداء میں MPCL کی شرکت
- ایچ پی سی ایل کی پیش دست کو صلیب
- سرگودھا - ضلع کرکٹ میں سکول اور مساجد کی تربیتی و آزمائش
- بلوچستان انٹر نیشنل اسکولش لپک کی سپارمنٹ
- 66ویں قومی ہائی چیمپئن شپ کی سپارمنٹ
- مستحق افراد کے لیے اسے ٹیول کی تقسیم کی تحفیل کے لیے ملی دھڑ
- کوہاٹ میں MPCL کی طرف سے قومی کرکٹ لیگ کی سپارمنٹ
- اسلام آباد سائنس فیسٹیول کی سپارمنٹ
- بلوچستان سکران (تربت) میں آروپاٹ کی تحصیل
- ڈیرہ کی میں رمضان چیت بازار کا قیام
- NUST میں ایم پی سی ایل (MPCL) کی شرکت کی سپارمنٹ
- گورنمنٹ پرائمری سکول ڈیرہ کے لیے فریج کی فراہمی

CSR کے اہل ذمہ دار

13 ویں قومی فورم برائے ماحولیات اور صحت CSR اور 2021 میں کمپنی کی CSR پالیسیوں اور طریقوں کو تسلیم کیا گیا۔ کمپنی نے تقریب میں اہل ذمہ دار اہل ذمہ دار

1. بیکریٹ CSR پر پیکس اور پائیداری ایچ آر 2020

2. جامع تعلیم (اداس کی میں نور سرگودھا ایچ پی سی ایل اسکول کا افتتاح اور آگاہ)

3. تھیل اور تھریٹی سرگرمیاں (ایوب پارک، راولپنڈی میں ایم پی سی ایل (MPCL) ہائی اسٹیٹیم، اور سال کے دوران تھیلوں کی سرگرمیوں کے فروغ کے لیے دیگر اقدامات)

کارپورٹ گورننس

بورڈ کی تفصیل

کمپنی ایک انتہائی موثر بورڈ کی حامل ہے، جس میں جماعتی قابلیت اور ایسی معیار، مہارت، علم اور تجربے کے علم کا مناسب احراق موجود ہے۔ بورڈ کی موجودہ تفصیلی درج ذیل ہے:

سربراہی نمبر	ڈائریکٹر	قسم
	قومی چارٹرڈ بینک کی نمائندگی کرنے والے	
1.	جناب قادر احمد ملک	این ایچ پی سی ایل ڈائریکٹر
2.	جناب نعیم حیدر	ایچ پی سی ایل ڈائریکٹر
3.	جناب نواز علی	این ایچ پی سی ایل ڈائریکٹر
4.	میر جزیل (ر) احمد محمود حیات	این ایچ پی سی ایل ڈائریکٹر
5.	سید مختار کاظمی	این ایچ پی سی ایل ڈائریکٹر
6.	میر جزیل (ر) نصیر علی خان	این ایچ پی سی ایل ڈائریکٹر
	حکومت پاکستان کی نمائندگی کرنے والے	
7.	ڈاکٹر ارشد محمود	این ایچ پی سی ایل ڈائریکٹر
8.	جناب بدین الرحمن	این ایچ پی سی ایل ڈائریکٹر
9.	جناب محمد ارشد جوگیا	این ایچ پی سی ایل ڈائریکٹر
	OGDCL کی نمائندگی کرنے والے	
10.	جناب شاہد سلیم خان	این ایچ پی سی ایل ڈائریکٹر
11.	جناب احمد حیات ملک	این ایچ پی سی ایل ڈائریکٹر
12.	غالی	غالی
	مقامی ملازمین کی نمائندگی کرنے والے	
13.	جناب عدنان آفریدی	آزاد این ایچ پی سی ایل ڈائریکٹر
14.	محترمہ عائشہ مجید	آزاد این ایچ پی سی ایل ڈائریکٹر

مردانہ ڈائریکٹر: 12

عائینہ ڈائریکٹر: 01

انٹریکٹرز رپورٹ

HR کی حکمت عملی فعلی پالیسی اور تربیت کے مواقع فراہم کر کے HR اہل کوشش و جذبہ اور اپنی بڑھوتری کے لیے عظیم کے مجموعی مقاصد کے ساتھ ہم آہنگ کرنے پر مرکوز ہے۔ کھینچ اس پر تحقیق و تحقیق ہے کہ نئے پالیسی میں سرمایہ کاری زیادہ طویل مدتی قابل اور دفاعی طریقہ قوت پیدا کرتی ہے۔ اس طرح کے تمام اقدامات اس بات کو یقینی بنانے کے لیے چار کے گھمے ہیں کہ HR کے بھرتی طریقوں کو نافذ کیا جا رہا ہے، جس کا مقصد کارکنوں کی بڑھتی ہوئی صلاحیتوں اور ایک ہی وقت میں خوشی اور مصروفیت کو بڑھانا ہے۔

سوال کے دوران جبکہ اہم اقدامات شروع کیے گئے، جن میں عظیمی کی کارکردگی کو بہتر بنانے، اہم عظیمی اور معاون علاقوں میں عینیت کو بھرتی کرنے، ملازمین کی شمولیت کے سروے، کارکردگی پر مبنی ٹھانٹ کو فروغ دینے، عظیمی کی تھانٹیں تبدیل پر تبدیلی کے انتظامی پروگرام سے باہر نکالنا شامل تھے۔

اہم اقدامات میں شامل ہیں:

- کارکردگی اور مقصد کے احکام کے لئے کامیابی کے عنصر کا خاکہ۔
 - جازمہ کی شخصیات کے طریقہ کار کا احاطہ
 - خالق تبدیلی ہم شامل خالق کائنات اور انجمنیت سروے
- یہ اقدامات زیادہ موثر تنظیمی ماحول کے لئے تنظیمی صلاح کو تحریک دیں گے جو اعلیٰ پائے کی کمپنیوں کے بہتری طریقوں کے خاکہ کے لئے مددگار ہے۔

اندر مین لیست

تکنیکی کی قوت پر خود بخود انعام اور دلچسپی نہیں ملتی کے اقدامات پر عملدرآمد ہے۔ یہ حکمت عملی E&P سے متعلق تلف سرگرمیوں کے دوران متوازن منصوبہ بندی، اہم آہنگی اور فیصلہ سازی کے لیے گامزن پیش نمونوں کے درمیان زیادہ باہر اہم کر رہا ہے۔

ہمارے انجیلوڈ یٹھن اور ریڈ اور ہائیڈروکربن سوئٹ سوئٹ استعمال کرتے ہیں جو کہ Schlumberger اور Halliburton جیسی مشہور ذات کہیں نے تیار کیے ہیں۔ مہربان وارک فلوئڈز فزکس طبیعیات کے ماہرین (Geophysicists) اور ماہرین ارضیات کو باہمی تعاون کی اہم صلاحیتیں فراہم کرتے ہیں جو بہتر ارضیاتی آکسی کا سہجہ جیتے ہیں۔ یہ کام کامیابی کی شرح کو بھرتانے میں مدد کرتے ہیں اور کہیں کو پاکستان میں P&E سیکٹر میں ممتاز جاتے ہیں۔

اصلی کارکردگی کے نظام اور بنیادی ڈھانچے کی ضروریات کو برقرار رکھنے کے لیے ملین پلاس اور چوکل ڈائیک آپ انفراسٹرکچر (VID) سسٹم لاگو کیا، تاکہ زیادہ مسائل استعمال کرنے والے سافٹ ویئر سسٹم چلائے جاسکیں۔ اس نے اصل کارکردگی کا مطالبہ کرنے والی تکنیکی سافٹ ویئر ایپلی کیشن کی مرکز پر، ویسٹنگ کی صلاحیت کو بھی بڑھایا، اور MPCL کو مقامی E&P شعبے میں VDI کا اطلاق کرنے والی پانی کیمپنی بنادیا۔ کوڈ-3 یا 4 کی دبا کے دوران، اس نظام نے تکنیکی عملوں کو، اظہیر کیمپنی میں جاری اور کارکردگی کے نقصان کے گھبر سے کام کرتے ہوئے اپنی سرگرمیوں کو محفوظ طریقے سے جاری رکھنے کے قابل بنایا۔

ہادی سیمک پر، ویسنگ سیکٹر (MSPC) اعلیٰ معیار کی حامل اور جدید ترین 22 فی اور 32 فی ڈیپا پر، ویسنگ سیکٹر اور لوز فراہم کر کے اہم کردہ اور کر رہا ہے۔ جو کھیتی کو کھیتی طور پر زیادہ آخر فیصلے کرنے میں مدد کرتا ہے۔ اس کا مقصد پانی پر انفراسٹرکچر کے سیمک ایمپنگ اور ذخائر کی خصوصیت کے پاس سے مہلکوں میں جدید جمع فوئیکل چین کوئی کو استعمال کرنے کے قابل بنانا ہے۔

کارکردگی کو مزید بہتر بنانے کے لیے، دفتری آپریٹنگز کے حصول کے لیے بائیکھیل رائیڈ سروس کی کینیڈا میں آئی ٹی حکمت عملی کا حصہ ہے۔ اس ضمن میں SAP اور لائسنس ہولڈر کے ساتھ ایک کنسلٹنٹیشن (BPC) ماسٹر راج گورنس (MDG)، ہیپیو ایچ سیٹی جنینت سنسر، کر اسی بیکیکشن ڈیم شپس (CATS) اور یا سورگ اور کام پانی کے مسائل کا نفاذ مل میں لا گیا ہے۔ کود - 19 کی دہائی دوران، کینیڈا نے تھر سے کام کرنے کو ایک موقع کے طور پر لایا اور بہت سے دستی مل کو خود کار بنانے کے لیے تبدیل کر دیا، جسے آج کل ان اداروں کی منتقلی کے لیے رنگوں کے ساتھ SAP سسٹم کا نظام ہے۔ کینیڈا نے جنینت کو اپنا رہتی فیصلے کرنے میں مدد دینے کے لیے دفتر اور ریجنل جنینت

اور جو بیات کا ایک پروڈیوٹ بھی شروع کیا ہے۔ اس ضمن میں ایم پی سی ایل (MPCL) کی سینئر مینجمنٹ اور محکموں کے لیے مختلف ڈسٹری بیوٹن اعلیٰ کلاس (ای آئی کلاس) پر راجہ کے گھر سے ہونے والی ایک مسلسل تقریب کی ہائیکورٹ اور کارپوریٹ فیملی سٹاؤن کے ساتھ ساتھ آپریشنل سٹاف کو بھی جو بیات کی مزید فراہمی کے لیے ہائیکورٹ سے ملنے والی ایک فیملی کی معاونت کے طور پر تعاون کرنے اور اپنی کارروائیوں کو ایکسٹینڈ کرنے کی کوشش کر رہی ہے تاکہ انکھاسے اور سٹیک ہولڈرز کو تازہ ترین حلقہ وار موڈ پر لایا جاسکے تاکہ ایک موثر فیملی کو عمل میں لایا جاسکے۔

کارپسٹ سٹاکس (CSR)

قسم اسٹیک ہولڈرز، خصوصاً سٹیک ہولڈرز کا غریبہ کھیتی کے آپ بھنگ کے علاقے میں رہتی ہو چکیں، محدود حاصل کرنا کھیتی کے لیے اچھائی اویسے کا حامل ہے۔ اپنی جہاز میں کھیتی نے سٹیک کا مو کی حمایت کی ہے اور سال کے دوران اسی طرح عمل کی جی وی کرتے ہوئے اپنے آپ بھنگ کے علاقوں، خصوصاً سٹیک ہائیکس میں، اپنی کیو خلیج کو معیاری خدمات کی فراہمی اور تعلیم، صحت اور پانی سے متعلق منصوبوں کی پائیداری پر توجہ مرکوز ہوتی ہے۔

ملکی اقتصاد کی ترقی اور ترقی

کئی نئے میل بھر کے دوران سماجی بیرونی ذمہ داریوں کو اپنے فعال ہارس میں حلقہ دشمنیت کثرت کی جانب سے برقرار رکھے جانے والے مشورہ کو یکساں کام میں جمع کرتے ہوئے ادا کیا، جو کہ حلقہ سماجی بیرونی کئیوں کی حکمرانی کے مطابق سماجی بیرونی کے رہنما خطوط سے مطابقت میں کیونکہ نئی اور طبیعت پر چیکس کے لیے استعمال کیے جا رہے تھے۔

دہلی ایجنڈا پر کی گئی بحث، ۱۹۴۷ء، دہلی

کمپنی مندرجہ ذیل رضا کارانہ CSR سرگرمیوں کو انجام دینے میں شامل ہے:

- نور محمد کونسل ایجوکیشن سکول
- ماری ایجوکیشن کیمپس
- ماری میڈیکل کیمپس
- تھیں سوبانگ اسپتروں
- زبجی ستر
- بزل اسپتروں
- فی بی کیمپس
- چتے کے مخلوق ہائی کی فراہمی
- MPCL - IBA حکمران اسپتروں

پیشہ ورانہ اور محنت پرستی

باری موبائل دست فروشوں کی بھاری بھر پور نمائندگی (CDRS) کے مابین باہمی تعاون سے کی جانے والی کوشش ہے، جس کے ذریعے اسلام آباد اور راولپنڈی کے مختلف مقامات پر ضرورت مند لوگوں میں مفت اور معیاری کھانے کی تقسیم کا سلسلہ جاری ہے۔

ڈائریکٹرز رپورٹ

ماری ٹائم لاگنگ پوائنٹ (MMLU)

سال کے دوران، کمپنی نے ٹائم لاگنگ پوائنٹ کو OEM سے تربیت دی۔ اس نے ماری ٹائم لاگنگ میں MD-18 کنٹریں اور سہولیات پاک میں 1 Daum کنٹریں پر کامپنی کے ساتھ ٹائم لاگنگ کی خدمات فراہم کیں۔

اعزلی کنٹرول سسٹم

بورڈ آف ڈائریکٹرز، کمپنی میں مناسب اور موثر اعزلی کنٹرول سسٹم کو چینی بنانے کا ذمہ دار ہے۔ کمپنی کی انتظامیہ موثر اعزلی کنٹرول کو وضع کرنے، قائم کرنے اور برقرار رکھنے کی ذمہ دار ہے، جس میں مالیاتی رچ رنگ پر کنٹرول بھی شامل ہے۔ اس طرح کے کنٹرول کا مقصد اثاثہ نگار، ریکارڈز احراز اور اس کے مکمل ہونے، اور قابل اعتماد مالیاتی اور انتظامی معلومات کی بروقت چوری اور افشاش کو چینی بنانا ہے۔ اعزلی کنٹرول سسٹم تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل، وسائل کے زیادہ سے زیادہ استعمال کو چینی بناتا ہے اور کمپنی کے اثاثوں اور اسٹیک ہولڈرز کے مفادات کی حفاظت کرتا ہے۔

کمپنی کے پاس انتظامی نظام کے طریقہ کاروں کی شکل میں دستوروی عمل کا تنظیمی احاطہ اور نظام موجود ہے، جو موثر آپریشن کو چینی بناتے ہوئے، موثر کنٹرول کو برقرار رکھتا ہے۔ تمام پالیسیاں بورڈ آف ڈائریکٹرز سے منظور ہوتی ہیں اور وہ قانونی اس پر نظر ثانی کی جاتی ہے۔ جدید ترین ERP نظام (SAP) میں اعزلی کنٹرولز، بشمول مہارت کے کنٹرول موجود ہیں جو کہ کنٹرول کے ماحول کو مزید بہتر بناتے ہیں۔ اس کے علاوہ، کمپنی میں اصل بلانچائسی بھی موجود ہے جس سے کام کی جگہ پر دھوکہ دی اور دیگر غلطیوں کو سہوار کیا جاسکتا ہے۔

سنہ 2019 کو بورڈ آف کارپوریٹ گورننس مارکیٹسٹنز 2019 کے وقت، کمپنی کے بورڈ آف ڈائریکٹرز نے اعزلی آؤٹ فکشن قائم کیا ہے، جس کی سربراہی اعزلی آؤٹ کا سربراہ کرتا ہے جو عملی طور پر بورڈ آف ڈائریکٹرز کی آؤٹ کمپنی کو برقرار رکھتا ہے۔

اعزلی اور انکسٹرٹل آؤٹریز کی طرف سے کئے گئے کام اور انتظامیہ اور مختلف بورڈ کمیٹیوں، بشمول آؤٹ کمپنی کے جائزوں کی بنیاد پر، بورڈ کی نظر میں کمپنی کے اعزلی کنٹرول، بشمول مالیاتی رچ رنگ کنٹرول ڈیزائن میں درجگی اور مالی سال 2020-21 کے دوران ان کی موثر طریقے سے لگاؤ اور گرائی کی گئی۔

اعزلی راکر سک جھنٹ

خطرات کا موثر انتظام MPCL کی کلیدی ترجیح ہے، کیونکہ کمپنی یہ سمجھتی ہے کہ راکر سک جھنٹ کاروباری کارکردگی، تنظیمی مقاصد کے حصول، پلگ اور کارپوریٹ گورننس کے معیارات کی پاسداری میں معاون ہے۔ کمپنی کی راکر سک جھنٹ کی حکمت عملی یہ ہے کہ پوری تنظیم میں ایک مثبت راکر سک گھمبیر پیدا کیا جائے اور اس طرح پلگ سے بے کاروباری پوائنٹ کے عمل تک، تنظیم کی تمام سطحوں پر راکر سک جھنٹ سرگرمیوں کو مربوط کیا جائے۔ کمپنی نے خطرات کے انتظام کے لیے ایک فعال، مناسب اور جامع نقطہ نظر کو چینی بنانے کے لیے پوری اعزلی راکر سک جھنٹ طریقہ کار لپٹا ہے۔

MPCL کا مقصد خطرات کا انتظام اس انداز میں کرنا ہے جو اس کی قدر کو زیادہ سے زیادہ کرے اور ممکنہ اثرات کو کم سے کم کرے مندرجہ ذیل مرکوز کرتے ہوئے:

- خطرات، سخت عملی اور کاروباری کارکردگی کے درمیان پہچان کرنا
- ایک مضبوط کنٹرول ماحول کا قیام
- اس علاقے میں دائرہ کار میں، جس میں ایم پی سی ایل کام کر رہی ہے، تمام قوانین اور قواعد و ضوابط کی تعمیل
- خطرات سے آگاہی کی حفاظت کو فروغ دینا اور برقرار رکھنا مالی اور آپریشنل کارکردگی اور کارکردگی کو آسان بنانا

کمپنی کا بورڈ آف ڈائریکٹرز ایم پی سی ایل میں خطرات کی گورننس، خطرات کی سطح کا تعین اور برداشت، اور راکر سک جھنٹ پالیسیوں اور فریم ورک کے قیام کے لیے ذمہ دار ہے۔ یہ راکر سک جھنٹ اور گورننس کے ڈھانچے کے ذریعے فراہم کیا جاتا ہے، جس میں سرمایہ کاری کمپنی بھی شامل ہے۔ سرمایہ کاری کمپنی خطرات کی گرائی کی ذمہ دار ہے اور دیگر امور کے ساتھ ساتھ راکر سک جھنٹ کی پالیسیوں اور عمل کے مناسب ہونے، اس کے مضبوطی اور جائزگی کو چینی بنانے کی ذمہ دار ہے۔

ایم پی سی ایل میں ایک ERM چارٹرمٹ ERM کے طریقوں کو پوری تنظیم میں برقرار رکھنا اور منظم انداز میں اختیار کرنے، اور خطرات کو خطرات سے متعلق مشورے، ذہنیاتی اور مدد فراہم کرنا ہے۔ ERM چارٹرمٹ کو برقیے کے اندر فوکل پرسنز (راکر سک چیمپئینز) کے ایک گروپ کی جانب سے معاونت حاصل ہے، جو ERM کو اپنی مہارت فراہم کرنے کے علاوہ، جس میں ضرورت ہو، اپنے مختلف راکر سک اور کنٹرول ماحول کی بھی مدد کرتے ہیں اور اپنے اپنے میدان میں خطرات کے اقدامات کو فروغ دیتے ہیں۔

جوہری طور پر، ایم پی سی ایل میں اعزلی راکر سک جھنٹ پر، اگرچہ اس بات کو چینی بناتا ہے کہ مندرجہ ذیل بنیادی اصولوں پر عمل کیا جائے:

- ذمہ داریوں اور احساب کی واضح تفویض
- اعزلی راکر سک معیاری راکر سک جھنٹ فریم ورک اور عمل
- مستحقین کے غیر چینی واقعات کی شناخت اور انتظام، بڑے کاروباری منصوبوں اور اس طرح جب مقاصد کی کامپنی کو متاثر کر سکتا ہے
- کمپنی کے فیصلہ سازی کے عمل کے اندر راکر سک جھنٹ کی سرگرمیوں کا رول

اہم خطرات اور غیر چینی صورتحال

حالہ دنوں میں کمپنی کے بنیادی خطرات اور غیر چینی صورتحال، دیہاتی امراض کی وجہ سے چین کا قومی اور مقامی دونوں پائیداری کی وجہ سے کم قیمتوں اور آپریشن پر ممکنہ اثرات سے پیدا ہوئی ہے۔ یہ غیر معمولی خطرات، متغیر تمام خطرات اور غیر چینی صورتحال، جو کہ ERP سیکٹر میں موجود ہے، جو کہ گیس کے موجودہ ذخائر میں کمی، سیکورٹی خدشات، اینکپلوریشن اور ڈیٹا فٹنس ماحول تک رسائی کو محدود کرتے ہیں، اور قیمتوں میں اضافہ چھوڑا، کمپنی کے لیے ممکنہ بڑے خطرات اور غیر چینی صورتحال ہیں۔

کمپنی نے انٹارکٹک سطح مرتفع کو بڑھا کر پیداوار کی سطح میں آنے والی کمی کے مسئلے کو کامپنی سے حل کیا ہے۔ تاہم، گزشتہ دہائی کے دوران ملک میں گیس کی اہم دریاہوں کی کمی کے نتیجے میں پاکستان میں پائیدار کارکن کے دریاہت شدہ وسائل میں کمی سے کمی آئی ہے۔

اس کی ایک بڑی اہم وجہ سٹے اینکپلوریشن ماحول تک رسائی نہ ہونا ہے، جس کی وجہ سیکورٹی کے اعتبار سے مسائل ماحول میں آنے والے ممکنہ جہن ہیں، جو عملے کی نقل و حرکت اور انٹارکٹک اینکپلوریشن کی سرگرمیوں کو محدود کرتے ہیں، جس کے نتیجے میں سیمک لیا اور راکر سک منصوبوں کے حصول میں تاخیر واقع ہوتی ہے۔ تاہم کمپنی سیکورٹی اینکپلیوں کے ساتھ تعاون کے ذریعے اس خطرات پر بڑی حد تک قابو پانے میں کامیاب رہی ہے۔ مزید برآں، کمپنی کا اینکپلوریشن فیلڈول سیکورٹی سے مختلف رکارڈوں اور حقیقت پسندانہ اہل کے مطابق ہے۔

پاکستان میں تمام ERP کمپنیوں کی طرف سے انٹارکٹک کمپنی کو ذخائر میں کمی کو روکنے کے لیے ممکنہ نئی دریاہوں کے لیے اضافی رچے تک رسائی حاصل کرنے میں مشکلات کا سامنا ہے، جس کو بڑی طور پر بڑا کے سے مراحل اور فارم ان (farm-in) کے ذریعے سے بلائک کے حصول کے ذریعے لپٹا گیا ہے۔

قوی معیشت میں اس طرح جب پائیداری کی وجہ سے، تیل اور گیس ایک انتہائی ریسک فیلڈ سیکٹر ہے اور اسے حکومتی قواعد و ضوابط اور پالیسیوں میں تبدیلیوں کا خطرہ لاحق ہے۔ اس سال کے دوران، ان پٹرولیم سے متعلق پالیسیوں اور قواعد و ضوابط کے حوالے سے کوئی خاص تبدیلی نہیں آئی اور اس طرح خطرات کے اس میدان میں استحکام رہا۔

صنعتی تعلقات اور انسانی وسائل

کمپنی ٹیکنو پارٹیننگ راکٹ (CHA) کے ساتھ خوشامد تعلقات برقرار رکھنے پر چینی ہے، جو اپنے جہن عملے کی لائسنسنگ کرتی ہے۔ کمپنی مزید دوں کے مفادات کے تحت، ان کے معاہدات کو بہتر بنانے اور ان کے مسائل کو حل کرنے کے لیے پرعزم ہے۔ کمپنی کام کرنے کے لیے ماحول پیدا کرنے کی اہمیت کو سمجھتی ہے، جو ملازمین کو جوش و خروش کے ساتھ کام کرنے کے قابل بنانے کے ساتھ ساتھ یک وقت یہ بھی چینی بنانے کہ کمپنی اپنی سانی اور قانونی ذمہ داریوں کو برقرار رکھتی ہے، اور تمام مفادات پر صحت، حفاظت اور ماحولیاتی معیارات کو برقرار رکھتی ہے اور صحت مند اور سازگار ماحول فراہم کر رہی ہے۔

جہن رہے، اس بات کو چینی بنانے میں اہم کردار ادا کرتا ہے کہ قوانین کی تعمیل، انتظامی امور پر عمل درآمد، انتہائی موثر ملازمین پر مرکوز اور راکٹ کے حساب سے موثر انداز میں پالیسیاں بنانے اور ایک شمولیت پذیر ماحول فراہم کرنے سے کمپنی کا ماحول اس کی تصور اور کامپنی اور ممکن طریقے سے محفوظ رہے۔

ڈائریکٹرز رپورٹ

کمپنی کی پیو اور میں مادی فیڈ کی لیاہیں حیثیت ہونے کی وجہ سے یہ رجسٹرڈ اس کی اہمیت کو مزید بڑھا دے گا اور کمپنی کی پیو اور کی صلاحیت لیے عرصے تک بڑھ جائے گی۔

مادی فیڈ کے دوبارہ استعمال کے لیے سٹریٹریجک

مادی موجودہ ذخائر کے حوالے سے پاکستان کی سب سے بڑی کمپنی فیڈ ہے اور اس میں متحدہ پیو اور مادی ذخائر ہیں۔ صوبہ اسی ڈیم سٹون (HRL) ایک اہم ذخیرہ ہونے کی حیثیت سے پہلے ہی اسٹاک ذخائر کا 90 فیصد سے زیادہ پیو اگر چاہے، لیکن یہ اب بھی کئی دہائیوں کی معاشی زندگی کا حامل ہے، جس میں قدرتی آگے بڑھ رہی ہے۔ ہر فیڈ کے ۱۱ کھ سائیکل کے مطابق پیو اور (ذخائر کی) کی اور عرصہ سیدھا حاصل کا سبب بن رہی ہے، چنانچہ سٹی کی پیو اور کو بڑھانے اور فیڈ کی معاشی زندگی کو زیادہ سے زیادہ کرنے کے لیے فیڈ کی بحالی کا منصوبہ ضرورت محسوس ہے۔ لہذا وقت میں دیر سے آنے والے خطرات مثلاً HRL کے ختم ہوتے ذخائر اور وقت گزارنے کے ساتھ ساتھ ذخائر کے معاشی کی سالمیت، کو مؤثر طریقے سے منہانے کے لیے ایک بحالی کا منصوبہ شروع کیا گیا ہے۔ اس کے علاوہ موجودہ ذخائر سے پیو اور بڑھانے کے نئی تکنیک مواقع اور اختیارات ہیں، جو زیر مطالعہ ہیں۔

بحالی کے منصوبے کا دائرہ کار یہ ہے کہ تمام مادی D&PL کے ذخائر سے زیادہ سے زیادہ قیمت حاصل کرنے کے لیے تمام مادی، منصوبہ بند، اور نئے آئیڈیا چار، مریض اور ہم آہنگ کیے جائیں۔

ایکسپلوریشن رپورٹ فولیو کی توسیع - مقامی اور بین الاقوامی

مقامی توسیع

زیر نظر سال کے دوران، حکومت پاکستان نے بولی رائلڈ 2020 کے دوران ایکسپلوریشن لائسنس دینے کے لیے 20 ہیکٹار کی زمین کیے۔ اپنی ترقی کی حکمت عملی کے مطابق MPCL نے سے ایکسپلوریشن لائسنس کے حصول کے لیے مذکورہ بولی رائلڈ میں فعال طور پر حصہ لیا۔ MPCL نے کامیابی کے ساتھ پلا (4) ہیکٹار حاصل کیے ہیں؛ وہ (2) پلا اور وہ (2) پلا جو کنٹریکٹ وینچر پارٹنر۔ دو ہیکٹار یعنی شاکر (آپرینڈ) اور قمر سیف اللہ (بان آپرینڈ) اب فراہم کیے گئے ہیں اور ان کے PCA 23 اپریل 2021 کو مکمل میں آئے گئے تھے۔ جبکہ وہ (2) ہیکٹار کس کے ضمن میں PCA پر دستخط کر رہے ہیں۔ سال کے اختتام کے بعد، جولائی 2021 میں، کمپنی نے مارگہ ہیکٹار میں اہم کاروباری دلچسپی کے حصول کے لیے MOL پاکستان آئل اینڈ گیس کمپنی B.V کے ساتھ ایک ختم ان (Farm-in) معاہدہ کیا ہے۔ کام کی دلچسپی کی منظوری حکومت پاکستان کی منظوری کی منتظر ہے۔

بین الاقوامی توسیع - ADNOC ہیکٹار ڈنگ اور

ابو ظہبی ڈنگ رائلڈ 2019 میں MPCL نے GHPL اور PPL-OGDCL کے ساتھ مل کر ایک مشترکہ بولی جمع کرنے کے بعد ابو ظہبی گولڈ مارکیٹ میں پاکستان انٹر نیٹس آئل لیڈ (پی آئی ایل) کے ہم سے کمپنی کا قیام عمل میں لایا گیا، جس میں تمام مشترکہ کی مصداری 25% ہے۔

اگر ہیکٹار کی توثیق کر دیا جائے ہے PIOL کی سرگرمیوں شروع ہو جائیں گی اور کاروباری حصے کی سرمایہ کاری کی جائے گی جس کے لیے MPCL کے شیئرز اور دوسرے منظوری پہلے ہی حاصل کی جا چکی ہے۔

ڈائریکٹرز رپورٹ - نیٹ ورک اور سٹریٹریجک سرمایہ کاری

پورا آئل انڈسٹری کی منظوری کے مطابق، کمپنی نے ایک کنسورٹیم جس میں اسٹیل پاکستان لیڈ، عارف صوبہ انڈیا (پرائیویٹ) لیڈ، البرٹی فز لیڈ اور ریڈیو کنس کو اینڈ (پرائیویٹ) لیڈ کے ساتھ مل کر 20 نومبر 2020 کو ایک معاہدہ کر کے نیٹ ورک اور سٹریٹریجک (NRL) میں سرمایہ کاری کی ہے۔ یہ کمپنی کو نئے پاکستان میں رجسٹرڈ ہے اور اپریل 2019 سے کام کر رہی ہے۔

سال کے دوران، کمپنی نے NRL میں 209 ملین روپے کی سرمایہ کاری کر کے 20.9 ملین آرڈری شیئرز حاصل کیے ہیں۔ NRL میں کمپنی کی موجودہ شیئرز ہولڈنگ 20 فیصد ہے۔

NRL صوبہ گلجستان میں کان کی کے منصوبوں میں کام کر رہا ہے۔ ان منصوبوں میں قابل ذکر ایکسپلوریشن، سروے، ایکسپلوریشن، ڈیمو ٹیشن، کان کنی اور معدنیات کی فروخت بھی شامل ہیں۔

مادی سیمک سرو سولوشن (MSU)

MSU زمینی سیمک راک کے حصول کے لیے مالی سٹیج پر سرمایہ کی لچکا ہوئی استعمال کر رہے ہیں، مختلف ہولڈنگ اور ذیلی کمپنیوں کے تحت آگیا گیا ہے۔ اس وقت زمین سیمک کریم پاکستان کے مختلف ہیکٹار میں کام کر رہے ہیں۔ MSU کم سے کم وقت اور مؤثر راکٹ کے ساتھ بیکر دہائی کے اعتبار سے مسائل حلقوں میں کام کر کے کمپنی کو برتری فراہم کر رہا ہے۔

مادی ڈارنگ سرو سولوشن (MDU)

کمپنی کی مرکز اس جدت سے لیا گیا ہے کہ گہرے کنواں کی کھدائی اور پیچھے سے ہر علاقوں میں کام کرنے کی صلاحیت رکھتی ہیں اور یہ مرکز OEM مصنوعات اور خود کار ڈارنگ سسٹم سے آراستہ ہیں۔

اس سال کمپنی نے (2000 HP) کی حامل دو مرکز (ہیکٹار مادی 4 اور ہیکٹار مادی 5) حاصل کر کے اپنی ڈارنگ کی صلاحیت میں اضافہ کیا، جن کی سولہ ٹریکٹریں ویدر فورڈ ڈارنگ انٹر نیٹس سے مکمل ہو چکی ہے۔

دو مرکز کے اضافے کے ساتھ، MDU کے پاس اب پانچ ڈارنگ مرکز موجود ہیں، جن میں ہیکٹار مادی 1 (1500 HP)، ہیکٹار مادی 2 (1200 HP)، ہیکٹار مادی 3 (2500 HP)، ہیکٹار مادی 4 (2000 HP) اور ہیکٹار مادی 5 (2000 HP) شامل ہیں۔ موجودہ مرکز سے 8000 میٹر گہرائی تک ڈارنگ کی جا سکتی ہے۔ MDU نے پچھ کنواں کی ڈارنگ کامیابی کے ساتھ مکمل کر لی ہے اور ایک اور کنواں میں ڈارنگ کا آغاز ہو چکا ہے جو آئندہ دہائی سال کے دوران مکمل ہو گا۔

مادی سیمک پروسیسنگ سینٹر (MSPC)

سال کے دوران، MSPC نے درجنوں پروسیسنگ پروسیسنگس اہم دینے ہیں:

- 836 مربع کلومیٹر خوں ویسٹ ہیکٹار کی قمری ڈی سیمک پروسیسنگ۔
- 370 مربع کلومیٹر شکر ہیکٹار کی قمری ڈی سیمک پروسیسنگ۔
- ہیکٹار 28 کی 2D سیمک پروسیسنگ 700 L.km ہے۔

ڈائریکٹرز رپورٹ

ٹونک بلاک:	MPCL کے اٹا کرچ کی جانب سے ضروری ڈیگولیزری منظوری حاصل کرنے کے بعد 3D سیمک ڈیج کا حصول جاری ہے۔ اب تک مجموعی طور پر 240 مربع کلومیٹر ڈیٹا ریکارڈ کیا گیا ہے اور جنوری 2021 میں پروڈیکٹ کی تکمیل متوقع ہے۔ سہولت کے مطالعے اور کیمپسٹری ٹیکنیکل میناژم کو مد نظر رکھتے ہوئے، نئے حاصل شدہ ٹونک 3D سیمک ڈیج کی ڈبل پروڈیکٹنگ (341 مربع کلومیٹر) اور پرانے بدھرا 3D سیمک ڈیج (234 مربع کلومیٹر) کی دوبارہ پروڈیکٹنگ کی منصوبہ بندی کی گئی ہے جو کہ نومبر 2021 کے آخر تک مکمل ہونے کی توقع ہے، یہ جاری ٹونک 3D سیمک ڈیج کی تکمیل سے شراکت ہے۔
زرغون سلاخ:	سمرز SA Geo میں PSDM 2D پروڈیکٹنگ مکمل ہو چکی ہے۔ فی الحال، G&G ڈیٹا کی جانچ و تال جاری ہے۔
نیرات بلاک:	MPCL کے ایپٹہ Beta کرچ کو اس علاقے میں بھیجا گیا اور جنوری 2021 کے دوران کمپ کی تعمیر مکمل کی گئی تاکہ 234 مربع کلومیٹر 3D اور 194 L.km (فرم) اور 70 L.km (contingent) 2D سیمک ڈیٹا کا حصول کیا جاسکے۔ حفاظت کے پیش نظر مائع کیمرہ کی تیار کاری جاری ہیں۔ تاکہ ایٹا کے حصول پر کام شروع کیا جاسکے منصوبہ کے مطابق، 3D سیمک کا حصول اپریل 2022 تک مکمل ہونے کی توقع ہے اور اس کے بعد اکتوبر 2022 تک پروڈیکٹنگ اور تھرٹنگ کی جانے کی تاکہ برائن ایسٹ اور پانی علاقے مزید فی ریلز سمورہ ہوں۔
برائی بلاک:	بلاک میں اور پانی کام مکمل ہو چکا ہے۔ فی الحال، رپارٹ کو حتمی شکل دینے کا عمل جاری ہے۔
کوتہ بلاک:	124 L.km فرم اور 25 L.km حصے کے 2D سیمک ڈیٹا کے حصول کے لیے علاقے میں OGDCL کے سیمک کے محلے کو متحرک کیا گیا ہے اور پکارا لنگ جاری ہے۔ ایٹا کے حصول کی پہلی سال 2021-22 کی دوسری سرمایہ تک مکمل ہو جائے گی، جس کے بعد پروڈیکٹنگ اور تھرٹنگ کے بعد دلیڈ کو مضبوط کیا جائے گا۔
ویلڈ ویسٹ بلاک:	17 شراکت داروں نے G&G کے ماہر مطالعے پر اتفاق کیا ہے اور تھرٹنگ کی بنیاد پر مستقبل کے لاکھ عمل کا فیصلہ کیا جائے گا۔

اہم ترقیاتی منصوبے

HRL (سوئٹ گیس پروڈیکٹ) سے SNGPL کو GENCO کے غیر استعمال شدہ اڈیٹر کی فروخت
 کمپنی نے پاکستان کی توانائی کی ضروریات کو پورا کرنے کے لیے، ملک کے بحریں علاقوں میں دستیاب مواقع تلاش کرنے کے لیے میڈیکل کی ہے۔
 کمپنی نے سوئٹ گیس پروڈیکٹ کا تصور کیا، اس پر عملدرآمد کیا اور اس پروڈیکٹ کو اچھائی تیز رفتاری سے عمل میں لائی، ماری فیمل میں ڈی ہائر ٹیشن اور کیمپسٹری کی سہولیات پر مشتمل پروڈیکٹنگ سہولیات نصب کیں، تاکہ GENCO کی 40 MMSCFD کی HRL سے کم استعمال شدہ گیس، پوجہ آف ٹیکر کی حد SNGPL کو دینے کے لیے پائپ لائن کے معیار پر پورا اترتا جاسکے۔

20 مئی کی 25 کلومیٹر پائپ لائن کے ذریعے قوی گیس نیٹ ورک کے ساتھ ماری فیمل خشک کرنا

MPCL سے SNGPL کے جانی ان پراجیکٹ تک 150 MMSCFD تک گھاس کی پروڈیکٹنگ گیس کی پائپ لائن کی تعمیر جاری ہے تاکہ گرا کے ساتھ برہم راست خشک ہونے کے ساتھ ساتھ سوئٹ گیس پروڈیکٹ کو بھی سہولت فراہم کی جاسکے، جو فی الحال PFL کی سہولیات پر انحصار کر رہا ہے۔ یہ پائپ سال 2021-22 کی دوسری سہائی تک مکمل اور کیمپسٹری کر لیا جائے گا۔

گریپ فیمل کی تنصیب، لچہ، گورہ، جلی اور HRL ڈھانڈے سے کم BTU گیس کے لیے ماری فیمل میں خوردہ انحصار کرنے اور پائپ لائن کی سہولیات۔ سی فی فی لچہ پروڈیکٹ
 ایم پی سی ایل کی جانب سے GTH پروڈیکٹ لینی فرمیت کا ایک منفرد منصوبہ ہے، جو گزشتہ سال شروع ہوا تھا اور زور و شور سے جاری ہے۔ پروڈیکٹ ایپٹہ فیمل کے مطابق چل رہا ہے اور اسے مرحلہ وار طریقہ کار پر کیمپسٹری کیا جائے گا اور تمام پھر پروڈیکٹ انجینئرنگ کے فیملیوں کے مطابق چل رہے ہیں اور خریداری 93 لکھ سے زائد مکمل ہو چکی ہے۔

GTH کی سہولیات ابتدائی طور پر 180 MMSCFD خام گیس کی پروڈیکٹنگ کے لیے تصور کی گئی تھیں، تاہم ان پائپ مطالعہ جات نے تجویز کیا کہ مزید 100 MMSCFD خام گیس کی پروڈیکٹنگ کی صلاحیت موجود ہے۔ اس کے نتیجے میں، نظام کو دوبارہ سے انجینئر کیا گیا تاکہ 280 MMSCFD کی پروڈیکٹنگ کی صلاحیت حاصل کی جاسکے۔

انجینئرنگ اور پروڈیکٹنگ کے تمام آلات کے لیے آرڈر دے دیے گئے ہیں اور گیس کی فروخت سے جلد از جلد مالی منافع حاصل کرنے کیلئے مرحلہ وار طریقہ لایا گیا۔ پہلے مرحلے میں 40 MMSCFD گیس جنوری 2022 میں حاصل ہوگی، جس کے بعد پھر 2 مئی 2022 تک گورہ کی اور آخر میں، پھر 3 جولائی 2022 میں HRL کے حجم کو پراسس کیا جائے گا۔

ماری فیمل میں ڈی ہائر ٹیکنک پروڈیکٹ - 650 MMSCFD کے فیملی پروڈاکشن سیکل کو سال 2021 کے مجموعہ کردہ مختلف وقت سے آگے بڑھاتا اور کھاد کے پائپ لائن کی آپریشنل زندگی کو بڑھاتا
 پیپ اور پی صلاحیت کو بڑھانے اور کمپنی کے پائپوں سے بہترین ڈیٹا حاصل کرنے کے لیے، HRL گیس کی بیج ہونے والے پائپ لائن نیٹ ورک کی ڈی ہائر ٹیکنک جاری ہے تاکہ کٹاؤنی کردہ جھلوں پر بڑے قطر کی پائپ لائنوں کی تنصیب کے ذریعے پیپ اور پی نظام میں دھواؤں اور کٹاؤں کو دور کیا جاسکے۔ ڈی ہائر ٹیکنک کی موثریت کا جائزہ لینے اور پیپ اور پی تیزی لانے کے لیے یہ پروڈیکٹ مرحلہ وار انداز میں کیا جا رہا ہے۔ پھر 1 جنوری 2021 میں شروع ہوا جس میں، مختلف قطر کی 55 کلومیٹر پائپ لائنوں کی خریداری، تنصیب اور ان کی کیمپسٹری شامل تھی۔ اس سے ترمیم کے دوران 50 PSI ٹھیکریسٹ کی بہتری حاصل کی گئی ہے جو کہ انچ آؤٹ لائن کی پیپ اور پی صلاحیت کو 2023-2024 تک توسیع دے گی۔

ماری فیمل میں ایٹو جات کی سالیٹ کے انتظام کی مہم

کمپنی کی بنیادی فیملی ماری ہے اور ماری فیمل کے پشتر اور وٹو پکرنے اپنے ذریعہ ان سروس کی زندگی ختم کر دی ہے اور کچھ انفراسٹرکچر پکچاس سائٹوں سے زائد عرصے سے کام کر رہے ہیں۔ موجودہ عرصہ سید، بنیادی ڈھانچے اور فیملی لٹائیاں طور پر زیادہ جادو کی کی وجہ سے، کمپنی نے دیکھ بھال اور ایٹو سالیٹ کی ایک مستقل ٹیم تشکیل دے کر اپنی کوششوں سے فیملی کی عمر میں توسیع اور اسے از سر نو جاندار کرنے پر مرکوز کیا ہے۔ اس کا مقصد یہ ہے کہ اس کی معاشی زندگی کو زیادہ سے زیادہ لانے کے لیے ایٹو جات کو محفوظ، قابل اعتماد اور لائٹ کے اعتبار سے مؤثر انداز میں دستیاب رکھا جائے۔

اس ہدف کے حصول کے لیے، حفاظت اور اہم کاروباری پائپوں، بشمول زیر زمین پائپ لائنوں اور سٹورج موجود پیپ اور پی سہولیات کی میکانیکی سائی کو جانچنے کے لیے، ان پائپ تحقیق اور سروس کا اطلاق کیا جاتا ہے۔ ان مہمات کے نتائج کمپنی کو معاشی اور معاشی کے دھلوں کو بہتر بنانے اور مستقبل میں تبادول اور معاشی کی بحالت عملی وضع کرنے کے قابل بنائیں گے، جو اس مقصد کے لیے موزوں ہو۔ سروس کی مکمل رچ رٹوں کی بنیاد پر، کچھ پائپوں کی تبدیلی اور معاشی کے لیے تقسیم معاشی منصوبہ تیار کیے گئے ہیں اور ان پر عمل درآمد جاری ہے۔

ڈائریکٹرز رپورٹ

کمپنی نے 73 ارب روپے کی اب تک کی سب سے زیادہ خالص فروخت حاصل کی جو کہ گزشتہ سال کے مقابلے میں صرف 1 بلین زیادہ ہے۔ بیسوں کے لحاظ سے خالص فروخت کمپنی کی اپنی پیداوار کو بڑھانے کی کوششوں کی حقیقی عکاس نہیں ہے، کیونکہ کم قیمتوں کی وجہ سے فروخت، کل فروخت کے 6 بلین تک حتمی طور پر متاثر ہوئی۔ اگر کمپنی پیداوار میں اضافہ نہ کر پاتی تو مجموعہ سال کی کل فروخت اور وہاں سال کی قیمتوں میں تقریباً 4 ارب روپے کم ہوتی، اور اس کے نتیجے میں خالص منافع تقریباً 2 ارب روپے کم ہو جاتا جو کہ 6 بلین کی کوٹاہر کر رہا ہے۔

ذبحہ

کانیہ کی اقتصادی راہبرد کمپنی (ای سی سی) نے 3 فروری 2021 کو ہونے والے اپنے اجلاس میں ذبحہ ڈاک کی تقسیم پر موافقہ کے خاتمے کی منظوری دی، جس سے کمپنی کو کمپنیز ایکٹ، 2017 کی شرائط کے مطابق ذبحہ ڈاک کی تقسیم کی اجازت ملی۔ بعد ازاں حکومت پاکستان اور کمپنی کے مابین 17 اپریل 2021 کو ملکی دہلی اپنے گیس پرائس انگریجمنٹ 2015 کے ضمن میں ایک ترمیمی معاہدہ عمل میں لایا گیا، جس سے ای سی سی کے کیمپ جو 2020 سے متاثر ہونے والے فیصلے کو اوڑھنے۔ سال 2020-21 کے لیے کمپنی نے دو مجموعی نقد ذبحہ ڈاک ہوا کیے ہیں، 66,000 ارب روپے فی عام شیئر کے حساب سے 660 بلین کے برابر ہے۔ مزید برآں، 30 جون 2020 کو فتح ہونے والے سال کے لیے 2,000 ارب روپے فی شیئر (20 بلین) کے حتمی نقد منافع کا بھی اعلان کیا اور سال کے دوران ہوا کیا گیا۔ بورڈ آف ڈائریکٹرز نے 26 اگست 2021 کو ہونے والے اپنے اجلاس میں 30 جون 2021 کو ختم ہونے والے سال کے لیے 75 ارب روپے فی شیئر کے حتمی نقد ذبحہ ڈاک کی تجویز دی ہے۔ جو کہ سالانہ جنرل میٹنگ میں ممبران کی منظوری کے لیے پیش کیا جائے گا۔

ذرمہ دہی کی پچھت

کمپنی قوی معیشت میں لپٹا حصر شامل کرنے والے اہم شرائط و احوال میں سے ایک ہے۔ مالی سال 2020-21 کے لیے مالی فیلڈ اور دیگر جو اہمیت و پیچیدگی سے قدرتی گیس، خام تیل اور LPG کی پیداوار کا حصر، توانائی کے مساوی لحاظ سے 35.87 MMBOE تھا۔ سال کے دوران خام تیل کی اوسط قیمت 54.08 ڈالری فی بیرل اور ذرمہ دہی کی اوسط شرح 160.27 ڈالر فرض کریں تو مجموعہ دو سال کے لیے 311 ارب روپے کی ذرمہ دہی کی پچھت ہوئی ہے۔

قوی خزانے میں شرائط

کمپنی قوی معیشت میں کلیدی کردار ادا کر رہی ہے جو کہ بلحاظ اور چار اوسط ٹیکسوں کی صورت میں سرکاری خزانے میں بھاری حصہ ڈالتی ہے۔ اس سال کے دوران کمپنی کی جانب سے ٹیکس اور لیویز کی صورت میں سرکاری خزانے میں مجموعی طور پر 63.07 ارب روپے شامل کئے۔

ایکسپلوریشن، ڈیولپمنٹ اور آپریشنل سرگرمیاں

کمپنی بہترین حکمت عملی، ملازمین کی لگن، انتظامیہ کی رہنمائی اور اپنے دشمنی اور آپریشنل وسائل کے اشتغال کی غیر معمولی کوششوں کی وجہ سے ملک کی دوسری سب سے بڑی گیس پیدا کرنے والی کمپنی بن چکی ہے اور کمپنی کے پاس ملک کا دوسرا سب سے بڑا ذخیرہ موجود ہے۔

سال کے دوران اہم سرگرمیاں

سال کے دوران ایکسپلوریشن کے لیے کمپنی کی کوششیں درج ذیل اہم سرگرمیوں سے ظاہر ہوتی ہیں۔

مالی فیلڈ:	ایکسپلوریشن کوئیں (اقبال-1) کو SUL اور تاج ٹاور مشین گیس کی دریافت قرار دیا گیا، جو پائپ لائن کے ساتھ گڑے جزا ہوا ہے۔ حکومت پاکستان نے EWT کی منظوری دے دی ہے اور گیس کی تقسیم اور قیمتوں کے نوٹیفکیشن کا عمل جاری ہے۔
کوہاٹ بلاک:	سال کے دوران ایکسپلوریشن / appraisal کوئیں (توبہ ٹاک-1) مکمل ہوا اور اس سے گیس کی دریافت ہوئی، یہ کوئیں توبہ ٹاک-1 دریافت کے appraisal کے طور پر شمال مشرقی مشین میں مکمل کیا گیا ہے۔ کوئیں کو سسٹم سے منسلک کیا گیا ہے اور 25 دسمبر 2020 سے ایس این بی پی ایل کو گیس فراہم کی جارہی ہے۔

سال کے دوران ڈرلنگ کی سرگرمیاں

سال کے دوران کمپنی نے اپنی پیداوار اور ذخائر کو بڑھانے کے لیے متحدہ ایکسپلوریشن اور ترقیاتی کوئیں کھولے۔ سال کے دوران ڈرلنگ کی اہم سرگرمیاں درج ذیل ہیں۔

مالی فیلڈ:	لوڈ گورڈی سینڈ میں ڈیولپمنٹ کوئیں، پرہیز ڈرلنگ-1، MD-18، MD-19 اور MD-21 کھولے گئے جن سے گیس کی دریافت ہوئی۔
کرک بلاک:	30 اپریل 2021 کو آٹا ٹی کوئیں (سر فر-X1) پر ڈرلنگ کا آغاز کیا گیا، جو اب تک جاری ہے۔
خون ویسٹ بلاک:	6 جون 2021 کو ایکسپلوریشن کوئیں (خون ویسٹ-1) پر ڈرلنگ کا آغاز کیا گیا، جو اب تک جاری ہے۔
گھاس بلاک:	9 جون 2021 کو ایکسپلوریشن کوئیں (سندھ حقل) پر ڈرلنگ کا آغاز کیا گیا، جو اب تک جاری ہے۔
کوہاٹ بلاک:	ترقیاتی کوئیں (توبہ ٹاک-2) کو، کوکارت ڈیٹھ سے لیا ہوا پیداوار حاصل کرنے کے لیے 28 جون 2021 کو ڈرلنگ شروع کیا گئی اور اب تک جاری ہے۔
سہیل بلاک:	پانچواں ایکسپلوریشن کوئیں (دائم-1) پر ڈرلنگ 15 جون 2021 کو شروع کی گئی اور سال کے آخر میں یہ پلیر گیس دریافت کے اختتام پذیر ہوا، جس کے بعد اسے بند کر کے ختم کر دیا گیا ہے۔

سال کے دوران G&G سرگرمیاں

کمپنی نے G&G سرگرمیاں انجام دیں تاکہ ان امکانات کی نشاندہی کی جاسکے جو تجارتی طور پر تیار ہو سکتے ہیں۔ مندرجہ ذیل اہم سرگرمیاں انجام دی گئیں:

مالی فیلڈ:	1,080 مربع کلومیٹر 3D ری پروسیسڈ پری اسٹیک ڈیپتھ مگریشن (Pre Stack Time Migration) مکمل ہو چکی ہے اور پری اسٹیک ڈیپتھ مگریشن (Pre Stack Depth Migration) سمٹک ڈیپتھ مگریشن اور اس کا G&G انضمام جاری ہے۔
بلاک 28:	MPCL کی جانب سے اپنے سمٹک کرے کے ذریعہ 2D سمٹک ڈیپتھ حصول جاری ہے۔ کل 1,542 اکتیو کلومیٹر منصوبے میں سے 1,356 اکتیو کلومیٹر ڈیپتھ حاصل کر لیا گیا ہے۔
خون ویسٹ بلاک:	میسرز GRI ٹیکن میں 3D اور 2D پری اسٹیک ڈیپتھ مگریشن (Pre Stack Depth Migration) پر دستہ بستہ جاری ہے، جس کے بعد اس کی G&G ڈیپتھ کے ساتھ مگریشن اور انضمام کیا جائے گا تاکہ ایکسپلوریشن کوئیں کی کھدائی شروع کی جاسکے۔

پیو اور

کھپنے سے کھپنی کی ضرورتیں اب تک کی سب سے زیادہ پیو اور حاصل کی۔ کھپنی نے شتم ہونے والے سال کے دوران 2021 میں ذیلی طریقے سے اپنے تمام صارفین کو گیس اور عام تیل کی سپلائی جاری رکھی:

30 جون کو ختم ہونے والا سال			
	2021	2020	
	مجموعی	مجموعی	فی دن
گیس (ایم ایم سی ایف)			
باری فیلڈ	256,903	238,674	652
ریگرجاگت، شیخوپورہ	12,354	10,876	30
	269,257	249,550	682
عام تیل (جی لیٹر)			
باری فیلڈ	17,700	12,428	34
ریگرجاگت، شیخوپورہ	439,505	371,120	1,014
	457,205	383,548	1,048
فی او ایچ کی مساوی کل پیو اور	35,872,593	33,409,733	91,283
	98,281		

باری فیلڈ سے پیو اور

سٹرل پاور پٹرول کھپنی لمیٹڈ (سی پی سی ایل) کی جانب سے گیس کی کم خریداری کے مسلسل پہلے دو سال کے دوران صارفین کی آپریشنل ضروریات کی وجہ سے سالانہ فنڈز اور پٹرول کھپنی لمیٹڈ کے پاور پٹرول کھپنی گزشتہ سال کے مقابلے میں دلیہ میں زیادہ تر فیروزہ حاصل کرنے اور ایچ آر ایل ڈی کے ساتھ مل کر ہونے میں کامیاب رہی۔ یہ کامیابی صارفین کے ساتھ مسلسل جڑ کر رہے ہیں اور ان کے ساتھ ہم آہنگی، اور قومی گزشتہ سال میں انسانی گیس کے حجم کی فراہمی کے لیے SNGPL کے ساتھ کامیاب مذاکرات کے ذریعے بحال پیو اور کی منصوبہ بندی کا نتیجہ ہے۔ اس سے کھپنی کو، ایک اہم موڑ پر، جب ہمارے گیس کی ذمہ داری ضروریات کو پورا کرنے کے لیے ایل این جی کو درآمد کر رہا ہے، اگلی دہائی کے ذریعے گیس کی اگلی ضروریات کو پورا کرنے میں مدد ملی۔

SNGPL کو 8-10MMSCFD کی فروخت HRL سونگ گیس پروڈیوٹ کے فیلڈ-1 کے تحت جنوری 2021 سے شروع ہوئی۔ جون 2021 میں تھری CMF-II سولت میں گیس ڈی پائزر پٹرول اور کھپنی کی سولت کی کامیاب مصیبت، کیشنگ اور پٹرول کے بعد، غیر استعمال شدہ حجم کی مالی منفعت (monetization) پر مبنی 40MMSCFD ہو گئی ہے (بے فیلڈ 2 کہا جاتا ہے۔ پروڈیوٹ کا فیلڈ 3 زیر حتمیل ہے اور یہ 2022 کی تیسری سہ ماہی تک SNGPL کو گیس کی فراہمی کی صلاحیت کو 60MMSCFD تک بڑھا دے گا۔

دیگر فیلڈز

- بولان ایسٹ کوئس کا توسیعی ٹیسٹ (Extended Well Test) سال کے دوران، نومبر 2020 میں ڈیپارٹ ہاک میں بولان ایسٹ کوئس سے EWT انتظام کے تحت عام تیل کی پیو اور کا آغاز، جو بنیادی طور پر ایک دیہی کھپنی کو فروخت کیا جا رہا ہے۔ کھپنی بڑھتے ہوئی حجم کو پیچھے کے لیے غلط آہستہ حال کر رہی ہے، مگر پیو اور تقریباً 1,000 BOPD ہے۔
- وہاری-1 X فیلڈ کی کمرشل پیو اور: شاہدہ ریاگ سے وہاری-1 X فیلڈ سے کمرشل پیو اور کا آغاز ہوا، جو کہ پاکستان پٹرولیم لمیٹڈ (پی پی ایل) کے ذریعے انتظام ہے، جہاں ایل این جی ایچ سے چلائے جانے والے سہولت پلانٹ کے ذریعے گیس پر وٹس کر کے شراکت دار ہے، جس کی سوجھ بوجھ اور 8MMCFD ہے۔ کھپنی کی ہم آہنگی قائم کرنے اور کھپنی کے انٹو کو پوری صلاحیت سے استعمال کرنے کی حکمت عملی کا نتیجہ ہے۔ ہم آہنگی کی اس حکمت عملی سے نہ صرف گیس سے جلد از جلد مالی منفعت حاصل کر رہے ہیں، بلکہ اس سے کھپنی کے لیے سرمایہ کاری میں خاطر خواہ اہلیت ہوئی ہے۔
- کوچ فیلڈ کو ترک کرنا: دسمبر 2020 میں ڈیپارٹ ہاک اور پیو اور کھپنی کی پیو اور ختم ہونے پر، کھپنی نے کوچ کوئس سے پیو اور بند کر دی ہے اور ڈائریکٹر جنرل پٹرولیم کھپنی کو کوئس ترک کرنے کا نوٹس جمع کر دیا ہے۔

ڈائریکٹر تیل (Reserves Replacement)

پیو اور بڑھانے کے لیے کھپنی کی تمام ترک شدہ ایک معقول ریزرو پلیمینٹ ریلز (RRR) کی ضرورت سے جڑی ہوئی ہیں، تاکہ کھپنی کی ترقی کو برقرار رکھا جاسکے۔ سال کے دوران، صلاحیت اور ملکہ ڈائریکٹر تیل 70 MMBOE - کامیاب ہوا کہ 200 لیٹر کا غیر معمولی RRR ہے۔ ڈائریکٹر تیل میں بنیادی اضافہ باری فیلڈ - HRL میں ہوا، جس کی وجہ سے X کی کامیاب ڈیپارٹ ہاک کی پائپ لائن کے نیٹ ورک کی ڈی بائل ٹیکنیک (Debottlenecking) کے نتیجے میں بہتر کھپنی تھی۔

دوسری اہم شراکت، کھپنی سمیت ایک تازہ ترین ترقیاتی منصوبے کے بعد، گورڈن ڈیپارٹ ہاک سے باری فیلڈ میں بڑھتی ہوئی ریکوری تھی۔ ڈائریکٹر تیل ہونے والی تبدیلیوں میں، کھپنی کھپنی کی بنیاد پر، کچھ معمولی اضافے پر نظر جاتی بھی شامل ہیں۔

اس کے علاوہ، مالی سال کے دوران کھپنی کے خالص بھگتی وسائل میں بھی 8MMBOE سے زیادہ کا اضافہ ہوا، وسائل میں اضافے کے اہم شراکت دار اقبال - 1 (باری فیلڈ) اور قریب - 1 (کوہاٹ ہاک) میں تیل دریافتیں ہیں اور کھپنی کھپنی کی بنیاد پر بولان ایسٹ وسائل میں اضافہ ہے۔ مجموعی طور پر، بولان اضافی / انفراسٹرکچر کے نتیجے میں بھگتی وسائل میں 100 لیٹر اضافہ ہوا۔

مالیاتی حتمیل

معدودہ ذیلی جدول کھپنی کے اہم مالیاتی نتائج کا خلاصہ کرتا ہے:

30 جون کو ختم ہونے والا سال		
	2021	2020
	میں روپے میں	
کل فروخت	73,018	72,026
گیس سے کل منافع	43,931	41,279
گیس کے لیے فراہمی	12,486	10,967
سال کا خالص منافع	31,445	30,313
فی عام شیئر آمدان (روپے)	235.71	227.23

ڈائریکٹر رپورٹ

ہندی و معاشی چیلنجوں سے جڑو سال میں، انہ گورننگ کا میاں، کمپنی کے تمام ملازمین کے جوش اور عزم کی حقیقی عکاس ہیں، جنہوں نے انتظامیہ اور لیڈر شپ ٹیم کی کوششوں میں فعال طریقے سے ہر ممکن مدد فراہم کی۔ کمپنی انجی کی وجہ سے یہ غیر معمولی کارکردگی دکھانے میں کامیاب رہی۔

انجی ایس ایچ ایس میں گورڈ - 19 کا انتظام

گورڈ ہائے دور میں، کمپنی نے اپنے ملازمین، اہل قوت اور کام کے ماحول کو محفوظ اور محفوظ بنانے کے لیے مشہور اقدامات کے موثر نفاذ کو یقینی بنایا ہے۔ ملازمین نے پورے نکل اور عزم کے مطلوبہ پروٹوکول کو اپنایا تاکہ کمپنی کے آپریشن میں کوئی رکاوٹ نہ آئے۔ مزید برآں کمپنی اس بدلتی صورت حال کی مسلسل نگرانی کر رہی ہے تاکہ بدلتے ماحول اور اس کے اثرات پر قابو پانے کے لیے موثر اقدامات کیے جائیں۔ چونکہ دی لیڈ کی پیروی اور قوی اہمیت کی حامل ہے، لہذا کمپنی کی طرف سے موثر نگرانی اور بروقت اقدامات کیے گئے، اور سال کے دوران کسی لاپرواہی آپریشن یا بحران میں رکاوٹ کا سامنا نہیں کرنا پڑا اور کمپنی ہائی مراعات کے منفی اثرات کو موثر طریقے سے روکنے میں کامیاب رہی ہے۔

صحت، حفاظت اور ماحول

سال کے دوران کمپنی نے 16.3 ملین سے زائد ملین آؤورڈ (ملازمین اور کوٹریکٹرز پر مشتمل) کو ایسی قوت لہجہ بنایا ہے اور درج ذیل قابل ذکر نتائج حاصل کیے:

Criteria - معیار	Target - هدف	Achieved - حاصل
Total Recordable Case Frequency (TRCF)	0.49	0.18
Lost Time Injury Frequency (LTIF)	0.39	0.06
Process Safety Event Rate-Tier-I	0.53	0.00
Process Safety Event Rate-Tier-II	0.79	0.11

کمپنی کے HSE کا مقصد "no harm to people and environment" انتظامیہ اور مشیروں HSE منجمنت سسٹم کے نفاذ کے ذریعے حاصل کیا گیا جو کہ مسلسل بہتری کی طرف، کمپنی کی بنیادی اقدامات میں سے ایک ہے۔

پرائیویٹ، سیمک اور ورکنگ مینے صحت موسم اور حساس سیکورٹی حالات میں صحت طاقوں میں کام کیا اور قابل ذکر نتائج حاصل کیے جو کہ ملازمین کے عزم کی عکاسی کرتے ہیں۔

انجی ایس ایچ ایس کی کارکردگی میں سبقت حاصل کرنے کے لیے مینٹرنگ کا ایک طریقہ کار حوالہ دیا گیا جس میں کاربن فٹ پر غور میں بہتری کا اندازہ لگانے کے لیے سیٹیفائیڈ فٹ فٹ (PSER Tier-1 & PSER Tier-II) کی رینج ٹک کے ساتھ ساتھ گرین ہاؤس گیسوں کے اخراج کی مینٹرنگ کی نگرانی بھی شامل ہے۔

میں پیشرفت

کمپنی نے آئی ایم ایس / آئی ایس ایم ایس ٹکٹ گرایا اور اس کے پاس درج ذیل سرٹیفیکیشنز ہیں:

- آئی ایس ایم 9001:2015 (معیار کے انتظام کا نظام)
- آئی ایس ایم 14001:2015 (ماحولیاتی انتظام کا نظام)
- آئی ایس ایم 45001:2018 (بیورو ورلڈ صحت اور حفاظت کا انتظامی نظام)
- آئی ایس ایم 27001:2013 (معلومات کی حفاظت کا انتظامی نظام)

انجی ایس ایچ ایس (MPCL) جیسی تنظیموں کے لیے، جو ملازمین کی حفاظت کو بہتر بنانے، کام کی جگہ پر ضروریات کو کم کرنے اور کام کرنے کے بہتر اور محفوظ حالات پیدا کرنے میں توجہ ہیں، ان معیارات پر عمل پیرا ہو رہی ہیں اس عزم کا دوا دھند ہے۔

انجی ایس ایچ ایس (HSE) رینج اور آگاہی سیکٹر

ہم اس بات پر یقین رکھتے ہیں کہ موثر رینج کے ذریعے HSE کے معیار کو اس میں لاگو کیا جاسکتا ہے جس کے نتیجے میں HSE کے اقدامات میں کی واقعی ہو سکتی ہے اور ضروریات کو نکلنے سے متعلق حد تک کم (ALARP) کیا جاسکتا ہے۔ HSE ایپارٹمنٹ کی جانب سے دی جانے والی انجی ایس ایچ ایس رینج سے تمام مقامات پر موجود ملازمین کو باخبر کسی ذمہ دار کے ساتھ طریقے سے کام کرنے میں مدد ملی۔

درج بالا سال کے دوران تمام مقامات پر ملازمین کے لیے 1,133 انجی ایس ایچ ایس (HSEQ) رینجنگ اور 154 انجی ایس ایچ ایس (HSEQ) گراؤنڈ ورکر جیسی رولز کے لیے 12,867 اضافی ٹیکے پیش کیے گئے۔

تقریباً 60.18 سیکنڈ پر ہار، جس فی آری ایپ (TRCF) متعدد اقدامات کی عکاسی کرتا ہے، جو ہماری آپریشنل سرگرمیوں کے دوران اٹھائے گئے تھے، جن میں سے بہت

- زندگی بچانے والے قواعد، HSE ایپس، کام کرنے کے لیے قابل قبول سالمیت کے انتظام کے معیار کا قیام اور اس کا نفاذ
- ہوا کے اخراج اور دیگر ماحولیاتی ضوابط، بشمول شور، اور ماحولیاتی ہوا کی نگرانی اور اس کو کنٹرول کرنا
- تمام سائنس پر ٹیکسٹ کا قیام
- HAZOP، آپریشنل طریقہ اور صحت کے لیے ضروریات کی تصدیق کرنا
- تمام مقامات پر گورڈ - 19، لیڈر اور ڈپلٹی جیسی رہنمائی کی مدد کے تمام کے لیے ہم چلائے
- کام کے دوران خطروں کی تصدیق

ماحولیاتی انتظام اور اس کی تعمیل

انجی ایس ایچ ایس 2015: ISO 14001 (ماحولیاتی انتظام کا نظام) کی حامل ہے، اور زیادہ سے زیادہ ماحولیاتی معیارات کی تعمیل کرتے ہوئے پاکستان کی سب سے بڑی ماحولی دوست آئل اور گیس کمپنی ہے۔ ایسی ایس ایس معیار کے حوالے سے کیے جانے والے آئی ایم ایس آکٹ کے نتیجے میں مفہوم تعمیل اور مقابلات سامنے آئے۔ جمینٹ نے ماحولیاتی پائیداری کو بہتر بنانے پر پورا زور دیا اور آپریشن کے علاقے میں پودے لگا کر اور پودوں کو نقصان سے بچا کر موسمیاتی تبدیلی میں مدد ڈالا۔ اس سال کے دوران آپریشنل مقامات پر 1,000 سے زائد درخت لگائے گئے اور ان کی دیکھ بھال بھی کی گئی۔

مزید یہ کہ کمپنی مختلف ہونے والے پلانٹ کے استعمال کو روکنے کے لیے ایک موثر مہم چلا رہی ہے اور اس سلسلے میں سختی سے عمل کیا گیا۔ پلانٹ کے مواد، مختلف فصلوں، دوسروں اور دیگر برتنوں، پانی کی بوتلوں کو مکمل طور پر ختم کر دینے کے نتیجے میں ماحول کو آلودگی پھیلانے والی چیزوں سے پاک کرنے کی طرف ایک بڑا قدم اٹھایا گیا ہے۔ ہمارے تمام مقامات ای پی ای (EPA) سے مصدقہ ٹیکسٹ اور اس کے ذریعے تمام مصروف غیر مصدقہ خطے کے انتظام کے ساتھ خطے کو صحت کرنے کے منصوبے کو نافذ کر رہے ہیں۔

ڈائریکٹرز رپورٹ

ہم 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے کثرت شدہ مالیاتی گوشواروں اور ڈائریکٹرز رپورٹ پیش کرنے پر غرور محسوس کر رہے ہیں۔

سال پر جائزہ نظر / اہم کامیابیوں

سال 2020-2021 کی جولائی سے منفرد تھا اور اس نے عالمی معیشت کو شدید متاثر کر کے عالمی اقتصادی ماحول پر بڑی طرح اثر انداز ہوا۔ کوویڈ-19 کے باعث (بیکس) تیل کی قیمتیں میں کمی، کم قیمتوں کا باعث بنی جس کی وجہ سے توانائی کے شعبے پر اس کا نہایت گہرا اثر پڑا۔

جیسا کہ ہر غلطی مزید مواقع پیدا کرنے کا سبب بنتا ہے، اہم پائی پی ایس نے تمام سٹیک ہولڈرز کی قدر میں گراؤ کو معاف کیا۔ اپنی افرادی قوت اور اثاثوں کے بہترین استعمال جیسے اقدامات اٹھا کر ملک کی معیشت میں رہا کر رہا کر کے اور MPCL کے ملازمین نے حفاظت، اعتماد، اقدام اور کردار کو برقرار رکھے اور کمپنی کی کارکردگی کو مزید بہتر بنانے کے لیے عملی عزم کا مظاہرہ کیا۔ جو MPCL کی جانب سے حالات سے نبرد آزما ہو کر دوبارہ ابھرنے کے عزم کو ظاہر کرتا ہے۔

کمپنی نے اس سال کے دوران اہم سنگ میل عبور کیے، جو کمپنی کے آپریشن اور اس کے مالی نتائج کے ضمن میں ملتی ہیں، اور جن کا کمپنی پر طویل المدتی نتائج میں ایک مثبت اثر قائم ہو گا۔ کمپنی کی جانب سے اس سال میں حاصل کی گئی اہم کامیابیوں اور نتائج ہیں:

- کمپنی نے نہ صرف پچھلے سالوں کے دوران تخلیقی پیداوار کے اثر کو لاکھ بیکھ کمپنی کی تاریخ میں پایہء کار میں کی سب سے زیادہ پیداوار (35.8MMBOE) حاصل کی؛
- تیل اور گیس کی تخلیقی قیمتوں کے باوجود کمپنی نے 73 ارب روپے کی زیادہ مصنوعات فروخت کیں۔ یہ کمپنی کی تاریخ میں اب تک کے سب سے زیادہ منافع (31 ارب روپے) کے حصول کا سبب بنا؛
- کابینہ کی اقتصادی راہداری (ای سی سی) کی جانب سے ذبح و ذبحی تقسیم پر لگائی گئی حد کو ختم کرانے میں کامیاب رہی، جس سے نہ صرف شیئر ہولڈرز کو ذبح و ذبحی تقسیم میں خاطر خواہ اضافہ ہوا، بلکہ ذبح و ذبحی تقسیم کا حصول بھی ممکن ہوا؛
- کمپنی، گیس و لیویز کی صورت میں، قومی خزانے میں اپنا حصہ ڈالنے والی بڑی کمپنیوں میں سر فہرست ہے۔ کمپنی نے اس سال کے دوران 63.07 ارب روپے کا حصہ (45%)؛
- توانائی کے شعبے میں، سب سے بڑی، طویل المدتی حصہ ڈالنے والی کمپنی بننے کے مقصد کے حصول کے لیے MPCL نے اپنے ذخائر کو بڑھانے کی پھر ر سٹی کی ہے۔ جو اس سال کے دوران کمپنی کے خالص منافع اور قابل قبول ذخائر میں 70 MMBOE تک اضافے کا سبب بنا، جو کہ ذخائر کی تجدید کی شرح (Reserves Replacement Ratio) میں 200% ہے۔ مثلاً اضافے کے برابر ہے۔ کمپنی نے نئے ذخائر میں تقریباً 8 MMBOE کا اضافہ بھی کیا؛
- 2012 کی پٹرولیم پالیسی کے تحت قیمتوں کے حصول کے لیے کمپنی نے ماری ایٹمیٹائی لیز کے ضمن میں ایک ضمنی معاہدہ کیا، جس پر اپریل 2021 میں مقررہ آراء کیا گیا۔ کمپنی کے موجودہ ذخائر اور تلاش کی نئی کوششوں سے حاصل ہونے والی اضافی پیداوار کی بدولت ترجیحیہ قیمتوں کا حصول ممکن ہوا؛
- توانائی کے صارفین کی جانب سے غیر استعمال حجم کو، جو کہ معمول کے حالات میں فروخت نہیں ہوتے، تھروٹی بنانے کے لیے، کمپنی نے ایچ آر ایل سوئنگ وولیم پروجیکٹ (HRL Swing Volume Project) کی منصوبہ بندی سے 40 MMSCFD پھریشن کی صلاحیت کی تحصیل کر کے اس منصوبے کو پایہ تکمیل تک پہنچایا۔ اس سے ایس ایٹمیٹائی پی ایٹمیٹائی کو غیر استعمال شدہ ایچ آر ایل حجم کی فروخت ممکن ہوئی، جس سے گیس کے خسارے اور برور حجم کی درآمد کردہ ایل ایٹمیٹائی پر انحصار میں کمی واقع ہوئی؛

viii

دستياب ہائیڈروکاربنز سے جلد از جلد مالی ٹائم حاصل کرنے کے لیے کمپنی نے وچٹری-X1 (شاہ نور ہاک) سے گیس اور مولان ایٹ-1 (کونجی) (زیارت ہاک) سے کونجی کے توسیعی ٹیسٹ (Extended Well Test) کے تحت خام تیل کی تھروٹی پیداوار شروع کر کے اپنی آمدن کو بڑھانے کی صلاحیت کو بہتر بنایا ہے؛

ix

ایکسیپلریشن کے ضمن میں کمپنی کی کامیابی ماری ٹیلڈ میں اقبال 1 اور کوہٹ ہاک میں تورق ہاک 1 کی اہم دریافت سے جھلکتی ہے؛ طرینی بون، کرک اور گلچس میں تلاش کے لیے ڈرنگ کا آغاز ہو چکا ہے، اور کمپنی مزید کامیابیوں کے لیے پرعزم ہے؛

x

اپنے درمیانے سے طویل المدتی اہداف کے حصول کے لیے، کمپنی نے اپنی ایکسیپلریشن کے پھر ت تولید میں سال کے دوران چارے ایکسیپلریشن ہاکس کا اضافہ کیا ہے، جو حال ہی میں اہم پائی پی ایس نے ماری ٹیلڈ کے ذریعے نئے مالے دو فعال اور دو غیر فعال ہاکس کے ذریعے ظاہر ہوتے ہیں۔ اس کے ساتھ ہی، مالی سال کے بعد اہم و ایل پاکستان کے ساتھ ان کی جانب سے چلائے جانے والے مارگہ ہاک کے ضمن میں ایک فارم این (farm-in) معاہدے پایا ہے اور حکومت پاکستان کی جانب سے منظوری کا منتظر ہے؛

xi

طویل المدتی پائیداری، بروقت تجدید ہونے ماحول سے مطابقت اور اپنے کارہار کے پھر ت تولید کو متوقع بنانے کے لیے، کمپنی نے بلوچستان میں معدنیات کی کان کنی کی صنعت میں کام کرنے والی ایک کمپنی نیٹیل ریسورسز (پرائیویٹ) لمیٹڈ میں 20 فیصد کارہاری حصہ حاصل کیا ہے؛

xii

کمپنی نے ماری ٹیلڈ میں ٹائین اور شہباز کی دریافت کے ضمن میں گیس کی ویل پیڈ قیمتوں کے ذریعہ نو ٹیلکشن جاری کرانے کے لیے اٹھک۔ ٹک۔ دو کی اور ہاکس اس میں کامیاب رہی۔ یہ مالی سال 2021-2022 میں نقد پیداوار کو بڑھانے میں معاون ثابت ہو گا؛

xiii

جائیت گیس کے فوائد حاصل کرنے اور زرغون ساتھ کے ویل پیڈ کی گیس قیمتوں کے ذریعہ مالے نو ٹیلکشن کو جاری کرانے کے لیے، کمپنی مولان (زرغون ساتھ) پٹرولیم راجاتی معاہدے کے ضمنی معاہدے کو مکمل کرنے میں کامیاب رہی، جس کی بدولت 2021-22 کے مالی سال میں کمپنی کے کیش فلو میں اضافہ ہو گا؛

xiv

خبرہ پارٹی ٹیکسٹروں پر انحصار کم کرنے اور ایکسیپلریشن اور ترقیاتی منصوبوں کے جاری رہنے کو یقینی بنانے کے لیے کمپنی نے ویر فورڈ ڈرنگ انٹرنیشنل (Weatherford Drilling International) سے 2000 ہارس پاور کے دو ڈرنگ رگ (Rigs) حاصل کیے ہیں۔ مزید برآں کمپنی نے سال کے دوران دو کھول پر سٹے حاصل کرانے ڈرنگ لاجنگ یونٹ (Mud Logging Unit) کی خدمات کو بھی استعمال کیا ہے۔ یہ ایچ پی سی ایٹمیٹائی کمپنی کو ایک سرورڈ ایکسیپلریشن اور پیداواری کمپنی میں ڈھانٹنے کے عزم کا عکاس ہے۔ ان اثاثوں کی موجودگی سے کمپنی کو ان مسائل علاقوں اور سخت علاقوں میں کام کرنے کی سہولت بھی مہیا آتی ہے جہاں خراب پائنی ٹیکسٹروں کا کام کرنے کے لیے راضی نہیں ہوتے اور؛

xv

اہم منصوبے، جو سال کے اختتام پر اب بھی جاری ہیں، اور جو پیداوار میں اضافے اور ملک کی بدستی ہوئی ضروریات کو برقرار رکھنے میں معاون ثابت ہوں گے، درج ذیل ہیں:

- مری ٹیلڈ پی ٹی ایچ پر، ڈیجیٹل، کے حصے کے طور پر بدتر ترقیاتی کونجی کامیابی کے ساتھ ڈال اور مکمل کیے گئے؛
- 25 کھو میٹر طویل 20 میٹر پائپ لائن کے ذریعے قوی گیس ایٹ ہاک کے ساتھ ماری ٹیلڈ کا رابطہ؛
- کھاد کی قیمتوں کی آپریشنل مدت کو بڑھانے کے لیے 650 MMSCFD کے ٹیلڈ پر، ڈکشن کی سطح خرچ کو بڑھانے کے لیے ماری ٹیلڈ میں ڈی ہاکس ڈیٹنگ (Debottlenecking) پر، ڈیجیٹل؛
- ایچ آر ایل سوئنگ وولیم پروجیکٹ، ڈیٹنگ آر ایل سوئنگ وولیم پروجیکٹ کا تیسرا پھر SNGPL کو ایچ آر ایل گیس کی سپلائی کی صلاحیت 60 MMSCFD تک بڑھانے کا؛
- ماری ٹیلڈ میں 50 جات کی سالیٹ کے انکلام کی حجم؛ اور
- ماری ٹیلڈ کی سطح خرچ کو بڑھانے کے لیے عملی کامیاب۔



2016/2017

2016/2017

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附 录 二

پیشکش کنندہ: _____

وہابی کے لئے یہ امر کہ جو کچھ اللہ تعالیٰ نے

ذاتی طور پر، یہ ایک ایسی چیز ہے جسے

کراچی: پاکستان کے سب سے بڑے اخبار "دن" نے 26 افریہ 2021ء کو اپنے 37 ویں سالگرہ کی تقریب منعقد کرنے کے لیے ایک انجمن خیراتی کی صورت میں

Public (پابلیک) مقررہ کردہ ہے۔

$$p_{\text{max}}(k) = \max_{i \in \{1, \dots, n\}} p_i(k)$$

Staphylococcus aureus

1993

 ΔA_{max}

14

Year	Percentage of Respondents (%)
1994	~55
1995	~58
1996	~55
1997	~58
1998	~55
1999	~58
2000	~55
2001	~58
2002	~55
2003	~58
2004	~85

163

1. $\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$

10

[illegible]

نہ۔ میری آنکھ نے ہمیں، مغرب کی لڑائی کی کئی آنکھیں ایسا ہی دکھایا، ان لوگوں کو کہ ہم اس شہر شرمکے کے لیے سچے، محلوں کی مائیں تھے، اور اس لیے کہ وہ اپنی تباہی و بربادی کے لیے لڑ رہے تھے۔

[illegible]

महोदय के महानिदेशों के अनुसार

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

$\frac{d}{dt} \left(\frac{\partial L}{\partial \dot{x}} \right) = \frac{\partial L}{\partial x}$

12/11/2014 12:00:00 PM

شماره: _____ و تاریخ: _____

AFFIX
CORRECT
POSTAGE

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 37th Annual General Meeting of the Company to be held on Tuesday,
October 26, 2021 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 _____ 2021.

Please affix appropriate Revenue Stamp

Signature of Member

Name: _____

Signature of Proxy: _____ Folio/CDC A/c No. _____

WITNESSES:

1.	Signature:	2.	Signature:
	Name:		Name:
	Address:		Address:
	CNIC or Passport No.		CNIC Passport No.

NOTE:

1. A Member entitled to attend and vote at the above meeting may appoint a person/representative as Proxy to attend and vote on his behalf at the Meeting. The instrument of Proxy in order must be received at the Registered Office of the Company at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad not less than 48 hours before the time of holding of the meeting.
2. The Company shareholders in Central Depository Company of Pakistan are requested to attach an attested photocopy of their National Identity Card or Passport with this Proxy Form before submission to the Company.
3. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted with this Proxy Form before submission to the Company.

FORM FOR VIDEO CONFERENCE FACILITY

I/We _____ of _____, being member(s) of
Mari Petroleum Company Limited and holder of _____ Share(s) as per
Registered Folio/CDC Account No. _____, hereby opt for
Video Conference facility at _____.

Signature of member(s)

AFFIX
CORRECT
POSTAGE

The General Counsel/ Company Secretary
MARI PETROLEUM COMPANY LIMITED
21–Mauve Area, 3rd Road,
Sector G–10/4,
ISLAMABAD.

www.mpcl.com.pk



HEAD OFFICE:

71 Maunel Area, 3rd Road,
Sector G-10/4, Islamabad-44000
UAN: +92 51 111 410 410 | Fax: +92 51 2302059

KARACHI LIAISON OFFICE:

D-87, Block-4, Wahkashan Clifton,
Karachi- 75656, P.O. Box 3887
UAN: +92 21 111 410 410 | Fax: +92 21 36870273

SAHARI FIELD OFFICE:

Saharki, District Ghoski
UAN: +92 723 111 410 410 | Fax: +92 723 683460

QUETTA LIAISON OFFICE:

26, Survey-31,
Defence Officers Housing Scheme,
Airport Road, Quetta
UAN: +92 81 2821052 | Fax: +92 81 2834466