Embrace the Power of Nature

Annual Integrated Report
2024

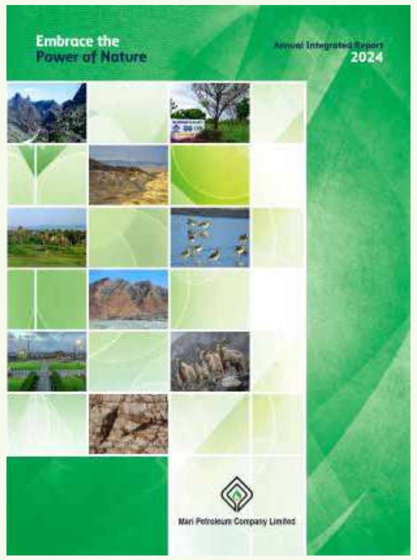







Mari Petroleum Company Limited

Cover Story



The cover page of our 2024 Integrated Annual Report visually captures our Vision 2030, which is built upon three strategic pillars.

First, we are dedicated to strengthening our core business of exploration and production, ensuring we remain at the forefront of the energy sector. This is vital not only for our business but also for supporting the socio-economic development of the country. Second, we are diversifying into areas like mining, green hydrogen, and carbon capture that are crucial for staying ahead in the evolving energy landscape and meeting global sustainability goals. Third, we aim to lead in environmental, social, and governance practices, setting new benchmarks in environmental stewardship, social responsibility, governance and transparency.

Vision 2030 is more than a plan for growth; it is our strategic roadmap for a future where business imperatives and sustainability go hand in hand to drive lasting values for all our stakeholders.

About this Report

Contents: This Report provides a thorough overview of MPCL, including essential background information and a comprehensive review of the Company's performance during FY 2023-24. It features detailed financial and operational data, enhanced with graphs, charts, and analyses for data visualization and interpretation. The narrative sections highlight key aspects of the Company's operations in descriptive form. This year's Report includes a dedicated Sustainability Report, and Separate and Consolidated Financial Statements. The topics covered, including the Sustainability Report, and their locations in the Report are outlined in the table of contents.

Scope and Boundary: The Report covers the period from July 01, 2023, to June 30, 2024. However, subsequent events and developments up to the date of printing of the Report have been included where relevant, to keep the information up to date. Financial analysis and reviews are based on the financial information contained in the approved Audited Separate and Consolidated Financial Statements for the year ended on June 30, 2024, with relevant comparative information. The Separate and Consolidated Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Additional data and information have been included in line with the best corporate and sustainability reports criteria prescribed by the Joint Committee of ICAP-ICMAP and the Pakistan Stock Exchange. The information contained in the forward looking statements is valid only till the date of publication of this Report. There have been no significant changes to the scope, boundary, or reporting basis since the last reporting date of June 30, 2023, except as stated above.

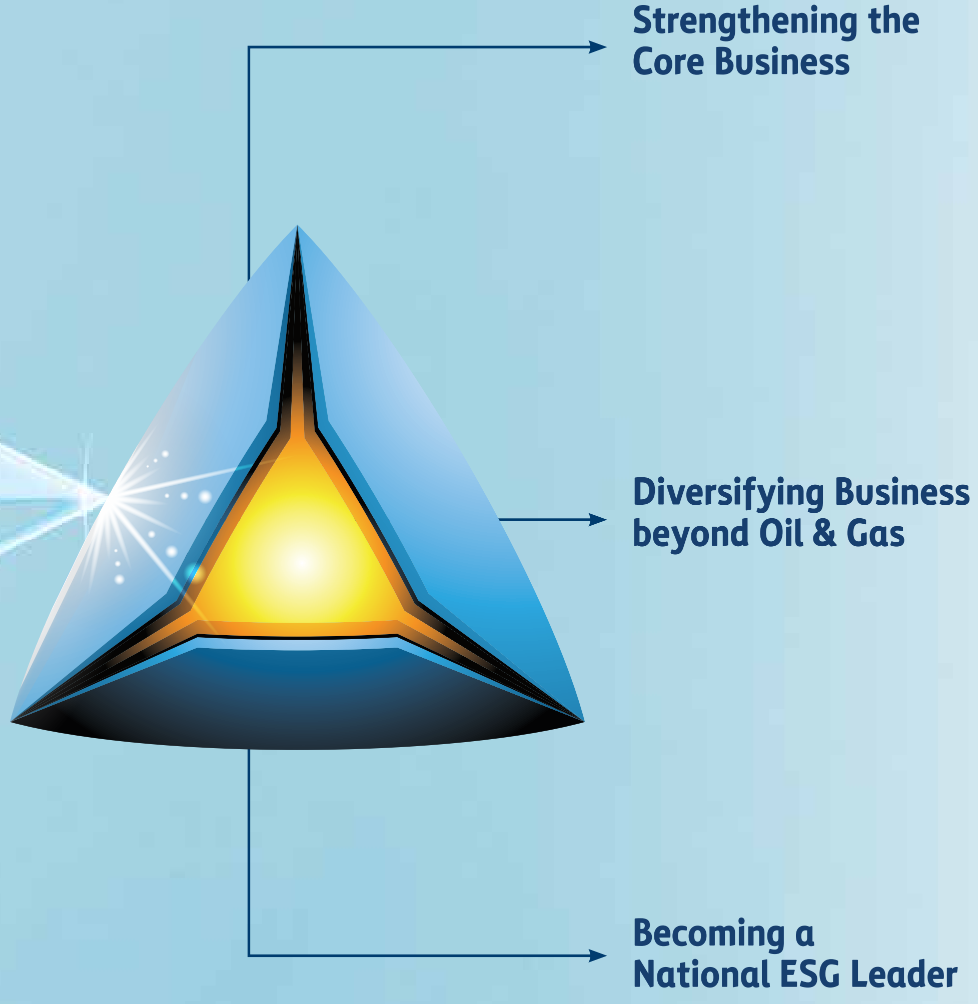
External Assurances/Reviews: The Separate and Consolidated Financial Statements have been audited and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 has been reviewed by the Company's statutory auditors, M/s A.F. Ferguson & Co., Chartered Accountants, and their reports are part of this Annual Report. Details of external assurances and reviews of the Sustainability Report are mentioned in the report itself.

Disclaimer: All forward-looking statements included in this Report reflect the management's current 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. These statements should not be relied upon for investment or other decision-making purposes, as these speak only as of the date they were issued.

Aerial view of Mari Field, Daharki - Sindh


MPCL

Vision 2030


Strengthening the Core Business
Diversifying Business beyond Oil & Gas
Becoming a National ESG Leader

Contents

Sustainability Report 2024

Financial Statements

Consolidated Financial Statements

Early Production Facilities at Shewa-1, Waziristan Block - KP

Our Performance

Setting new benchmarks with consistent growth

Financial Accomplishments

Highest Ever Net Sales
Rs 182bn
▲25%
2023:
Rs 146bn

Highest Ever Net Profit
Rs 77bn
▲38%
2023:
Rs 56bn

Highest Ever Earnings Per Share
Rs 579
▲38%
2023:
Rs 421

Highest Ever Cash Generated from Operations
Rs 100bn
▲79%
2023:
Rs 56bn

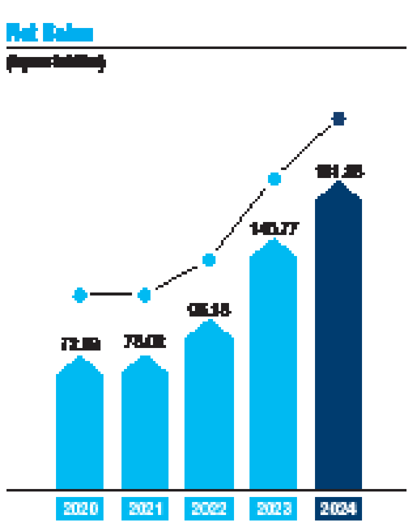
Operational Excellence

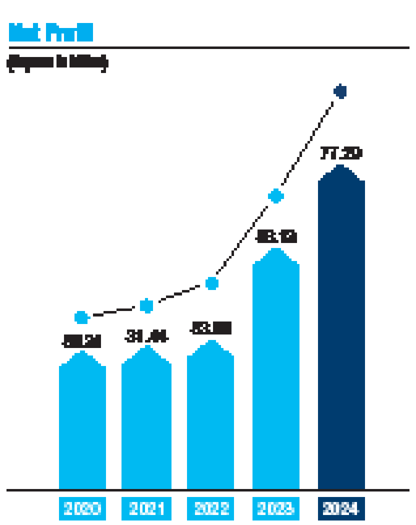
Highest Ever Hydrocarbons Sold
39
MMBOE
2023:
36
MMBOE

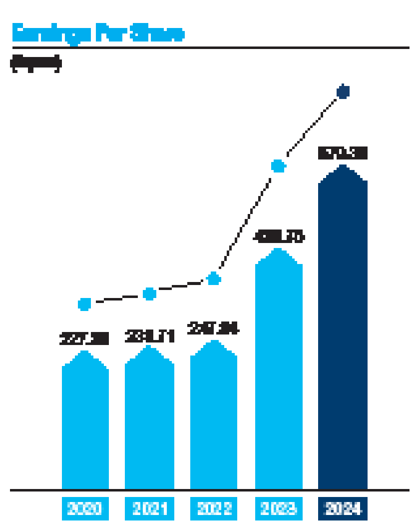
Highest Ever Gas Sold
292
BSCF
2023:
275
BSCF

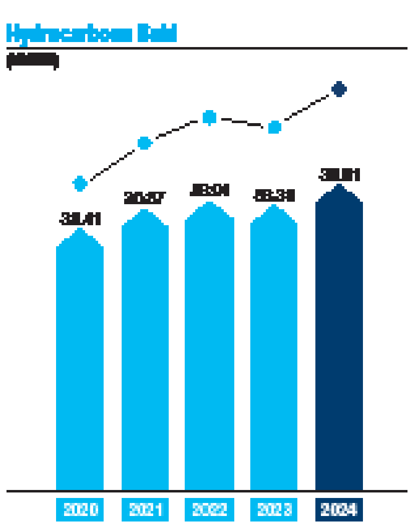
Liquid Sold
436,800
Barrels
2023:
387,456
Barrels

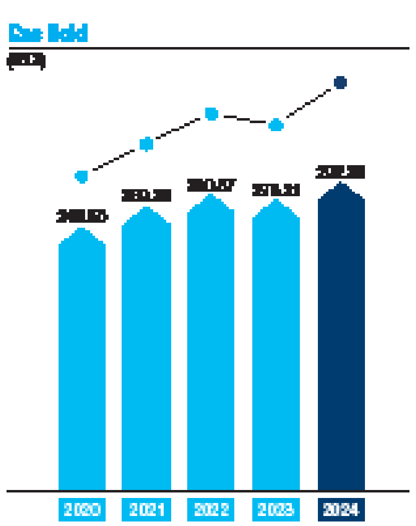
Process Safety Event Rate (Tier1)
0.0
PSE Per Million Hours
2023:
0.2
PSE Per Million Hours

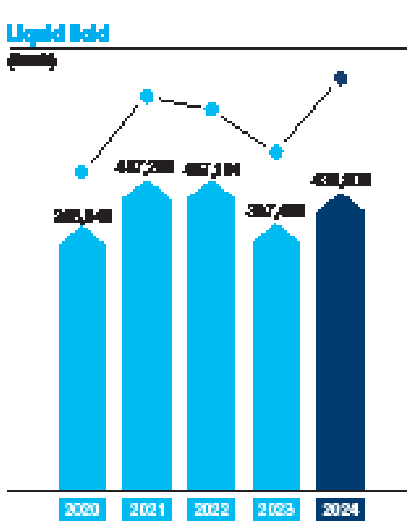












Sustainable Shareholders' Return

Delivering Excellence: Our Highest Ever Cash Dividends & Bonus Shares and Market Capitalization

Dividend Per Share
Rs 232
(2023: Rs 147)

Market Capitalization
Rs 362bn
(2023: Rs 202bn)

Share Price
Rs 2,712
(2023: Rs 1,515)

Dividend Payout
40%
(2023: 35%)

Bonus Shares
800%
(2023: Nil)

3 Years' Cumulative Shareholders' Return
111%

Reinvestment for Sustainable Growth and Future Cash Flows

Reserves & Investments: The Pillars of Our Continued Growth

Cash Utilized in Investing Activities	**Rs 45bn** (2023: Rs 40 billion)
Reserves Replacement Ratio - RRR (2P)	**423%** (2023: 114%)
Total Reserves & Resources (2P + 2C)	**816MMBOE** (2023: 682 MMBOE)

3 Years' Seismic Data Acquisition

1,354 Line KM 2D
228 Sq. KM 3D

Aggressive 3 Years' Drilling Plan

Drilled and Completed 35 wells

07 discoveries from 19 exploratory wells

Contribution to the National Economy

Saved foreign exchange for Pakistan with energy import substitution	US$ 2.7bn
Contributing towards uplifting living conditions of people through various CSR programs	Rs 3.78bn
Contribution to National Exchequer	Rs 84.16bn

Ensuring Pakistan's Food Security

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

Supplying gas for power generation

To relieve energy crisis of Pakistan

Injecting gas into distribution companies' networks

For domestic/ commercial consumers

Economic and Social Impact over Last Five Years

Vocational Training Program for 75 male and 25 females from Waziristan - KP

Community Welfare Initiatives

Spent over
Rs 11bn
on various CSR activities

Significant Foreign Exchange Savings

Saved around
US$ 12bn
With Energy Import Substitution

Substantial National Exchequer Contribution

Contributed
Rs 335bn
On account of various taxes, duties, and levies

Company Information

Registered / Head Office

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

Field Office Daharki

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

Karachi Liaison Office

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

Quetta Liaison Office

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

KP Regional Office

Bannu Cantt
Tel: +92 8621794-5

External Auditors

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

Shares Registrar

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

Legal Advisor

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

Bankers

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

Registration, NTN and GST Numbers

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

Sachal Gas Processing Complex (SGPC), Mari Field, Daharki - Sindh

Building a Strong Foundation: Our Core Values

MPCL embarked on a pivotal journey this year to redefine our core values, recognizing that shared principles are the cornerstone of our enduring success. This initiative was born from a collective aspiration to create a workplace culture that not only drives business performance but also enriches the lives of our employees.

Integrity, Unity, and Excellence emerged as the guiding principles that would shape our organizational DNA. These values are more than mere aspirations; they are the operational compass that directs our decisions, actions, and interactions.

Integrity: "Our foundation is built on honesty, transparency, and a commitment that's unwavering"

At the heart of our organization lies a steadfast commitment to honesty, transparency, and ethical conduct. We believe that building trust with our stakeholders – employees, customers, partners, and the community – is essential to our long-term success. This value manifests in our unwavering adherence to legal and ethical standards, open communication, and accountability at all levels.

Unity: "A shared destination, where diverse strengths converge for greater outcomes"

We recognize that our collective strength lies in our diversity. By fostering a culture of inclusivity, collaboration, and mutual respect, we harness the power of different perspectives to drive innovation and problem-solving. Our commitment to unity is evident in our cross-functional teams, employee resource groups, and initiatives to promote diversity and equity.

Excellence: "Driven by an unwavering commitment to surpass expectations and redefine industry benchmarks"

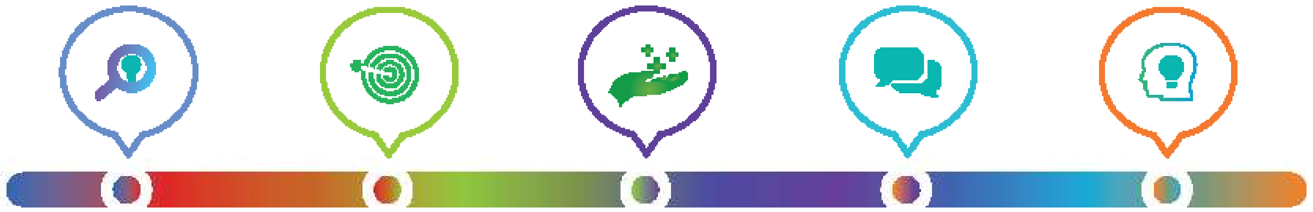
A relentless pursuit of excellence is ingrained in our corporate ethos. We are committed to surpassing expectations, delivering exceptional value to our customers, and driving sustainable growth. This value is reflected in our focus on continuous improvement, employee development, and the adoption of industry-leading best practices.

To bring these values to life, we have invested significantly in employee development programs tailored to enhance skills, foster leadership, and create a growth-oriented culture. Our commitment to fairness, transparency, and employee well-being has resulted in quantifiable results.

By embodying these core values, we have created a workplace where employees feel empowered, engaged, and aligned with our organizational goals. This, in turn, has translated into positive business outcomes, such as increased business growth, improved operational efficiency, or new market penetration

As we look ahead, we are confident that our commitment to Integrity, Unity, and Excellence will continue to be a driving force behind our success. We will remain steadfast in our efforts to embed these values into every aspect of our business, ensuring that they are not merely words on a page but a living reality that shapes our culture and empowers our people.

The Journey



Values Discovery Dialogue
1-1 sessions with leaders to take a deep dive into the prevailing and aspirational values for MPCL

Leadership Visioning Exercise
Exclusive session with the leadership to work together for MPCL values and subsequent behaviours creation

Designing Values & Behavior
Based on the insights from visioning exercise, designing of MPCL values & behaviours

Unveiling & Communication plan
Communication of the values via series of unveiling intervention e.g. value champions, workshops etc. managers will be trained/equipped

Reinforcement
Various activities and initiatives to reach out to employees at all level









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.

MPCL Senior Management - Head Office - Islamabad

Financial Disclosure

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

Conflict of Interest

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

Compliance with Laws, Directives & Rules

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

Confidentiality

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

Conduct of Personnel in Dealings with Government Officials

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

Time Management

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

Business Integrity

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

Gifts, Entertainment & Bribery

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

Insider Trading

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

Health, Safety & Environment

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

Involvement in Politics

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

Equal Employment Opportunity

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

Compliance

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

MPCL Head Office Building - Islamabad

Notice of Annual General Meeting

Notice is hereby given that the 40th Annual General Meeting (AGM) of the Shareholders of Mari Petroleum Company Limited will be held at the Registered Office of the Company situated at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad on Tuesday, September 24, 2024, at 10:00 a.m., to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Separate and Consolidated Financial Statements of the Company for the year ended June 30, 2024 together with the Directors' and Auditors' reports thereon.

2. To approve, as recommended by the Board of Directors, the payment of final dividend @ Rs. 134/- per share (1,340%) for the financial year ended June 30, 2024. This is in addition to the interim dividend @ Rs.98/- per share (980%) already paid.

3. To appoint Auditors for the year 2024-25 and fix their remuneration.

4. Any other business with the permission of the Chair.

Special Business:

5. **AMENDMENTS IN THE ARTICLES OF ASSOCIATION**
To consider, and if deemed fit, to pass the following resolution, with or without modification, as a Special Resolution, so as to amend the Articles of Association of the Company:

"**RESOLVED THAT,** alterations proposed in Articles of Association of the Company, as recommended by the Board of Directors, be and are hereby approved.

FURTHER RESOLVED THAT, The Chief Executive and Company Secretary be and are hereby, singly or jointly, authorized to comply with all legal formalities in this regard.

FURTHER RESOLVED THAT, the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required and such amendment, modification, addition or deletion shall not require fresh approval of members."

6. **CAPITALIZATION OF RESERVES BY ISSUE OF BONUS SHARES**
To consider and approve the issue of bonus shares in the ratio of eight (08) shares for every one (01) share held (i.e., 800%), as recommended by the Board of Directors in its meeting held on August 08, 2024, and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT,** a sum of Rs. 10,590,001,000 (Rupees Ten Billion Five Hundred Ninety Million and One Thousand) out of the Capital Redemption Reserve Fund and Rs. 82,199,000 (Rupees Eighty Two Million One Hundred and Ninety Nine Thousand) out of un-appropriated profits of the Company available for appropriation as at June 30, 2024, be capitalized and applied for the issue of 1,067,220,000 (One Billion Sixty Seven Million Two Hundred Twenty Thousand) ordinary shares of Rs.10/- each as fully paid bonus shares to the members of the Company whose names will appear on the Register of Members as at the close of business on September 18, 2024 in proportion of eight (08) shares for every one (01) share held (i.e. 800%), and that such shares shall rank pari passu in every respect with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT, the fractional entitlement of the Members shall be consolidated into whole shares and sold on Pakistan Stock Exchange (PSX). The sale proceeds thereof shall be donated as deemed appropriate by the Board.

FURTHER RESOLVED THAT, the Share Transfer Books of the Company be closed from September 19, 2024 to September 24, 2024 (both days inclusive) for the purpose of determining the entitlement of dividend and the bonus shares.

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

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

The statement under Section 134(3) of the Companies Act, 2017 in respect of Special Business is annexed with this notice.

By order of the Board

Muhammad Sajjad
Acting Company Secretary

September 02, 2024

NOTES:

1. Book Closure

The Share Transfer Books of the Company shall remain closed from September 19, 2024, to September 24, 2024 (both days inclusive). Transfers received in order at the Company's Share Registrar, M/s Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore, up to the close of business on September 18, 2024, will be treated as in time for the purpose of attending the AGM, payment of cash dividend and entitlement of bonus shares.

2. Virtual Participation in the AGM Proceedings

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

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

Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business on Monday September 23, 2024. The login facility shall remain open from 10:00 am till the end of the meeting on September 24, 2024.

3. Procedure for E-Voting

i. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 18, 2024.

ii. The web address, login details, and password will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of M/s Corplink (being the e-voting service provider).

iii. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

iv. E-Voting lines will start from September 21, 2024 from 09:00 a.m. and shall close on September 23, 2024, at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

4. Procedure for Voting through Postal Ballot

i. Members may alternatively opt for voting through postal ballot. For the convenience of the members, Ballot Paper is being sent to members by mail and the same can also be downloaded from the Company's website www.mpcl.com.pk

ii. The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's Registered Office, 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad or email at chairman.bod@mpcl.com.pk one day before the AGM, i.e., on September 23, 2024. by 05:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

5. Attending AGM in person or through Proxy

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

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

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

6. 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.

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

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

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

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

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

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

MARI PETROLEUM COMPANY LIMITED

FORM OF JOINT SHAREHOLDING PROPORTION

Folio/CDC Account Number	Total Holding	Principal Shareholder		Joint Shareholders		Signatures
		Name of Principal Shareholder and CNIC No.	Shareholding Proportion (No. of Shares)	Names of Joint Shareholders and CNIC No.	Shareholding Proportion (No. of Shares)	

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

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

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

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

The Annual Audited Separate and Consolidated Financial Statements of the Company for the year ended June 30, 2024, have been placed on the Company's website, which can be accessed/downloaded from the following link and QR code: https://mpcl.com.pk/financial-reports/

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

9. Consent for Video Conference Facility

Pursuant to Section 132 (2) of the Companies Act, 2017, Members may avail video conference facility for this Annual General Meeting provided the Company receives consent from the members holding aggregate 10% or more shareholding at least 7 days prior to the date of meeting. The requisite form for availing the facility has been uploaded on Company's website www.mpcl.com.pk.

10. Conversion of Physical Shares into Book-Entry Form

As per Section 72 of the Companies Act, 2017, all listed companies are required to replace shares issued by them in physical form to book-entry form. Accordingly, all members of the Company having physical shares are advised to convert their shares into book-entry form at the earliest with the Central Depository Company of Pakistan Limited. The members may contact the Company or Shares Registrar, M/s Corplink (Pvt.) Limited for the conversion of physical shares into book-entry form.

11. Unclaimed Dividends and Share Certificates

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

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

12. Change of Address

Members are requested to immediately notify the change in their mailing address to the Company's Shares Registrar, M/s Corplink (Pvt.) Limited.

13. 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.

Statement of Material Facts Under Section 134(3) of the Companies Act, 2017

The Statement of Material Facts concerning the special businesses, proposed to be transacted at the Annual General Meeting of the Company to be held on September 24, 2024, is detailed as under:

A) AMENDMENTS IN ARTICLES OF ASSOCIATION:

In order to bring the Company's existing Articles of Association in line with the changes made by the promulgation of the Companies Act, 2017 (which has repealed the Companies Ordinance, 1984), to streamline and improve the corporate governance practices of the Company, to bring clarity in the roles, rights and responsibilities of stakeholders and to rectify certain existing minor errors and inconsistencies, the Board of Directors of the Company in their meeting held on August 08, 2024 has recommended to amend certain Clauses of the Articles of Association of the Company.

1. Interest of directors

No Directors or Chief Executive of the Company or their relatives have any interest in the proposed alterations to the Articles of Association of the Company except in their capacities as Directors/Chief Executive/Shareholders of the Company.

2. Availability of Relevant Documents

A copy of the comparative statement of the existing and amended Articles of Association identifying the proposed changes is being sent to the Members with this statement. The same shall also be made available to the members at the aforesaid AGM.

Notice of Annual General Meeting


MPCL shareholders with the Board Members - Head Office - Islamabad

3. Proposed Resolution

Following special resolution will be placed for consideration and adoption, with or without modification, of the members at the meeting:

"RESOLVED THAT, alterations proposed in Articles of Association of the Company, as recommended by the Board of Directors, be and are hereby approved.

FURTHER RESOLVED THAT, The Chief Executive and Company Secretary be and are hereby, singly or jointly, authorized to comply with all legal formalities in this regard.

FURTHER RESOLVED THAT, the aforesaid alteration in the Article of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required and such amendment, modification, addition or deletion shall not require fresh approval of members"

B) CAPITALIZATION OF RESERVES BY ISSUE OF BONUS SHARES:

The Directors have recommended that in view of the Company's financial position, its undistributed reserves may be capitalized to the extent of Rs. 10,672,200,000 (Rupees Ten Billion Six Hundred Seventy-Two Million Two Hundred Thousand) available for appropriation as at June 30, 2024, by issue of 1,067,220,000 (One Billion Sixty Seven Million Two Hundred Twenty Thousand) ordinary shares of Rs.10/- each as fully paid bonus shares in the ratio of eight (08) bonus shares for every one (01) ordinary share held (i.e. 800%). The Directors, directly or indirectly, are not personally interested in this issue except to the extent of their shareholding in the Company.

Proposed Resolution

Following special resolution will be placed for consideration and adoption, with or without modification, of the members at the meeting:

"RESOLVED THAT, a sum of Rs. 10,590,001,000 (Rupees Ten Billion Five Hundred Ninety Million and One Thousand) out of the Capital Redemption Reserve Fund and Rs. 82,199,000 (Rupees Eighty Two Million One Hundred and Ninety Nine Thousand) out of un-appropriated profits of the Company available for appropriation as at June 30, 2024, be capitalized and applied for the issue of 1,067,220,000 (One Billion Sixty Seven Million Two Hundred Twenty Thousand) ordinary shares of Rs.10/- each as fully paid bonus shares to the members of the Company whose names will appear on the Register of Members as at the close of business on September 18, 2024 in proportion of eight (08) shares for every one (01) share held (i.e. 800%), and that such shares shall rank pari passu in every respect with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT, the fractional entitlement of the Members shall be consolidated into whole shares and sold on Pakistan Stock Exchange (PSX). The sale proceeds thereof shall be donated as deemed appropriate by the Board.

FURTHER RESOLVED THAT, the Share Transfer Books of the Company be closed from September 19, 2024 to September 24, 2024 (both days inclusive) for the purpose of determining the entitlement of dividend and the bonus shares.

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

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

TAX ON ISSUE OF BONUS SHARES UNDER FINANCE ACT, 2023

Effective July 1, 2023, companies are required to collect 10% tax from the shareholders at the time of issuance of bonus shares, which shall be the final tax on such income of the shareholders. The rate of tax for inactive taxpayers is 20%.

The value of bonus shares shall be taken as equivalent to day-end price on the first day of book closure.

In case of non-payment of tax by the shareholders, the company is required to dispose off the shares to the extent of the tax liability, to recover and deposit the tax.

Company Profile

Market Share

Product	Total Output	MPCL's Output*	MPCL's Share
Gas (MMSCF)	1,140,636	327,215	28.7%
Oil & Condensate (BBLs)	25,811,880	636,109	2.5%

Source: *Pakistan Petroleum Information Service by LMKR on behalf of DGPC. Based on the data for FY 2023-24.*

** MPCL's total output as an Operator.*

Introduction

MPCL is an integrated exploration and production company, currently managing and operating Pakistan's largest gas reservoir at Mari Field, Daharki, Sindh. With around 29% market share, it is the largest gas producer in Pakistan and owns the second highest reserves base. The Company's net daily production is around 115,000 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-seven years, without availing even the permitted outages.

Principal Business Activities

MPCL is a leading exploration and production company in the upstream segment of the petroleum industry. Its principal business activities include oil and gas exploration, drilling, field development, and the production and sale of hydrocarbons such as natural gas, crude oil, and condensate. The company also provides various E&P-related services and has recently entered into the mining.

Major Brands, Products and other Services

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

Major Customers/Markets

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

Geographic Presence

MPCL currently holds seven (07) D&P leases and nineteen (19) exploration licences in Pakistan as an Operator as well as six (06) D&P leases and sixteen (16) exploration licences as a non-operating joint venture partner. Its exploration and production assets are spread across all four provinces of Pakistan. Internationally, MPCL is part of a consortium comprising leading Pakistani National E&P Companies in one offshore block in Abu Dhabi.

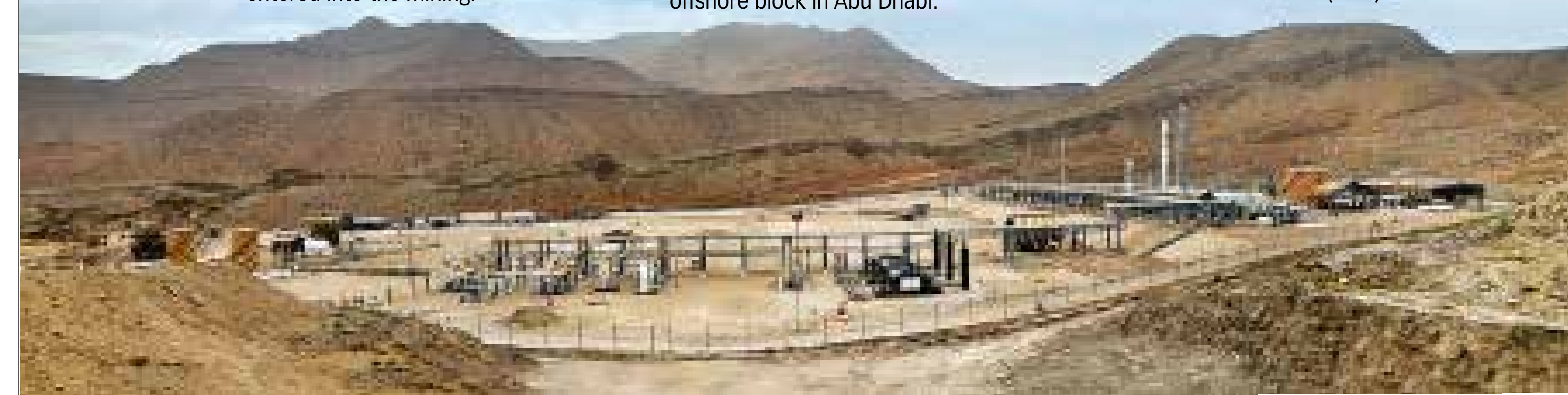
Certifications and Recognitions

MPCL is an ISO certified Company for Quality, Environment, Information Security, Occupational Health & Safety and has achieved Advanced Level in ISO Certification for Social Responsibility. MPCL is a blue-chip company at the stock exchange. It regularly wins awards and accolades from various independent bodies for its financial and operational performance, financial reporting, management, HR, HSE, and CSR practices.

Ownership, Operating Structure and relationship with Group Companies

MPCL is a public limited company operating in the private sector. The Management of the Company is vested in Fauji Foundation. The Company is listed on Pakistan Stock Exchange with market capitalization of around Rs. 362 billion as on June 30, 2024. Major Shareholders of the Company include Fauji Foundation (40%), Government of Pakistan (20%), OGDCL (20%) and General Public (20%). All Fauji Foundation group companies are the associated companies of MPCL.

MPCL also wholly owns Mari Mining Company (Pvt) Ltd and holds 25% stake in Abu Dhabi based Pakistan International Oil Limited (PIOL).



Our History

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

In 1984, Mari Gas Company Limited (MGCL) was incorporated with Fauji Foundation, Government of Pakistan and OGDCL as its shareholders having 40%, 40%, and 20% shareholding, respectively. The Company took over the assets, liabilities and operational control of the Mari Field and commenced business in its own name in 1985 under the Mari Gas Wellhead Price Agreement (Mari GPA).

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

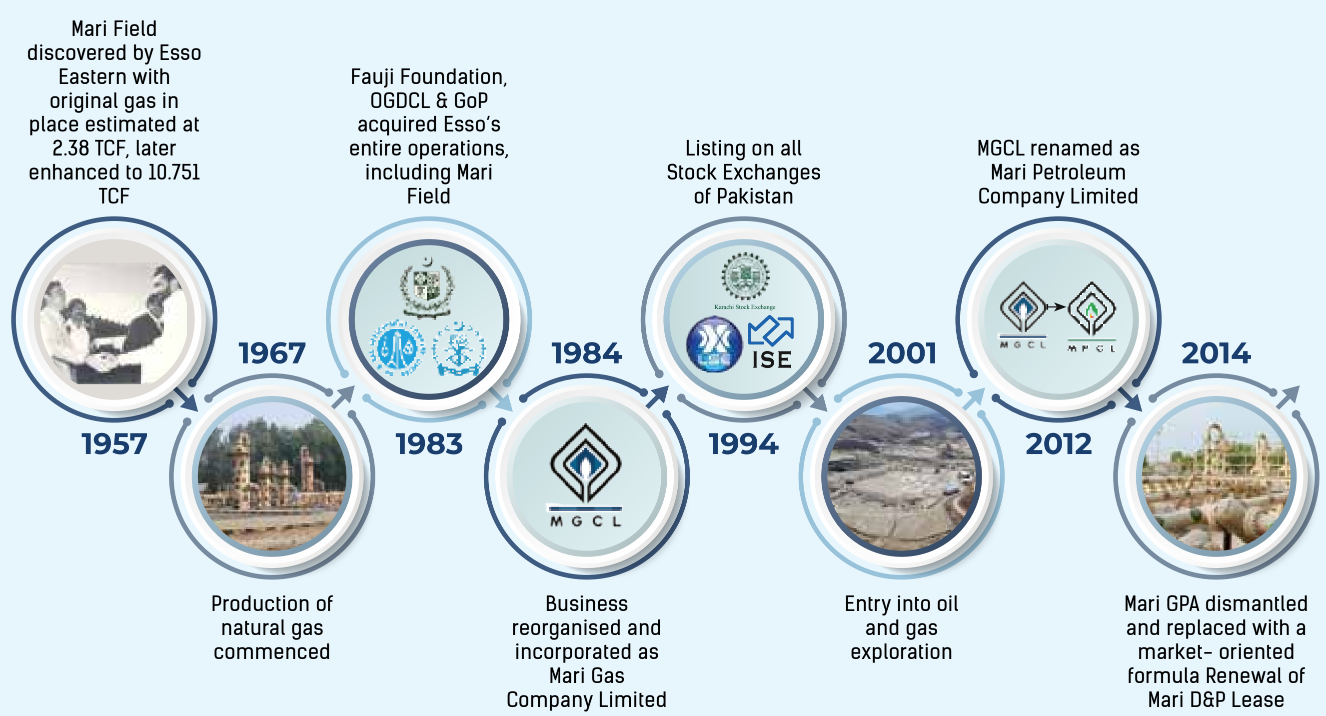
The Company operated only as a gas production company and was engaged in developing the already discovered Habib Rahi Reservoir in the Mari Field for supply of gas to fertilizer plants. The Company pursued appraisal activities within its Mari D&P Lease area by drilling step-out wells to determine the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

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

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

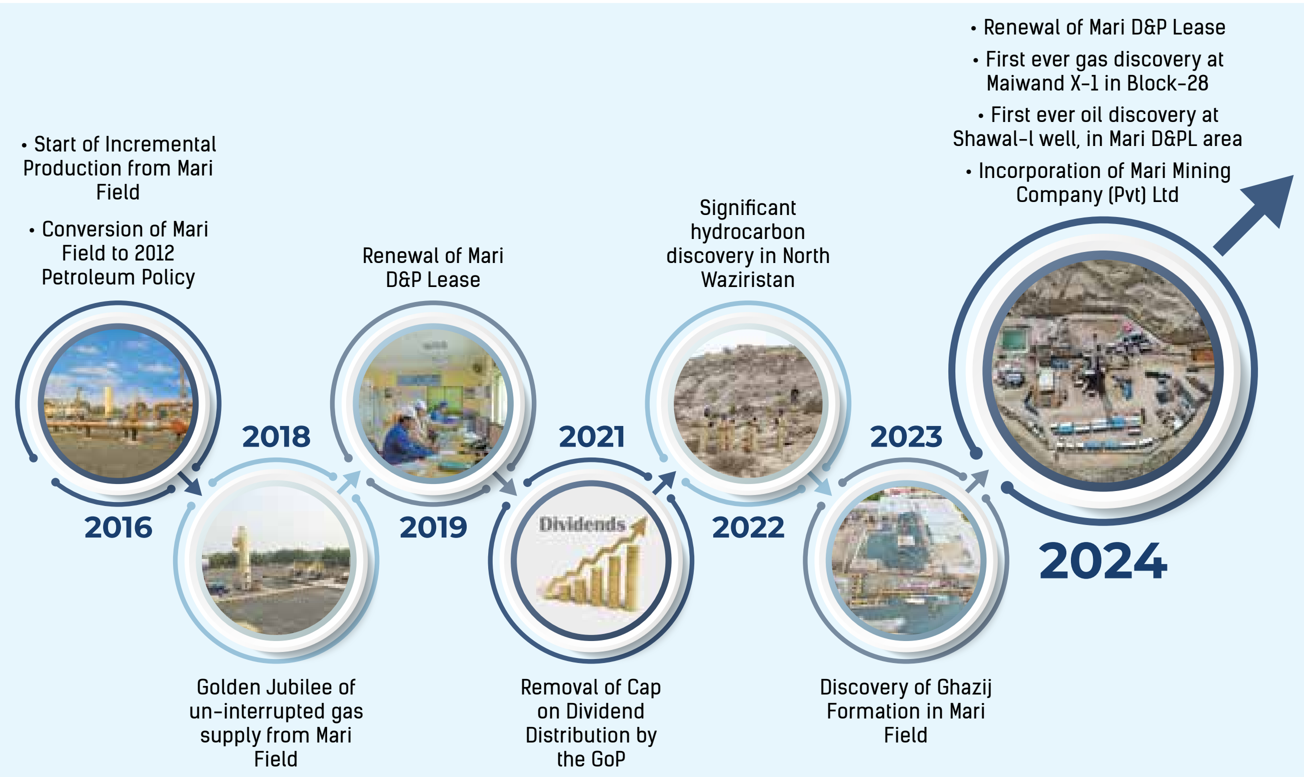
MPCL won Offshore Block 5 in Abu Dhabi as part of a Consortium of Pakistani E&P Companies in August 2021.

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

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

In 2024, the Company achieved significant milestones including gas discoveries at Shewa-2 and Maiwand X-1, and an oil discovery at Shawal-1. Additionally, the Company successfully completed the Ghazij Appraisal Program and initiated EWT production. Further, Mari D&P lease was renewed for a period of five years till 2029.

The Company incorporated Mari Mining Company (Pvt) Ltd which was granted two mineral exploration licences.



Our Vision & Mission

VISION

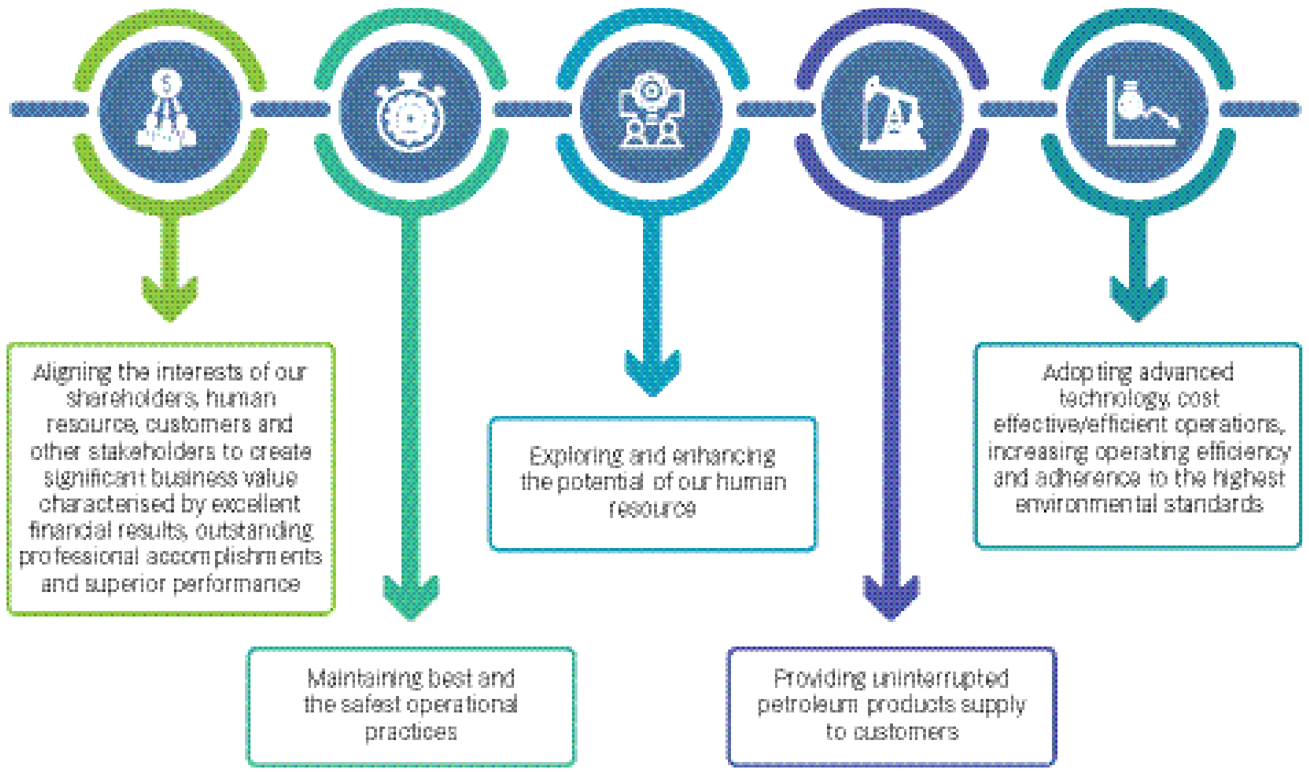
MPCL envisions becoming an international integrated exploration and production company by enhancing its professional capacity through highly knowledgeable and talented workforce that builds its petroleum reserves by consistently discovering more than what it produces within Pakistan and abroad; and improving 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.

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.

MPCL Senior Management, Head Office - Islamabad

Our Commitments



Quality Policy

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

IMS Policy

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

Changes from prior year

The Company's vision, mission, and principal business activities remain unchanged. However, we have updated our corporate values, which are detailed in the relevant section. Changes to the Board of Directors are documented in the Directors' Profiles and the Directors' Report. The Administration and Security Department has been reorganized into separate Administration and Security Departments, a change reflected in the Organogram. Additionally, the section on the Company's Relationship with Associated Companies includes an updated list of associated companies. Finally, details on the newly acquired exploration blocks and changes to working interests are provided in the MPCL Concessions and Working Interests section.

Mari Field, Daharki - Sindh

Profile of Board of Directors

Lt Gen
Anwar Ali Hyder, HI(M), (Retd)
Managing Director / CEO, Fauji Foundation
Chairman MPCL Board
and Non – Executive Director

With nearly four decades of distinguished military service, Lt Gen Anwar Ali Hyder (Retd) brings consummate skills and experience in planning, organization, and administration to his present assignment. Throughout his distinguished career with the Pakistan Army, he held prestigious command, staff, and instructional positions, culminating in the position of Principal Staff Officer to the Chief of Army Staff as Adjutant General of the Pakistan Army. In this role, he spearheaded several important welfare initiatives and large-scale commercial projects at the Army and national level, including strategizing the development and growth of Fauji Foundation Companies and serving as the Chairman of Army Welfare Trust.

He made noteworthy contributions to the planning and development of Defence Housing Authorities all over the country and supervised the development and management of countrywide mega housing projects such as Askari Housing Colonies.

He also had the distinctive opportunity to make contributions in the academic domain as President of the National Defence University and as a member of the Board of Governors of NUST, NUMS and NUTECH.

Transitioning seamlessly into the civilian leadership role, Gen Hyder assumed the chairmanship of Naya Pakistan Housing and Development Authority and played an important role in the interim Federal Cabinet as the caretaker minister for Defence and Defence Production. He also served as a member of the Apex Committee of the Special Investment Facilitation Council (SIFC), where he made multifaceted contributions to national economic growth initiatives and, in the process, remained engaged with several public and private sector entities and multinational organizations.

His strategic prowess and commitment to excellence are complimented by his professional and academic qualifications, which include a Master of Strategic Studies from US Army War College, Carlisle, Pennsylvania and an MSc degree in War Studies from National Defence University, Islamabad. His dedication to duty and meritorious services in the Pakistan Army were duly recognized through conferment of the Chief of Army Staff Commendation Card and the prestigious Hilal-e-Imtiaz (Military) by the President of Pakistan.

He holds directorship on the Boards of following companies:

FF Group Companies (Listed)

- Fauji Fertilizer Company Limited
- Fauji Cement Company Limited
- Askari Bank Limited
- Fauji Fertilizer Bin Qasim Limited
- Fauji Foods Limited
- Mari Petroleum Company Limited

FF Group Companies (Non-Listed)

- Fauji Akbar Portia Marine Terminals Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal and Distribution Company Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Foundation Solar Energy (Private) Limited
- Daharki Power Holdings Limited
- Pakistan Maroc Phosphore SA
- Fauji Fresh N Freeze Limited
- Fauji Meat Limited
- FFBL Power Company Limited
- FonGrow (Private) Limited
- Mari Mining Company (Private) Limited
- Foundation University Islamabad

Syed Bakhtiyar Kazmi
Director Finance, Fauji Foundation
Non – Executive Director

Mr. Kazmi is a fellow chartered accountant 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 holds directorship on the Boards of following companies:

Public Listed Companies

- Mari Petroleum Company Limited
- Fauji Fertilizer Company Limited
- Askari Bank Limited
- Fauji Cement Company Limited
- Fauji Fertilizer Bin Qasim Limited
- Fauji Foods Limited

Non-Listed Companies & Institutions

- Fauji Kabirwala Power Company Limited
- Fauji Oil Terminal and Distribution Company Limited
- Daharki Power Holdings Company Limited
- Fauji Trans Terminal Limited
- Fauji Akbar Portia Marine Terminals Limited
- FFC Energy Limited
- Foundation Power Company Dharki Limited
- Foundation Solar Energy Limited
- Foundation Wind Energy – I & II Limited
- Fauji Fresh n Freeze Limited
- Fauji Infraavest Foods Limited
- OLIVE Technical Services (Private) Limited
- Fauji Meat Limited

Mr. Kazmi served KPMG for 35 years; interacted with the leadership in almost every industry, understanding their vision, their insights, and business and strategies. His rigorous exposure to a diverse range of sectors and projects, enabled him to conceive and culminate strategic value additions for his clients. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients. As an auditor and an advisor, Mr. Kazmi successfully delivered best-in-class and integrity driven services and branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan.
He has served on a number of diverse forums / boards in the private sector, public sector & civil society organizations. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation matters and issues, regularly published in reputable dailies.

He is the chairman of the Investment committee and member of the Audit Committee of MPCL.

Maj Gen
Tariq Qaddus, HI(M), (Retd)
Director Services - Fauji Foundation
Non – Executive Director

Maj Gen Tariq Qaddus, HI(M), (Retd) was commissioned in an Infantry Regiment and later joined the Intelligence Corps. He had an illustrious career during which he gained extensive experience in administration, management and intelligence both at home and abroad in very testing and demanding environments.

He is a graduate of Command and Staff College Quetta, National Defence University Pakistan, National Defence University Washington DC USA, Defence Intelligence Agency University USA and Joint Intelligence School UK. He is also an Alumnus of Kings College London and University of Chicago, USA. He holds master's degrees in War and Strategic Studies and International Counter Terrorism from College of International Security Affairs, NDU Washington DC, USA.

He has served on important assignments and contributed extensively at national level to the formulation of policies and implementation of relevant strategies. During his career, he served on a variety of Command and Staff appointments that provided him with rich experience of handling very sensitive operational and administrative issues.

He is extensively travelled and enjoys golfing, hiking, swimming and reading.

He is the chairman of Technical Committee and member of HR&R and the Investment Committees.

Profile of Board of Directors

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

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

Additionally, he is the MD/CEO of Mari Mining Company (Pvt) Ltd, a Non-Executive Director on the board of Pakistan International Oil Limited (UAE), and the Chairman of Society of Petroleum Engineers (SPE) - Pakistan Section.

During his international career spanning over 30 years, he has held various technical and leadership positions with international oil and gas companies such as Union Texas Petroleum, OMV Pakistan Exploration GmbH, Helix RDS Limited UK, BG Group Plc UK, and Neptune Energy Group UK (formally known as Engie E&P International). Other than Pakistan, he has been based in full-time roles in the UK, Oman, Egypt and France working on a variety of projects in the Middle East, North Africa, across Europe and the Asia Pacific.

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

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

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

Mr. Momin Agha
Secretary Petroleum, Ministry of Energy (Petroleum Division)
Non – Executive Director

Mr. Momin Agha joined MPCL Board on September 06, 2023, representing Government of Pakistan. He is a non-executive director and a Member of the Board's Audit and ESG Committees.

Mr. Momin Agha, a BS-21 officer of the Pakistan Administrative Service (PAS). He brings with him rich professional experience, spanning over 27 years that includes senior-level administrative, managerial, and leadership positions including Commissioner Faisalabad Division, Secretary of various departments in the provincial government. At the Federal government level, he has served at the Ministry of Interior and currently heads the Ministry of Industries and Production.

He has obtained a Master's in Globalization & Labor Studies from the University of Warwick, United Kingdom. He obtained a Bachelors in Business Administration (BBA) from the University of Texas, Austin (USA). He has the distinction of serving in various capacities dealing with administration, establishment, litigation, budgetary, and financial matters of main ministries / organizations and has also dealt with matters of companies/corporations, authorities and autonomous institutions. He is a member of various boards of Public Sector Companies.

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

Mr. Zafar Abbas
Additional Secretary (Policy)
Ministry of Energy (Petroleum Division)
Non – Executive Director

Mr. Zafar Abbas joined MPCL Board on August 08, 2024, representing Government of Pakistan. He is a non-executive director and a Member of the Board's HR&R and Technical Committees.

He is a career civil servant who joined the Government service in 1998. He has experience of working in economic and energy ministries dealing with policy formulation and implementation, internal cooperation for development, and project management. Prior to assuming his responsibilities at the Ministry of Energy (Petroleum Division) in July 2024, he was serving as Additional Secretary (Power Finance) for two years in Power Division. He has also served as Joint Secretary in Power Division and Interior Division between 2015 to 2022. During his stay at Interior Division, he worked as one of the team leads on FATF, which helped Pakistan get out of grey list in 2022. He also served as MD, NTDC for three years and as Secretary to Government of GB. He holds a Bachelor degree in Civil Engineering from UET, Lahore and MBA degree from University of Dundee, Scotland (UK).

In addition to MPCL, he is also serving as a director on the boards of SSGCL, SNGPL, PMDC and PPIB.

Mr. Ahmed Hayat Lak
MD/CEO, OGDCL
Non-Executive Director

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

Mr. Ahmed Hayat Lak possesses extensive experience of strategic leadership, corporate governance, public sector management and E&P industry. He was appointed Managing Director/ CEO OGDCL on February 22, 2023. Previously he was serving as Company Secretary and head of Legal Services. Mr. Lak is a director on the Boards of Mari Petroleum Company Limited (MPCL), Reko Dik Mining Company Limited and Pakistan International Oil Limited (PIOL). Prior to joining OGDCL, Mr. Lak served in Pakistan Oil Fields Limited (POL) as head of Corporate and Legal Services. He also worked in the National Accountability Bureau as Advisor to the Chairman and as Consultant in the office of Prosecutor General.

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

Profile of Board of Directors

Mr. Muhammad Aamir Salim
Executive Director (Petroserv), OGDCL
Non-Executive Director

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

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

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

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

Mr. Adnan Afridi
Managing Director/CEO,
National Investment Trust Limited
Independent Non–Executive Director

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

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

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

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

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

Mr. Abid Niaz Hasan
Former Operations Advisor
World Bank Group, Washington
Independent Non-Executive Director

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

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

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

After retirement from the WBG, he held a number of positions including: Member of the Government of Pakistan's Economic Advisory Committee (2010-2018), Member of the Boards and Chairman of the Board's Audit Committees in Pakistan Tobacco Company (2007-2016), Khushali Bank (2007-2009), and Wateen Telecommunications (2012-2017).

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

Ms. Seema Adil
Former Deputy Managing Director
of Pakistan Refinery Limited
Independent Non-Executive Director

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

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

She served in Shell Pakistan for 30 years in various capacities in marketing, supply, distribution, technical support, and business process re-engineering. She also served as a management team member and as Shell appointed Director on PAPCO Board.

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

She is a leader focused on achieving results in highly competitive and diverse environments that demand continuous improvement. She is skilled in building and motivating cross-functional and cross-regional teams performing towards achieving corporate goals and expectations.

She is also a skilled program/project manager. She also possesses hands-on experience of corporate governance of medium to large sized organizations.

Profile of Chief Financial Officer and Company Secretary

Mr. Nabeel Rasheed
Chief Financial Officer

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

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

He brings with him 17 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.

He also serves as a non-executive director on the board of Mari Mining Company (Pvt) Ltd.

Mr. Muhammad Sajjad
Acting Company Secretary

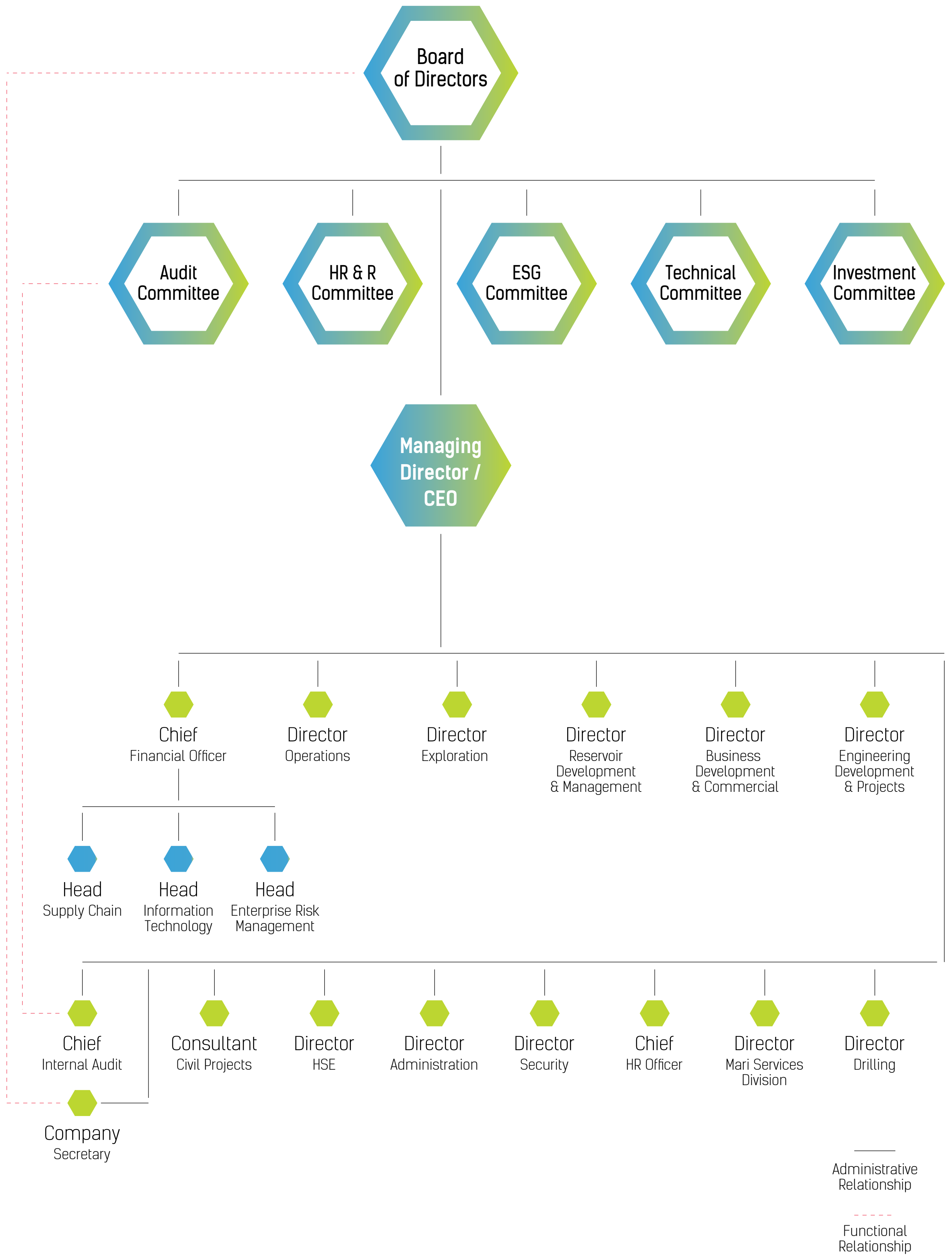
Mr. Muhammad Sajjad is a Member of the Association of Chartered Certified Accountants (ACCA) with over 25 years of diversified experience with reputable national and international organizations.

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

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

He also holds the position of the Company Secretary of Mari Mining Company (Pvt) Limited.

Organogram



Chairman's Review

Lt Gen Anwar Ali Hyder, HI(M), (Retd) joined MPCL Board in April 2024 and was elected its Chairman. Gen Hyder boasts nearly four decades of distinguished military service, culminating in his role as Principal Staff Officer to the Chief of Army Staff and Adjutant General of the Pakistan Army. He led key welfare and commercial projects, including the development of Fauji Foundation Companies and Defence Housing Authorities. Transitioning to civilian leadership, he chaired Naya Pakistan Housing and Development Authority and contributed significantly to national economic growth as a member of the Apex Committee of the Special Investment Facilitation Council (SIFC).

Dear Shareholders,

It is with great pride that I present my first review as Chairman of the MPCL Board of Directors since assuming this role in April 2024. The past year has been a period of both unprecedented challenges and remarkable achievements for MPCL. Despite a volatile global environment and economic difficulties at home, MPCL has continued to demonstrate its resilience, delivering consistent and sustainable returns for our valued shareholders.

The global Exploration and Production (E&P) sector is rapidly evolving, driven by digital transformation, renewable energy integration, and a heightened focus on sustainability. These trends are influencing our operations as well, compelling us to adopt advanced technologies, enhance operational efficiencies, and align with global sustainability standards. Furthermore, the global push for reducing carbon emissions and achieving Net Zero requires us to innovate and invest in cleaner energy sources – an imperative that is shaping the future of our industry.

On the domestic front, the economic challenges we face as a nation – such as inflation, fiscal deficits, and rising external debt – underscore the critical need for increasing domestic output and reducing our dependency on imports. MPCL has long played a pivotal role in the socio-economic development of Pakistan through its indigenous production of oil and gas. Our contributions have been vital in supporting the national economy, and we remain committed to this mission.

The Board commends the Company's outstanding performance across various operational and financial metrics during FY 2023-24. Notably, natural gas production rose by 6%, while crude oil and condensate production saw a 13% increase. This boost in production led to the Company achieving its highest-ever net profit of Rs. 77.3 billion, a remarkable 38% increase over the previous year.

Moreover, the Company has added 174 million barrels of oil equivalent (BOE) to its resource base this year, reflecting the success of our exploration efforts and commitment to increasing resources. This achievement underscores our focus on boosting domestic hydrocarbon production to meet national energy needs.

Moreover, MPCL has significantly contributed towards policy reforms to create a more favorable investment climate in the E&P sector. Through continuous engagement with the Ministry of Energy, we have helped shape policies that encourage sector growth, affirming our leadership and advocacy within the industry.

MPCL has made significant strides in enhancing domestic hydrocarbon production through its aggressive exploration drive, reducing reliance on imported energy, and driving operational efficiency. These efforts not only bolstered our financial performance but also contributed to national economic stability. We proudly contributed Rs. 84 billion to the government exchequer, saved over USD 2.7 billion in foreign exchange through energy import substitution, representing approximately 18% of the country's total petroleum import bill for financial year 2024, and contributed Rs 3.78 billion towards uplifting living conditions of people through targeted CSR programs across the country. This builds on our long-standing tradition of supporting the nation's energy needs while fostering economic growth and social development.

On December 11, 2023, MPCL reached a significant milestone with its market capitalization surpassing USD 1 billion, making us the 7th company on the Pakistan Stock Exchange (PSX) to achieve this distinction. Building on this momentum, our market capitalization has now exceeded USD 1.5 billion, positioning MPCL as the 2nd largest company on PSX. These achievements not only signal strong investor confidence but also reinforce the stability and promising future of the Company. Reflecting our commitment to delivering exceptional value to our shareholders, the Board has declared a record-high dividend of 2,320%, along with unprecedented 800% bonus shares for FY 2023-24.

A key milestone for MPCL this year was the publication of our first Sustainability Report. By embedding Environmental, Social, and Governance (ESG) principles into our core strategy, we are committed to building a sustainable and equitable future. This focus on ESG will enhance our evaluation beyond financial performance, positioning MPCL as a national leader in ESG—a strategic objective that we are determined to achieve.

MPCL remains focused on creating value for stakeholders across short, medium, and long-term horizons. Our strategic vision encompasses immediate performance improvements, sustainable growth, and long-term industry leadership. The Company's entry into the mining sector marks a significant step in our diversification efforts, promising substantial benefits for both MPCL and the national economy. The mining sector offers immense potential, providing new revenue streams, creating jobs, and contributing to Pakistan's industrial growth.

Our strong performance reflects our commitment to good governance. MPCL's proactive Board, supported by five committees—including the newly formed ESG Committee—upholds the highest standards of transparency, accountability, and ethical conduct. The Board's active engagement with the management, strategic oversight and effective capital allocation have driven better decision-making, optimal resource use, and financial discipline. This leadership has been crucial in guiding the management, driving key initiatives, and ensuring alignment with business imperatives, all the while reinforcing our commitment to sustainable growth and value creation.

During the year, the Board convened six times, with its Committees also meeting regularly to ensure diligent oversight of key matters.

The FY 2023 Board evaluation by the Pakistan Institute of Corporate Governance (PICG) highlighted a rise in our Strategic Performance Index, reflecting enhanced Board effectiveness, stronger strategic decision-making, and improved governance practices. Our Board remains agile and responsive, providing swift support and guidance to management as we navigate various strategic and operational challenges.

As we look ahead, MPCL is well-positioned with a diversified asset base, a resilient balance sheet, and a clear strategy. We are confident in our ability to continue creating sustainable value for all our stakeholders.
Our commitment to professional excellence, responsible practices, and innovation will ensure that we remain a leading player in the E&P sector.

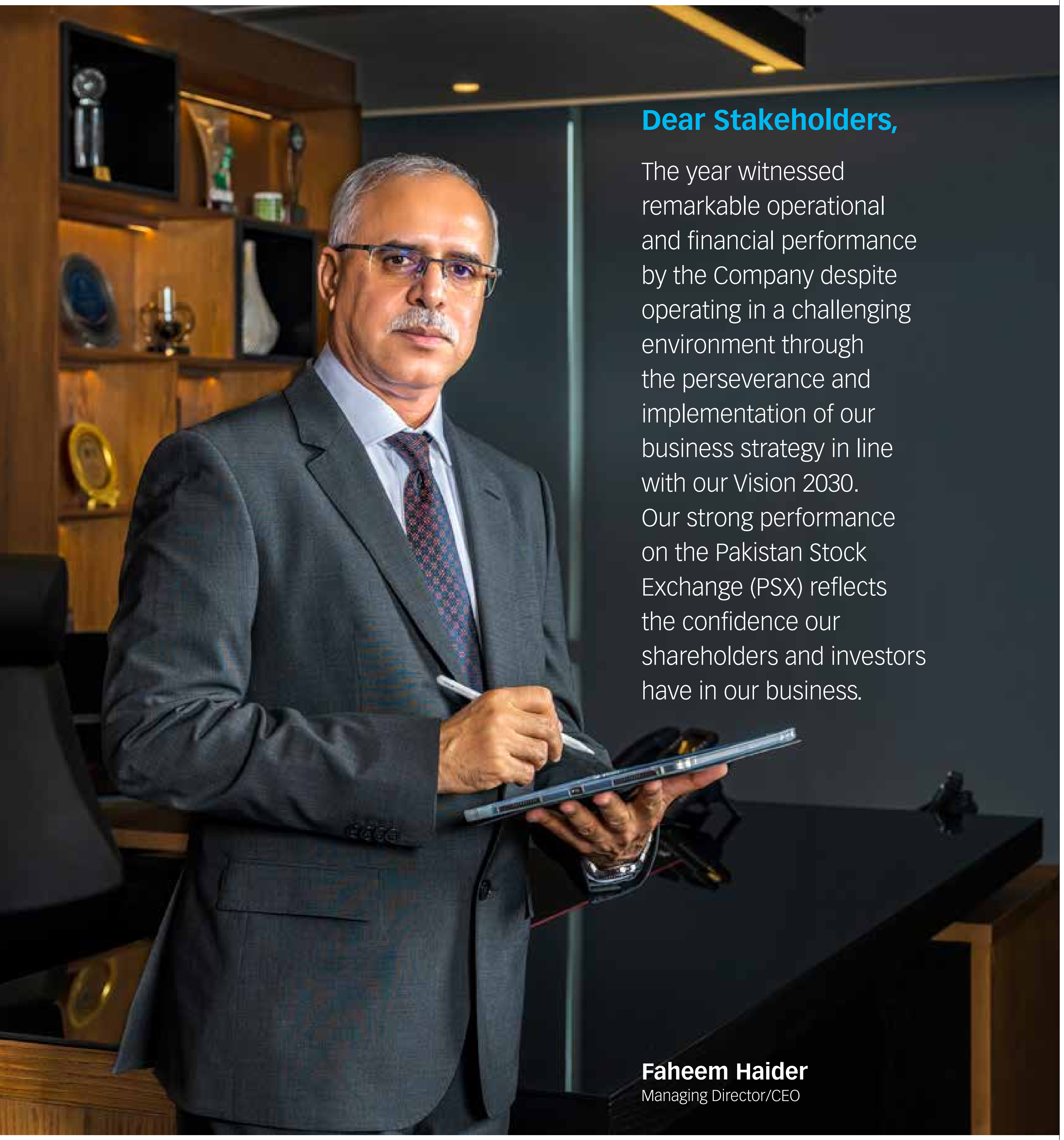
I would like to express my sincere gratitude to our dedicated management team, valued shareholders, partners, and other stakeholders. Your continued trust and support are the pillars of our success. Together, we will continue to push the boundaries of performance, seize opportunities, and deliver sustainable growth.

Thank you for your continued trust and confidence in MPCL.

Anwar Ali Hyder

Lt Gen
Anwar Ali Hyder, HI(M), (Retd)
Chairman
MPCL Board of Directors

Managing Director's Outlook



Dear Stakeholders,

The year witnessed remarkable operational and financial performance by the Company despite operating in a challenging environment through the perseverance and implementation of our business strategy in line with our Vision 2030. Our strong performance on the Pakistan Stock Exchange (PSX) reflects the confidence our shareholders and investors have in our business.

Faheem Haider
Managing Director/CEO

Tackling Challenges with Resilience

Throughout the year, we encountered several external challenges. The deteriorating security situation in Khyber Pakhtunkhwa and Balochistan presented significant operational and logistical challenges, impacting the timelines and consequently increase in costs of our projects, notably causing delay in the production startup from Shewa and little progress on Wali West Seismic. Additionally, the accumulation of trade debts continued to strain our financial resources.

We also faced a new challenge with the national grid's capacity constraints. The diversion of RLNG into the Sui companies' network, due to low offtake by the power sector, adversely affected domestic gas production.

Furthermore, the widening talent gap in the local job market, driven by the emigration of skilled professionals seeking better opportunities abroad, is also impacting the local exploration and production (E&P) sector and other high-skilled industries.

The aforementioned challenges, combined with socio-economic conditions of the country, added complexity to our operating environment. Despite these obstacles, with its proactive approach for tackling any challenges, MPCL has achieved commendable business growth and value creation, driven by our agile and robust decision making. Our resilience in overcoming adversity underscores our organizational strength and our consistent ability to deliver outstanding results.

Brief overview of our accomplishments for the year *vis-à-vis* our Vision-2030, are as follows:

Longevity of Mari Development and Production Lease

Development and Production lease of Mari field, which at the moment is the main contributor to the revenues of the Company, has been renewed for five years till November 2029, subject to an additional payment of 15% of wellhead value.

With the latest amendments in the Petroleum Policy 2012, the lease can now be extended further till Mari field's production remains economically viable. With this long-term visibility, we have put in place life of the field asset management plans for every reservoir of the Mari field in line with international best practices.

Growth in Reserves and Resources

With a remarkable increase of 168 million barrels of oil equivalent (MMBOE) in the reserves and an impressive reserves replacement ratio (RRR) of 423%, our total reserves and resources (2P+2C) reached an all-time high of 816 MMBOE, significantly enhancing the Company's long term outlook. Key contributors to these additions came from Ghazij, Shewa, SML/SUL, and Jhim East.

Enhancing Hydrocarbon Production and Financial Performance

During FY 2024, MPCL demonstrated exceptional operational and financial performance. We achieved a 7% increase in hydrocarbon sales, reaching 39.01 million barrels of oil equivalent (MMBOE). This growth was primarily driven by the successful operation and capacity enhancement of the Sachal Gas Processing Complex (SGPC), fast track production of additional gas volumes from the newly discovered Ghazij reservoir and better management of the HRL, SML-SUL reservoirs and satellite fields.

It is pertinent to mention that had there been no curtailment due to RLNG and had the Shewa Early Production Facility been started as planned (which got delayed due to non-connectivity to the SNGPL network), our production would have been even higher. Recognizing the external factors, we focused on completing the appraisal program of Ghazij and accelerated its production to compensate for the shortfall. Notably, MPCL's gas market share as an operator has risen from 24% in FY23 to 29% in FY24, while its oil market share has grown from 2.1% to 2.5%.

On the financial front, our robust production levels have propelled net sales to a record high of Rs. 181.8 billion. Net profit also reached an unprecedented level of Rs. 77.3 billion, translating into an impressive Earnings Per Share of Rs. 579.4. This performance underscores our strong financial health and capacity to enhance value for our shareholders.

The Company has played its role in strengthening the national economy by contributing Rs. 84 billion to the government exchequer through various taxes, levies, and duties, while also saving over USD 2.7 billion in foreign exchange through RLNG import substitution. These efforts are particularly crucial for our country, which is grappling with several macroeconomic challenges.

We are currently the second largest company on Pakistan Stock Exchange (PSX) with a market capitalization of over USD 1.5 billion. This achievement stands as a testament to the trust the investors place in our strategy, governance and management practices, and the consistency of our operational and financial performance.

Exploration Success

Our focused exploration efforts utilizing a customized exploration decision funnel has paid off and met with significant success, reinforcing MPCL's position as a leading energy explorer in the country. We made two noteworthy gas discoveries Maiwand X-1 in Block-28, Balochistan, and Shewa-2 in the Waziristan Block, Khyber Pakhtunkhwa, and a landmark oil discovery at Shawal-1 well in the Mari Field, Sindh. Another discovery Jhim East X-1 was made in our joint venture block Shah Bandar, Sindh operated by PPL.

Managing Director's Outlook

MD MPCL's visit to Shewa Field, Waziristan Block - KP

To further enhance our portfolio, we have acquired Spud Energy's entire working interests in Nareli (27.55%) and Zarghun South (40%) blocks in Balochistan, and a 44% working interest in the Kalchas South Block located in Punjab and Balochistan from Dewan Petroleum with UEPL as the operator. These strategic acquisitions have increased our exploration acreage and we are hopeful that with further activity they will enhance our resource base and provide a strong foundation for future growth.

Commencement of Production from Shewa

Carrying out activities in North Waziristan is itself a big challenge, the Company managed to drill Shewa 2 well and has connected it with the Early Production Facilities (EPF) located at Shewa-1. The works on EPF were completed and now the SNGPL pipeline has also been completed. Currently, pipeline hydro testing is in progress following which production startup is anticipated.

Supporting Projects of Nationally Significance

In line with our commitment to the greater national interest, MPCL is also at the forefront of several projects of strategic national importance with the support of other industry leaders. We are leading the updation of the Pakistan Basin Study and benchmarking of the Pakistan Offshore Fiscal Regime. Our efforts extend to processing of 2D seismic data of offshore areas acquired by China Geological Survey and updating of Pakistan's Energy Supply/Demand Model.

Additionally, MPCL is supporting the government initiatives in the mining sector, including a benchmarking study, harmonization of mining laws across provinces, and the development of a centralized, GIS-based web portal for Pakistan's mineral sector. These initiatives are crucial for shaping the future of Pakistan's energy and mineral landscapes.

Building on Diversification

Building on our commitment to diversification, we are strategically also expanding our operations beyond our traditional oil and gas sectors. By venturing into new areas such as mineral exploration, data center, cloud computing, artificial intelligence, green energies, carbon capture and storage (CCS) we are not only broadening our portfolio but also positioning MPCL for sustainable growth and resilience in a rapidly evolving market.

Our new subsidiary, Mari Mining Company is a key element of this diversification strategy, focusing on mineral exploration, has been awarded two new licences in the district of Chagai.

As we continue to invest in green energies, we are aligning with global trends toward sustainable practices and energy transitions. These initiatives reflect our commitment to innovation and long-term value creation, ensuring MPCL remains at the forefront of the energy and mining sectors while contributing positively to the broader economy.

Environment, Social and Governance

We remain steadfast in our pledge to ensure safety in all our activities. Our commitment to sustainability is embedded in our adherence to the triple bottom line approach - *People, Planet, and Profits.* In FY 2024, we invested Rs. 3.8 billion in corporate social responsibility initiatives, on the themes of health, education, vocational training, cattle herd development and environmental conservation. We published our first Sustainability Report in January this year, which documented our progress and reaffirming our dedication to responsible business practices. The second Sustainability Report is part of this integrated annual report.

Embracing Innovation and Technology

In our quest to address Pakistan's growing energy needs, we have consistently fostered innovation and adopted cutting-edge technology. Our efforts to enhance processing and production capabilities are integral to our expansion strategy. By staying at the forefront of technological advancements, we are not only boosting our operational efficiency but also ensuring that we remain competitive in the rapidly evolving energy sector.

Delivering Excellence

As we look to the future, we have reaffirmed the values that will guide us towards sustained success. We are dedicated to fostering a workplace culture centered on *integrity, unity and excellence.* By embracing these values and underlying behaviours, we aim to create an environment that complements our strategic targets and positions us as a leader in the energy and mining sectors.

Technical excellence is a core component of our culture. The Company has introduced numerous technologies for the first time in Pakistan that fuel our drive for enhancing the effectiveness and efficiency of our operations. These span to exploration, drilling, operations, asset and well integrity among other areas. During the year, key development areas were identified to enhance capabilities of reservoir and petroleum engineers and geoscientists. Internationally recognized technical experts were brought in to conduct in-house trainings, which were attended by participants from multi-disciplinary teams. These experts also provided active support for ongoing projects, enabling the teams to gain valuable experience to drive excellence in the identified areas.

Looking Ahead

Our success highlights the vast untapped hydrocarbon potential in Pakistan. With the right focus, the adoption of new technologies, and a willingness to take calculated risks, we can unlock this potential. Moreover, by streamlining our regulatory framework and implementing progressive policies, I am confident that we can lead Pakistan toward achieving energy and food security.

MSD Safety Day, 2024 - Islamabad

Building on our Vision 2030, operational strategy, and past achievements, we are committed to enhancing our production portfolio, exploring new opportunities in our core business, and investing in innovative technologies. Additionally, we are expanding our footprint in the mining and green energy sectors. Our focus remains on driving sustainable growth, increasing shareholder value, and contributing to the national economy.

Gratitude

Finally, I would like to extend my deepest gratitude to our dedicated employees whose hard work is the backbone of MPCL's success. I also want to recognize the invaluable support of our Board, shareholders, federal and provincial governments, Ministry of Petroleum and the law enforcement agencies, whose encouragement and understanding have been instrumental in our journey. Together, we have tackled challenges and emerged stronger, laying the foundation for a promising future.

Thank you for your continued trust and support. I am confident that MPCL will continue to deliver outstanding results and contribute to the prosperity of our nation.

Faheem Haider
Managing Director/CEO

Training on practical depth conversion and depth imaging for the interpreters by Dr. Scott Mackay

MPCL Reserves & Resources

Departmental Discussion on Reservoir Simulation Modeling - Head Office, Islamabad

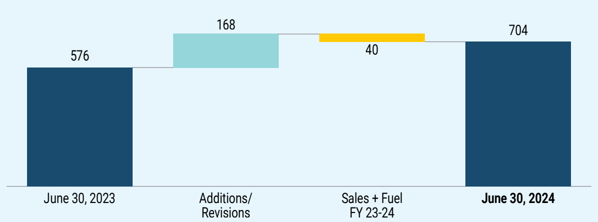
Considering the reserves replacement and resource addition as the most important indicators for any E&P Company, all our efforts are directed towards resource addition and progression for reserves replacement, while enhancing the current production.

During the year, the proved and probable (2P) reserves significantly increased by 168 MMBOE from various fields, which translates into an exceptional Reserve Replacement Ratio (RRR) of 423%. This increase in reserves primarily includes completion of Shewa early production facility, successful Appraisal of Lockhart formation with Shewa-2 Appraisal well in Waziristan Block, initiation of gas sales to SNGPL from Ghazij gas discovery in Mari D&PL after successful Appraisal program, improved performance of Mari D&PL fields producing from Sui Main Limestone/Sui Upper Limestone (SML/SUL) Reservoirs, Jhim East gas discovery in Shah Bandar Block and tie-in to MPCL Sujawal Gas Processing facility for gas sales.

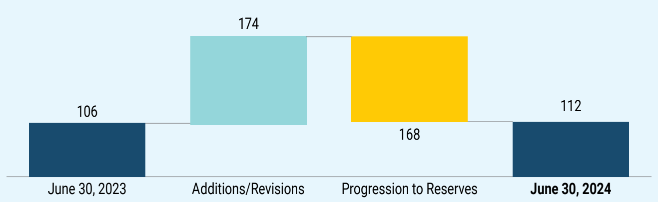
The Company's contingent resources (2C) also increased by 174 MMBOE during the year, primary contributors are successful Appraisal program of Ghazij field, Shawal oil discovery in Mari D&PL, Appraisal of Lockhart and Hangu formations in Shewa Field, Maiwand gas discovery in Block-28, Abu Dhabi offshore Block 5 Field Development Plan submission, Jhim East discovery in Shah Bandar Block and Mari Field (HRL Reservoir) contingent Resources. A total of 168 MMBOE were progressed from Contingent Resources to Reserves.

Total estimated reserves and resources (2P+2C) during 2023-24 increased from 682 on 30 Jun 2023 to 816 MMBOE as of 30 June 2024.

Estimated Proved + Probable Reserves
(2P) MMBOE NET



Estimated Contingent Resources
(2C) MMBOE NET



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

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

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

New Discoveries Extend Lifespan of Pakistan's Oil and Gas Reserves

Latest data has revealed that Pakistan's crude oil and gas reserves have shown a remarkable turnaround, with crude oil reserves increasing by 26% and gas reserves by 2%, as of June 30, 2024. This positive shift has reversed a long-standing trend of depletion, extending the country's oil and gas reserves' lifespan to 10 and 17 years, respectively.

This growth is largely due to new discoveries and revisions of existing reserves, with Mari Petroleum and OGDCL playing key roles. Mari's oil reserves have doubled since December 2023, while its gas reserves have also shown healthy growth.

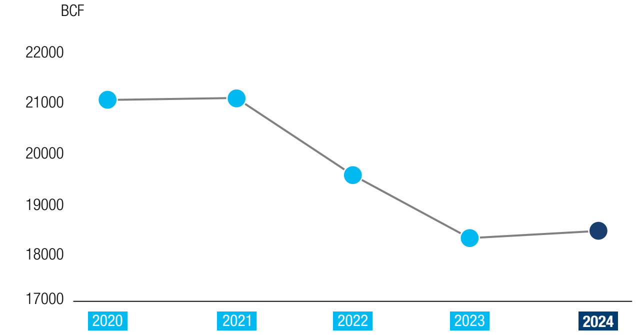
These achievements underscore the relentless efforts, major investments, and innovative technologies that exploration and production companies are deploying to maximize resource recovery.

As Pakistan continues to address the complex challenges of energy production and reserves management, these developments offer a cautiously optimistic outlook for the energy sector, especially for industry leaders like OGDCL and Mari Petroleum.

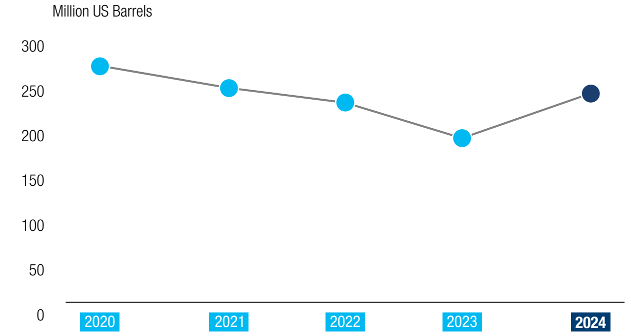
Recent amendments to the 2012 Petroleum Policy and the introduction of a new Tight Gas Policy are expected to incentivize further exploration and development. These policies, aimed at enhancing operational efficiency and resource recovery, hold promise for the future, provided that the operational environment remains supportive.

Source: *Intermarket Securities Research & Optimus Securities*

Country's Balance Recoverable Reserves (2P) - Gas



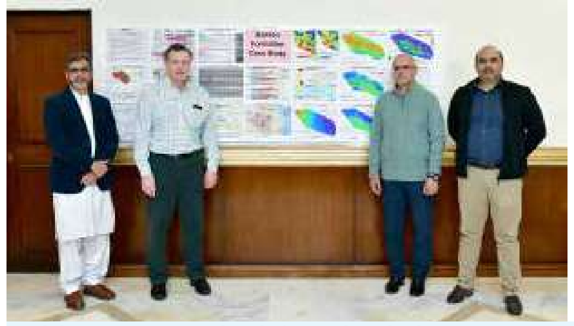
Country's Balance Recoverable Reserves (2P) - Oil



Source: *Pakistan Petroleum Information Service (PPIS)*

Discussion on new exploration prospects, Head Office - Islamabad

MPCL's Participation in Trainings, Seminars and Conferences



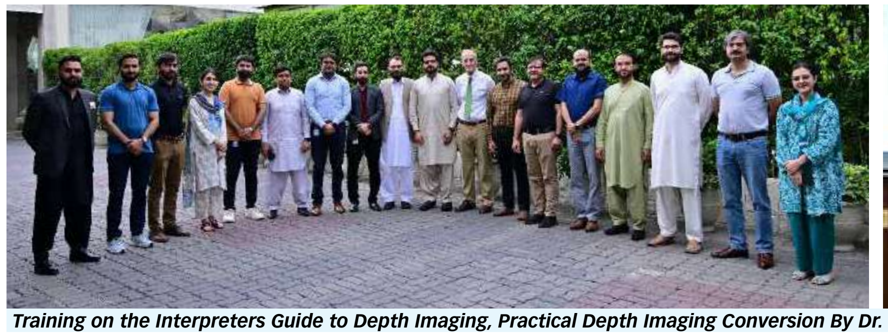

Training on Unconventional Plays, Islamabad


HSE Workshop on Logistics Safety

MPCL delegation at ADIPEC 2023

28th Annual Technical Conference, Islamabad

Petroleum Conference-2024 - Islamabad




Training on the Interpreters Guide to Depth Imaging, Practical Depth Imaging Conversion By Dr. Scott from Orbiz International - Islamabad


Training on Survey Design and OMNI 3D Software - Islamabad

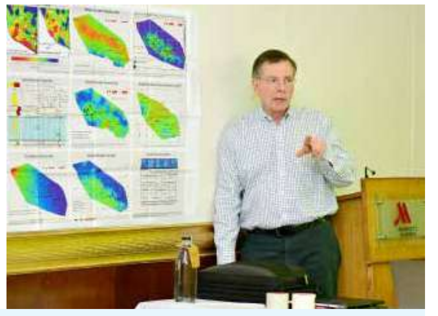
Training on Project Management by Mr. Tashfeen Riaz - Islamabad

Petroleum Institute of Pakistan


Training on Field Development Planning Fractured Carbonate Reservoir by Mr. Pascal Richards - Islamabad

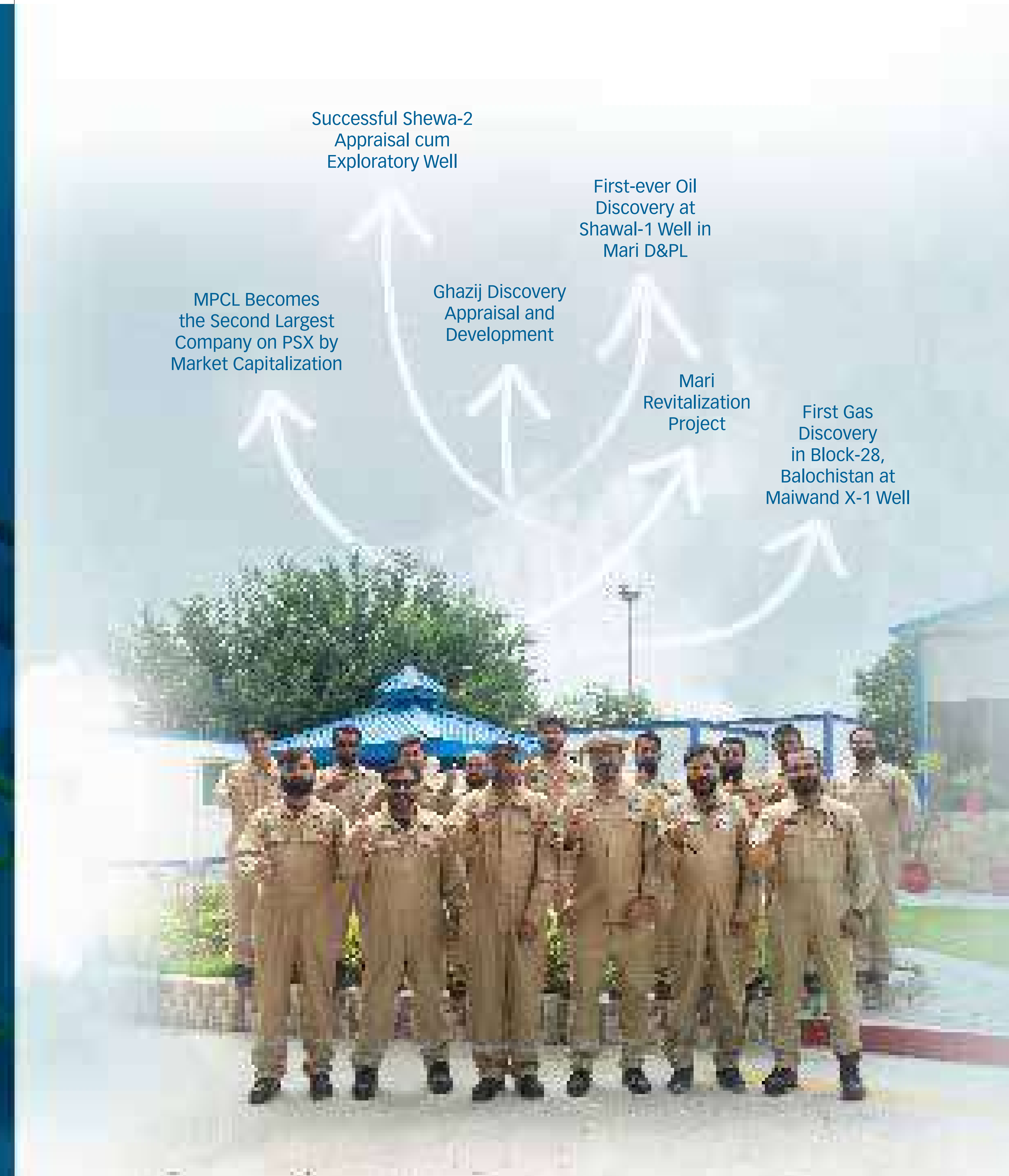
Training on Geo-Mechanics by Dr. Ramey Eid Abdel-Ghany - Islamabad

Training on Advanced Drilling Best Practices - Islamabad

Training on Unconventional Plays by Mr. Creties Jenkins - Islamabad

Success Stories



MPCL Becomes the Second Largest Company on PSX by Market Capitalization

On December 11, 2023, MPCL reached a significant milestone, surpassing the USD 1 billion mark in market capitalization. This momentum continued, with MPCL's market capitalization rising to USD 1.57 billion by August 2024, making it the second largest on PSX, just behind OGDCL. MPCL's share price now ranks among the top five on the exchange.

This remarkable growth is driven by MPCL's exceptional financial and operational performance. Since FY 2020, MPCL's reserves and resources (2P+2C) have increased by 45%, while production capacity and volume have grown by 19% and 18%, respectively. Net sales have surged by 152%, and net profit by 155%. As a result, market capitalization has climbed from Rs. 165 billion at the end of FY20 to Rs. 362 billion as of June 30, 2024, reflecting a 119% increase. Over the past four years, total shareholder return has reached an impressive 172%. Since the removal of the dividend cap in FY 2020-21, MPCL has distributed Rs. 86 billion in dividends.

In FY24 alone, the Company declared its highest-ever dividend of 2,320% and issued an unprecedented 800% fully paid bonus shares.

As MPCL continues to set industry benchmarks and achieve new milestones, it remains committed to delivering exceptional value to its shareholders and contributing significantly to the economy. With visionary leadership and strong business strategies, MPCL is well-positioned to maintain its upward trajectory and solidify its status as a market leader.


BUSINESS RECORDER
Founded by M.A. Zuberi

Market cap: Pakistan's energy giant Mari Petroleum joins billion-dollar club

- Becomes 7th company with market cap of over billion dollars at PSX

BR Web Desk Published December 11, 2023

INTERNATIONAL THE NEWS

Business

MARI joins $1 billion club as gas exploration pays off

By Our Correspondent | December 12, 2023

pt Profit

HEADLINES December 12, 2023

Mari Petroleum enters $1bn club amid gas exploration success

The company's share price has surged by an impressive 43 percent since the end of June, reflecting increased exploration efforts in recent months

PAKISTAN STOCK EXCHANGE LIMITED

Value Added to the Shareholders' Net Worth

One of the Company's greatest achievement over the years has been to consistently create and deliver long term value to its shareholders. MPCL share price is the highest in listed oil & gas companies (all streams). Since removal of cap on dividend distribution in FY 2020-21, the Company has distributed a whopping Rs. 86* billion as dividend to the shareholders. In addition to the cash dividend for FY24, the Board has recommended the highest-ever bonus shares of 800% (i.e. 8 shares for every one share held).

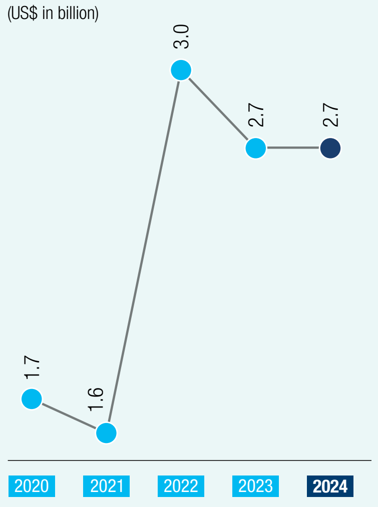
	Sponsor Shareholders	General Public
Total Holding (No. of Shares)	106.7 million	26.7 million
Current Worth of Holding (Rs) **	289.4 billion	72.4 billion
Total Value Addition		
Actual Investment (PKR)	367.5 million	
Current Worth (PKR)	361.8 billion	

** Including final dividend of Rs. 134/share, which will be distributed after the shareholders' approval in the upcoming AGM. Total dividend approved/recommended by the Board for the FY 2024 is Rs. 31 billion.*

*** Based on closing share price of Rs. 2,712.34 on June 30, 2024.*

Foreign Exchange Saving through Energy Import Substitution

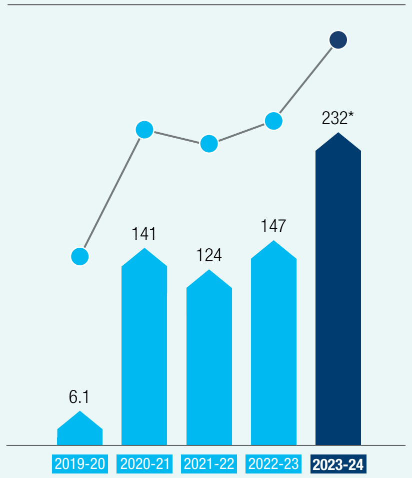
(US$ in billion)



Contribution to the National Economy

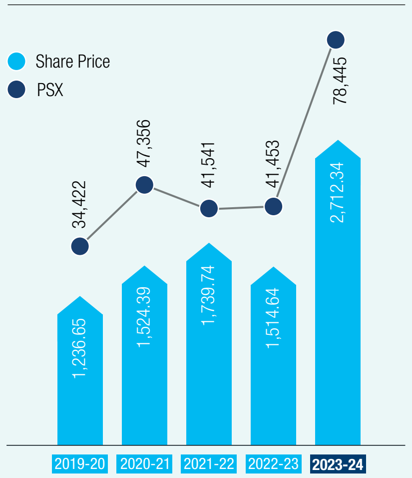
- Ensuring the Country's food security: More than 90% urea production based on MPCL supplied gas.
- Providing gas to power plants for electricity generation and to distribution companies for domestic/commercial consumers.
- One of the highest contributors to Government exchequer on account of various taxes and levies. Rs. 335 billion contributed during the last five years.
- MPCL produced oil & gas have helped save around US$ 12 billion foreign exchange through Energy import substitution during the last five years.
- Undertaking infrastructure development, and providing employment and economic opportunities in areas of operations.

Total Dividend Per Share



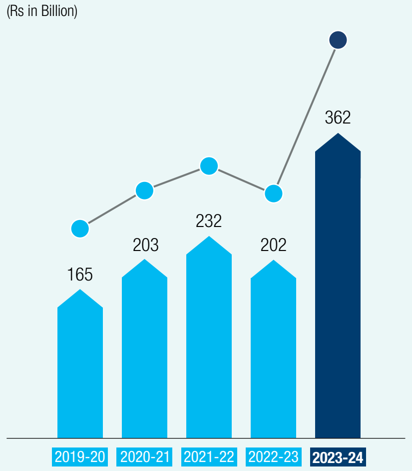
*Plus 800% fully paid bonus shares

Share Price Trend



Market Capitalization

(Rs in Billion)



Success Stories

Successful Shewa-2
Appraisal cum Exploratory Well

Building on the success of the Shewa-1 exploratory well, which resulted in a landmark gas discovery in Waziristan Block, MPCL drilled and tested the appraisal-cum-exploratory well Shewa-2 in Shewa Field during the year. The Kawagarh Formation was an exploratory target at Shewa-2 well in addition to the previously discovered hydrocarbon-bearing zones in Lokhart and Hangu reservoirs at the exploratory well Shewa-1.

The well was spudded on June 02, 2023, and successfully drilled down to the depth of 4,577 meters on November 01, 2023.

The appraisal results of the Lockhart and Hangu formations at Shewa-2 well confirmed the extension of the presence of hydrocarbons in these formations. The Lockhart Formation was tested at a (post-acid) gas flow rate of 51 MMSCFD and 391 barrels of condensate per day. The Hangu Formation was tested at a gas flow rate of 0.274 MMSCFD.

During testing, the Kawagarh Formation flowed gas at a sustainable rate of 0.607 million standard cubic feet per day (MMSCFD) with wellhead flowing pressure (WHFP) of 97 pounds per inch (Psi) at 32/64-inch choke size. This discovery is being evaluated for tight gas potential.

The well was completed in the Lockhart Formation and subsequently connected with the Shewa Early Production Facilities (EPF).

It is worth noting that the Shewa-2 well was drilled with MPCL's own Rig Mari-3. Despite difficult terrain and geological challenges, the drilling of Shewa-2 was completed in 174 days against 246 planned days, resulting in substantial cost savings. This efficiency was achieved through utilizing new technologies and incorporating learnings from Shewa-1. During this project, MPCL adhered to the highest standards of safety, environmental consciousness, and community engagement.

Shewa Early Production Facilities Project

In tandem with the drilling campaign in the Waziristan Block, the Company diligently pursued the installation and commissioning of the Early Production Facility (EPF) to expedite production from the Shewa discovery. The EPF was completed, and a Pre-startup Safety Review (PSSR) and testing of the plant equipment using fuel gas was successfully conducted in February 2024. However, the project faced delays due to the non-completion of the SNGPL pipeline which was hindered by the security situation in the area. MPCL is working closely with law enforcement agencies (LEAs) and SNGPL, providing all necessary support to expedite the pipeline's completion, which was finally achieved in early August 2024. Currently, hydrotesting of the pipeline is underway, with production expected to commence shortly thereafter.

It is noteworthy that up to 70 MMSCFD of gas will be injected into the national grid after the commissioning of the EPF and subsequent ramp-up. This will enhance the indigenous gas supply by over 3%. This will not only boost our production capacity but will also help diversify our production portfolio along with substantial revenue generation.

Future Projects

The Shewa Field Declaration of Commerciality and Development Plan are currently being developed and will be submitted to the regulator for approval in due course. In the Waziristan Block, several appraisal and exploration wells are planned to optimally explore its hydrocarbon potential. Among these, the Spinwam-1 exploratory well was spudded on May 28, 2024, with drilling expected to be completed by Q3 2024-25.

Through responsible resource development, we are committed to leaving a positive and lasting impact on the communities where we operate while fulfilling our national duty to ensure a reliable and sustainable energy supply.

Early Production Facilities at Shewa-1, Waziristan Block - KP

Celebrations of Shewa (Waziristan Block) Discovery, MPCL HO, Islamabad

Success Stories

Ghazij Discovery
Appraisal and Development

In January 2023, MPCL made a landmark gas discovery at Mari Ghazij-1 exploration well in Mari D&P Lease area. Mari Ghazij-1 discovery unveiled an entirely new play concept within mature basins across the country, presenting exciting opportunities for exploration and resource expansion with in producing fields.

Following the discovery, the Company devised a comprehensive appraisal program comprising a series of appraisal wells to evaluate the discovery and to determine its extent. In parallel, the Company also commenced evaluation of different options to develop the discovery.

During the year, the Company drilled and tested four appraisal wells:

- Mari Ghazij-2 was spudded on September 11, 2023, and successfully drilled down to a depth of 1,016 meters. The post-acid gas flow rate from the well was 11.1 million standard cubic feet per day (MMSCFD).
- Mari Ghazij-4 was spudded on December 20, 2023, and drilled down to a depth of 1,014 meters. The post-acid gas flow rate from the well was 6.57 MMSCFD.
- Mari Ghazij-5 was spudded on February 15, 2024, and drilled as a highly deviated well down to a depth of 1,483 meters. The post-acid gas flow rate from the well was 10.5 MMSCFD.
- Mari Ghazij-3 was spudded on April 21, 2024, and drilled down to a depth of 1,006 meters. The post-acid gas flow rate from the well was 4.78 MMSCFD.

All the five wells (one exploratory and four appraisal wells) have been put on Extended Well Testing (EWT) and are producing around 30 MMSCFD gas, which is being supplied to SNGPL.

To optimize development capital expenditure and save time and costs associated with land acquisitions, the Company leveraged the existing Mari infrastructure, including using existing well locations and the HRL gas network to minimize the development footprint.

The Declaration of Commerciality (DOC) for the Mari Ghazij discovery has been submitted to the regulator. Currently, work on the Field Development Plan is in progress, which will be submitted to the regulator for approval in due course.

The gas supply from Ghazij is helping to bridge the energy demand and supply gap in the country, while also conserving foreign exchange by leveraging indigenous hydrocarbon production.

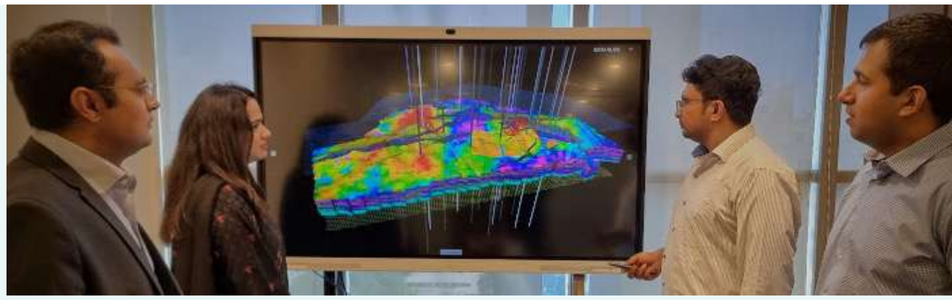
First-ever Oil Discovery at Shawal-1 Well in Mari D&PL, Producing Gas Since 1967

Ghazij formation continues to spring its surprises. During the year, the Company made an oil and gas discovery in Ghazij formation at exploratory well Shawal-1, in Mari D&P lease area.

Shawal-1 well was spudded on January 27, 2024, and successfully drilled down to a total depth of 1,136 meters into the Ghazij Formation. During testing, the well produced 1,040 barrels of ~30 degrees API crude oil with 2.5 MMSCFD of associated gas at a wellhead flowing pressure of 953 Psi at 32/64 inch choke size.

This is the first-ever oil discovery in Mari D&PL, which has been producing natural gas since 1967. This discovery has opened new possibilities, especially for infrastructure-led exploration in mature basins. The Company is working on appraising this oil discovery to determine its extent and evaluate its development options.

Mari Revitalization Project



The Mari Revitalization Project, initiated in 2021, has delivered immense value through the deployment of new technologies and innovative thinking. It has successfully arrested production decline, extended the production plateau by several years, and added additional reserves, strengthening MPCL's position as a leading E&P company in Pakistan. Key achievements to date include:

Mari Habib Rahi Limestone (HRL) Plateau Extension and Reserves Addition:
Mari HRL is the largest producing gas reservoir in Pakistan. The focus area for HRL was to extend the production plateau and maximize recovery. Over the past three years, MPCL has identified, evaluated and aggressively executed Pressure Enhancement Facilities (PEF) Project activities, successfully completing 4 horizontal wells, numerous well tubing change-outs, and acid stimulation jobs, with more horizontal wells planned. Most of the surface pipeline debottlenecking work has been completed despite challenging environment. Compression facilities project is in progress for installation in FY 2025-26. As a result, ~1 TSCF of reserves have been accelerated and 4-5 years of production plateau extension is expected.

Mari Sui Main Limestone (SML)-Sui Upper Limestone (SUL) Development:
The technical evaluation of all SML-SUL fields identified additional development opportunities including development wells and compression to add/accelerate reserves. Successfully drilled and completed Shaheen-3 development well to accelerate production and extend production plateau. Hilal-1 workover to access SML has seen production increase of over 60%. Two more wells are in the plan to be drilled during FY 2024-25.

Mari Deep (Goru-B Reservoir) Development:
Mari Deep field is Supplying raw gas to FPCDL through MDCPF, whereas, at Sachal Gas Processing Complex (SGPC), gas is processed and supplied to SNGPL. Mari Deep is a water drive reservoir requiring proactive reservoir and wells management to maximize the recovery and safe disposal of produced water. Development wells MD-17 and MD-20 have been drilled and successfully brought on production. More wells are also being planned to maintain production plateau and maximize recovery. Three water disposal wells have been drilled, with one more planned for FY 2024-25. Temporary water handling facilities are in place, and equipment for permanent facilities is on order to manage produced water in an environmentally friendly manner.

In line with MPCL's commitment to ESG policy, MPCL is progressing a Carbon Capture and Storage (CCS) project, which will involve capturing vented CO_2 at SGPC and sequestering it in the Ranikot formation. As part of Phase-1, the surface facilities concept selection and pre-FEED has been completed and FEED is being initiated. To validate suitability of Ranikot formation for CO_2 sequestration, Core and fluid samples from the Ranikot reservoir at MD-20 have been acquired, and the PVT (Pressure-Volume-Temperature) and SCAL (Special Core Analysis) studies are underway.

Mari Asset Integrity Management:
Mari Field is operational for over 50 years and has faced challenges related to aging infrastructure, outdated protection systems, and evolving land use and operating conditions. To address these issues, an Asset Integrity Campaign (AIC) was initiated in 2021. Significant progress has been made on the AIC's recommendations encompassing rehabilitation and replacement strategies, recalibrating pressure safety systems, addressing coating defects, replacing worn fittings, upgrading protection systems, and revising operating regimes to maintain field integrity.

A ground subsidence study has recently been completed to understand the risks associated with significant gas production in the Mari D&PL area over the past decades and planned production from the multiple vertically stacked reservoirs. The study indicated low risk of consequential ground subsidence and the recommendations of the study to monitor this risk going forward will be implemented.

In addition, fast track Appraisal and Development of Ghazij discovery and first ever oil discovery (Shawal) in Mari D&PL since 1967 are key success stories in Mari D&PL. Details are mentioned under major success stories during 2023-24.

Success Stories

First Gas Discovery in Block-28,
Balochistan at Maiwand X-1 Well



MPCL has made a gas discovery "Maiwand X-1" in Block-28 in Balochistan province. The well was spud on June 12, 2023, and successfully drilled down to 2,516 meters on November 12, 2023. Multiple promising zones were tested during Drill Stem Testing (DST). The testing results area as under:

Formation	Gas (MMscfd)
Dunghan and Ranikot	4.14
Pab and Mughal Kot	0.79
Mughal Kot Sandstone	1.11
Mughal Kot Limestone	0.38

This discovery is significant for future exploration as it has revealed valuable information about the working petroleum system and the accumulation of good-quality gas in the area.

MPCL is the Operator of Block-28, holding 95% Working Interest (WI) with OGDCL as a Joint Venture partner with 5% carried WI. Exploration activities were on halt since the grant of the Exploration License to Tullow Oil in 1991, due to security challenges.

Considering the block's prospectivity and its significance for the country's energy requirements, MPCL acquired the block along with Operatorship in July 2018. Thereafter, despite the highly challenging and rugged terrain, MPCL embarked on a mega seismic campaign and completed acquisition of 1,356 Line Km 2D seismic. Based on the prospectivity and ranking of the identified leads/prospects, Maiwand Prospect was selected for drilling as the first exploratory well in the block, which proved successful.

Mari Services Division (MSD)

“Resilience Amidst Change: Navigating the Energy Landscape”

Within our expansive portfolio, we boast a comprehensive array of cutting-edge assets including Drilling Rigs, Seismic Crews, Gravity and Magnetic Survey Units, Mud Logging Unit, and a state-of-the-art Data Processing Center.

As we venture into the heart of the energy sector, our strategic endeavors during 2023-24 have propelled us into security-sensitive areas of Pakistan with unwavering determination and foresight. Through a fusion of technological innovation, operational excellence, and unwavering commitment to HSE protocols, Mari Services Division stands at the forefront of advancing energy exploration initiatives while ensuring the safety and stability of our operations in Pakistan.

Mari Services Division is a pioneering force in the realm of energy exploration and support to the E&P Services space in Pakistan.

Mari Drilling Unit (MDU)

With extensive experience from challenging terrains including deep wells, our Rigs are designed, manufactured and equipped with cutting edge technology that includes automated drilling systems. MDU team has the capability to operate in security sensitive areas where other service providers cannot operate.

Rig Name	HP	
Rig Mari 1	1500 HP	MDU has successfully completed drilling of 8 wells and four workover during FY 2023-24.
Rig Mari 3	2500 HP	
Rig Mari 4	2000 HP	
Rig Mari 5	2000 HP	
Rig Mari 6	750 HP	

The newly manufactured Rig Mari 6 is a 750 HP Trailer mounted AC VFD Rig. The rig would be utilized primarily for drilling workover/shallow wells in Mari D&PL. The depth rating for Rig Mari 6 is 2500 meters. Rig Mari 6 stands commissioned and currently drilling its 1st well in Mari Field, Daharki.

Rig Mari 6

Mari Seismic Unit (MSU)

Mari Seismic Unit (MSU) takes it as an honour like all flag-wavers, to contribute towards National obligations through its hydrocarbon exploratory efforts in challenging Security Sensitive areas of KP and Balochistan Province. MSU persistently continues spearheading its way through all odds to achieve zenith of professional excellence and glory in the field of Seismic Acquisitions and Gravity and Magnetic Surveys. During FY 2023-24 Alpha, Beta and Charlie Crews have completed Nareli 2D and Musakhel 2D and are currently working on Peshawar East 2D/ GM, Sharan 2D and Wali West 2D.

MPCL's Alpha Seismic Crew has successfully completed third party 2D Seismic Data Acquisition project of Musakhel Block operated by Pakistan Petroleum Limited on 27th Jan 2024. The Crew operated in one the most challenging terrain with hard lithology. Despite devastating floods and unprecedented recent rain spells, the progress was severely hampered however the project was delivered as per commitments. The data quality was applauded by the client.

Musakhel 2D Seismic Project - Balochistan

Nareli 2D Seismic Project - Balochistan

Mari Mud Logging Unit (MMLU)

MMLU monitors drilling activities from spud till completion with critical mud logging data to enhance the drilling efficiency. By utilizing top-notch equipment from Geolog Italy, MMLU provides necessary support during core drilling operations for internal and third party projects. During FY 2023-24, MMLU provided mud logging services with exceptional results at various wells in with D&PL.

Business Expansion & Open Market Opportunities

MSD is all set to expand it's business inland/trans frontier. MSD continues to explore new opportunities for services sector activities in open market, in this regard number of bids have been submitted with major E&P companies operating in Pakistan.

In order to enhance its image as a leading Service Provider, MSD participated in SPE/PAPG ATC in Nov 2023 by setting up a booth at the Event which was lauded by the event participants.

Mari Seismic Processing Center (MSPC)

MSPC carried out the processing work on various projects including the Offshore Data Processing. Furthermore, CGG has extended the current contract for international projects.

MSD's Market and Service Development Strategy

Our market and service development strategy is based on the principles of providing high quality services for energy and mineral industries while deploying, both proven and innovative, technologies as well as highly skilled workforce. We are committed to comply with global operational HSE standards, best practices and talent development while ensuring sustainable business growth and industry leadership meeting all legal and regulatory requirements.

Seismic activities in Taung Block - Sindh

Risks and Opportunities Report

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

Board's efforts for determining the Company's level of Risk Tolerance

MPCL has fostered a risk-focused culture and consistent risk management framework organization-wide, under strong Board guidance. In line with the Code of Corporate Governance (COCG), the Board oversees the company's strategic direction and ensures robust risk management and internal control systems are in place.

The Board has developed an Enterprise Risk Management (ERM) Policy as the foundation for managing the company's risks, establishing minimum standards and practices within the defined risk appetite. Additionally, the Board, through the Board Audit Committee, conducts quarterly assessments of primary risks that could jeopardize the business strategy, operating model, performance, solvency, and liquidity, ensuring effective risk oversight.

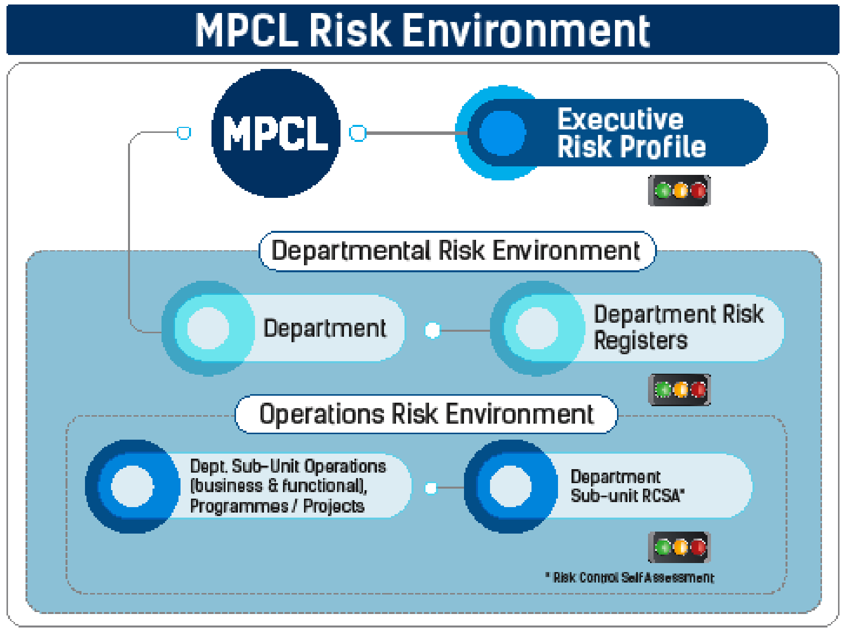
The Board and Management hold periodic discussions to address emerging risks. MPCL recognizes that complete risk elimination is impossible, accepting certain risks while pursuing strategic opportunities. This acceptance is determined at the appropriate authority level and within MPCL's predefined risk appetite and tolerance levels as set by the board.

Key Risk Indicators are also devised against the Risk Appetite Statements which are actively monitored for breaches. Breaches, if any, are reportable to the Board for information along with a mitigation plan to ensure their non-occurrence in future.

Enterprise Risk Management Framework

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

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



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

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

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

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

Key Risks faced by MPCL

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

Capitals - Legend

Financial | Intellectual | Natural | Human | Manufactured | Social & Relationship

STRATEGIC RISKS

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

Internal Factors

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

External Factors

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

How we manage Risk

- 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.
- Evaluation of shallow offshore prospects to identify potential areas, within Company's risk appetite, as targets for future exploration activities.
- Exploration lead growth strategy to enhance Company's resource base and attaining sustainable future growth in production and revenues.
- 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.

Performance and Way forward

- Development of multi-prong strategy to extend plateau of Mari Field, support core business by aggressively exploring hydrocarbon though organic and in-organic growth opportunities and expand portfolio by investments in near core and associated businesses.
- The appraisal-cum-exploratory well Shewa-2 has resulted in gas discovery from Kawagarh formation and confirmed extension of hydrocarbon play of Lockhart and Hangu formations.
- The Company has completed Mari Ghazij discovery's appraisal program, during which four appraisal wells were successfully drilled. All five wells (four appraisal and one discovery) have been put on production.
- As a result of MPCL's concerted efforts, installation of Shewa EPF and construction of SNGPL pipeline are complete and production commencement is expected soon.
- Addition of new exploration blocks (Kalchas South) in portfolio via farm-in.

OPERATIONAL RISKS

The risk of loss and/or missed opportunities resulting from inadequate or failed internal processes, people or systems or from external events

Internal Factors

- Safety incidents due to natural causes, human error or negligence, non-compliance of HSE procedures resulting in injuries, deaths, disruption of operations and associated losses.

External Factors

- Terrorism/ sabotage incidents at work sites due to precarious situation especially in remote and frontier regions where the Company operates or holds working interest resulting in disruption of business operations and ongoing projects.
- Challenges in opening of LCs due to shortage of FX resulting in supply chain disruption affecting operational activities.
- Risk of being unable to maintain optimal production levels due to Line pack of gas utilities companies resulting in forced curtailment of indigenous gas.
- Worsening economic situation significantly affecting the financial health of MPCL contractors impacting their capacity to deliver contracted services/work.
- Risk of well blowout/ uncontrolled gas leakage at well heads.
- Breach of digital security compromising the Company's cyber security and/or technology resilience with loss or misuse of data or sensitive information, business/production disruption.
- Extreme weather events especially excessive rains/ super floods etc. resulting in operational disruption and asset damage.

How we manage Risk

- Strong safety leadership culture maintained with an emphasis on process safety.
- MPCL enacts a rigorous, multi-tier security management plan across all its sites, utilizing state-of-the-art equipment and protocols. Furthermore, MPCL collaborates closely with national security agencies to protect personnel and assets in sensitive areas. The phased activities have enhanced coordination with law enforcement agencies.
- Development of procedures and training of employees for dealing with a well blowout. Well blowout management plan in place.
- Senior management commitment to HSE demonstrated through various engagement activities, visits to operated facilities, and sponsorship of and participation in safety events.
- HSE related evaluation of contractors during award of new contracts.
- Field SOPS and emergency preparedness guidelines are in place to deal with situations related to extreme weather conditions such as flooding etc.
- Active follow-up at appropriate forums to ensure timely opening of LCs along with evaluation of alternate avenues for provision of material locally.
- Improvement in overall Asset Integrity Management through implementation of comprehensive AIMS framework at all fields.
- Proactive preventive and corrective measures in place to deal with contractor non-performance.

Performance and Way forward

- Thorough forward planning and systematic scheduling of operations requiring security coverage have improved coordination with LEAs, ensuring uninterrupted operations.
- Under the framework of the Asset Integrity Management System (AIMS), several R&D pilot projects are underway to utilize advanced analytical tools and artificial intelligence.
- The volatile security situation in KP and Balochistan poses threats to MPCL personnel and assets, impacting operations and increasing security costs. MPCL has improved coordination with law enforcement agencies and enhanced internal security capabilities to ensure a safer environment for its nationally significant projects.
- During the period, HSE performance remained consistent and the Company achieved all of its set HSE related targets. Details about the HSE performance and way forward can be reviewed in the HSE section of the report.
- Departmental risk registers are undergoing revision to thoroughly identify risks within MPCL's operating environment and enhance control measures to address any identified gaps.

REGULATORY & COMPLIANCE RISKS

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

Internal Factors	How we manage Risk	Performance and Way forward
• Non-compliance of applicable laws, rules & regulations, policies and requirements resulting in penalties and reputational exposure. **External Factors** • Adverse impact on long-term strategies and business performance due to unfavorable/ unanticipated changes in government regulations. • Delays in requisite approvals from the Government in allocation of gas/condensates from new discoveries depriving the Company of early revenues. • Current economic situation/strict foreign exchange regulations inhibiting Company's ability to capitalize on profitable opportunities outside Pakistan.	• Zero tolerance stance of the Company against any non-compliance whether internal or external. • Checklists of all applicable laws, rules and regulations maintained and updated regularly. • The Company keeps a close watch on changes in regulations and promptly adjusts its business strategy and operations to take advantage of the offered incentives. • Continuous follow-up with concerned authorities for approval of foreign investments when required.	• The Company is undertaking proactive engagement with relevant governmental bodies and building a portfolio of long-term purpose-led partnerships with our key suppliers for steady and sustainable value-creation in terms of cost-efficiency and performance across the supply chain.

FINANCIAL RISKS

Risks arising from adverse market conditions and reporting risks from unreliable or inaccurate information and reporting procedures

External Factors	How we manage Risk	Performance and Way forward
• Risk of unfavorable fluctuations with reference to crude prices compared to planning assumptions. • Delay in settlement of Company's dues by its customers due to circular debt issue, negatively impacting company's liquidity position. • Tax matters related to sub-judice GIDC dispute between MPCL's customers and regulator resulting in financial and reputational exposure for the Company.	• Initiatives focused on enhancing the financial resilience, flexibility (in investment decisions), and efficiency (through capital discipline and addressing structural costs), aimed at managing prolonged periods of lower-than-expected oil prices. • Exploring diversification opportunities in related businesses to optimize our portfolio and mitigate the risk of shocks from low oil prices • Active follow-ups at appropriate levels are kept ensuring timely payments of government related dues and company's receivables. • Adequate measures taken on all applicable forums to protect the Company's interest in the sub-judice GIDC matter which is a pass-through charge for the Company.	• Trade debts are on an increasing trend due to increased supply of hydrocarbon to SNGPL. The Company has taken up this matter with the relevant government authorities for its immediate resolution.

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.

- Expanding Mari Services Division's capabilities through acquisitions like drilling rigs and directional drilling enhances the Company's ability to explore strategically important areas. With a strengthened capacity and successful track record, MSD can extend its services to both domestic and international E&P companies.
- MPCL benefits from substantial reserves, a robust equity position, and ample cash reserves, positioning the company with enhanced operational freedom and flexibility. This financial strength supports strategic investments in adjacent sectors such as renewables and mining, aligning with the company's long-term growth objectives and diversification strategies.
- Due to the challenging macro-economic situation in the Country, many companies in the energy value chain would be reconsidering their investments thus providing M&A opportunities for MPCL.
- Offshore exploration in Pakistan is a relatively lesser-explored front. MPCL is actively evaluating shallow offshore potential for opportunities having associated risk which is within the appetite of the Company. This can potentially expand the prospect inventory of the Company greatly and can contribute towards its growth in the longer term.

Creating Value from Opportunities

The Company has established processes to actively seek and evaluate potential investment and diversification opportunities. Strategic business plans are rigorously reviewed under the guidance of the Board to ensure identified opportunities are realized, contributing effectively to value creation and the achievement of the Company's vision.

Organizational Overview and External Environment

Kalabagh Gas & Condensate Field, Karak Block - KP & Punjab

The effect of seasonality on business in terms of production and sales

The 2024 Financial Year was challenging for MPCL. It remained steadfast in navigating Pakistan's oil and gas market characterized not only by seasonal demand fluctuations but significant operational challenges stemming from extended annual turnarounds by key fertilizer customers and sporadic suspension of gas supply to SNGPL due to its LNG offtake obligations, which strained their pipeline capacities. These factors posed significant hurdles to achieving our production targets for the year.

The Company's strategic focus continues to revolve around its core customer base, primarily supplying natural gas to fertilizer companies with consistent year-round demand. MPCL's proactive approach includes maintaining robust communication channels with all customers to quickly address and minimize disruptions caused by planned and unplanned shutdowns at their facilities. Moreover, in order to mitigate the impact of seasonal demand variations and abrupt suspension of gas supplies, MPCL is spearheading efforts in supply demand studies conducted by an international consultant, on behalf of the GoP. These studies aim to optimize the scheduling of LNG offtake in the country so it may not disrupt cost effective indigenous production in the Country. These initiatives underscore MPCL's commitment to enhancing operational resilience and maintaining stability in Pakistan's energy sector.

Significant factors. Affecting the external environment and organizational response

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

Political: The oil and gas sector remains vulnerable to geopolitical tensions, instability and armed conflict between nations in various parts of the world. The ongoing competition between major world powers and regional conflicts which in addition to Ukraine now encompasses the Middle East as well, continue to impact energy trade, prices and policies. These developments shape the energy landscape, influencing supply chains, fuelling price volatility, and prompting governments to reevaluate their energy strategies.

MPCL continues to adopt a neutral stance, independent of political affiliations, focusing on ensuring food and energy security for the nation. To mitigate impact of policy changes, MPCL maintains strong, professional relationships with all stakeholders including its customers and the regulators enabling it to shape positive opinions and advocacy for policy changes, leverage policy updates for collective stakeholder benefit and overcome challenges through proactive engagement.

Economic Environment: The economic landscape continues to be affected by volatility, with energy prices fluctuating in response to geopolitical tensions, supply chain disruptions, and global demand shifts. Amidst these challenges, MPCL remains committed to maintaining financial stability and resilience.

To navigate these turbulent markets, MPCL has adopted a dynamic approach, continuously refining its growth strategy to optimize resource utilization, enhance production, and diversify its portfolio. The Company actively explores opportunities in both domestic and international markets, seeking to expand its footprint and minimize risk. Moreover, MPCL is actively pursing a diversification strategy in near and non-core sectors aiming to achieve sustainable growth and reduce exposure to market fluctuations.

The Company has recently incorporated a mining subsidiary, Mari Mining Company Pvt Ltd which has applied and received offers for copper/gold exploration licences in the Chagai area of Balochistan. It has also applied for lithium exploration licences as well. MPCL is also actively engaged with relevant stakeholders for investment opportunities in reducing its carbon footprint and renewable energy projects.

Social Environment: Mari Petroleum Company Limited (MPCL) recognizes the significance of the social environment in the regions where it operates. The company's business operations are deeply rooted in the local communities, and MPCL is committed to understanding and addressing their needs and create shared value. By aligning its goals with the aspirations of these communities, MPCL focuses on their social and economic development, prioritizing their wellbeing, progress and prosperity.


CSR Activities at Shewa Field - Waziristan Block - KP

To achieve this, MPCL embraces a culturally sensitive approach, respecting local norms and traditions. The company engages in open dialogue with the communities, involving them in decision-making processes and providing employment opportunities. This collaborative and participatory methodology fosters trust, goodwill, and a positive reputation, enabling MPCL to fulfil its corporate social responsibility objectives in a meaningful and sustainable way. By doing so, MPCL contributes to the betterment of the communities it serves, ensuring a lasting and positive impact on the social environment.

Technological Environment: Technology is a key driver of success in the exploration and production (E&P) industry, enabling companies to enhance hydrocarbon recovery, unlock resource potential, and improve operational efficiency. The strategic deployment of technology can significantly reduce costs, increase productivity, and maximize returns. MPCL recognizes the importance of technological advancements and has embraced cutting-edge solutions to stay ahead in the industry.

Efficient utilization of technology can lead to cost reduction and increased productivity in operations. Technological advancements have greatly influenced the E&P industry, enabling the discovery and development of oil and gas resources at lower costs while maximizing recovery from existing reservoirs. MPCL recognizes the importance of staying updated with advanced technologies and has adopted various technologies in its operations. Deployment of Integrated Digital Drilling Solutions at Shewa-2 is the first step in our Digital Drilling Journey which resulted in Delivery of the Well without any Stuck Pipe

Halini Oil Field, Karak Block - KP & Punjab

SGPC, Mari Field, Daharki - Sindh

Event and with Cost / Time Savings. Cutting Edge Geo-Steering, Telemetry, UBD & Logging Tools were utilized in HRL Development Wells (Horizontal) to deliver MPCL's first Well which was drilled in completed in Under Balance Environment.

Advanced Logging Tools have been utilized in Ghazij Appraisal Wells to better understand reservoir properties.

Moreover, MPCL has been actively delving into the domain of Artificial Intelligence (AI) and dashboard development using Business Intelligence (BI) tools. This involves leveraging AI for predictive maintenance strategies, enhancing operational efficiency, and utilizing BI tools to create dynamic dashboards for real-time monitoring and decision-making. These technological ventures align with MPCL's commitment to staying at the forefront of innovation and digitalization in the energy sector. As MPCL continues to play a pivotal role in the country's energy landscape, navigating the challenges of maintaining an aging asset base and spearheading a groundbreaking project like SGPC requires a strategic and forward-thinking approach. By addressing these challenges head-on through proactive maintenance strategies, technological innovation, and a commitment to environmental and regulatory compliance, MPCL can ensure the sustained reliability and efficiency of its diverse asset portfolio for years to come.

Environmental Factors:

As an oil and gas Company, we recognize that exploration and production activities have considerable environmental impacts, including air and water pollution, land degradation, and the risk of accidents or spills. Managing and mitigating these impacts is crucial, aligning with global development goals set by the UN and other international bodies focused on environmental sustainability.

We prioritize Health, Safety, and Environment (HSE) considerations, implementing comprehensive measures to address potential risks before initiating any project. We are acutely aware of the dangers associated with Exploration and Production (E&P) activities and their potential effects on human life, the environment, and our reputation.

To ensure effective environmental management, we conduct thorough monitoring, evaluations, and analyses. We collaborate with relevant government agencies, bodies, and partners to uphold our environmental

Presentation on Importance of Psychological Safety at Workplace

policies and operational standards. Additionally, we have integrated the Global Reporting Initiative (GRI) Framework, Sustainability Accounting Standards Board (SASB) standards, and other sustainability guidelines into our operations, reinforcing our commitment to environmental responsibility. Furthermore, we have adopted International Financial Reporting Standards (IFRS1 and IFRS2) to enhance the transparency and accountability of our sustainability efforts.

Committed to a sustainable future, MPCL is dedicated to minimizing its environmental impact. The company is proactively exploring opportunities to reduce its operational carbon footprint through various projects.

Legal Environment:

In connection with business continuity and growth, the Company enters into various legal instruments containing commercial considerations and associated rights and obligations with inter alia government entities, regulatory bodies, joint venture partners, buyers, contractors, and service providers. Ambiguities in such legal instruments, or non-compliance / breach of agreed obligations, may have underlying legal implications, which may lead to disputes and potentially cause significant losses in terms of harming the Company's financial integrity, reputation and operational continuity. In this regard, the Company's in-house legal counsels provide legal advisory and support to the technical and commercial professionals with an aim to protect the Company against potential litigious and non-litigious legal implications arising due to various reasons which includes due to the executed legal instruments, from regulatory compliance related matters, from operational activities, amongst others. The Company's in-house legal team handles all legal matters, by providing actionable, solution-oriented and pragmatic legal solutions in a timely, responsive and cost-effective manner whilst continuously adapting to the evolving requirements of the Company. Whenever specialized legal support is required in complex matters, the in-house legal team engages external legal counsels for assistance.

The legislative and regulatory environment in which the organization operates:

All surface and sub-surface minerals in Pakistan are under the ownership of the Federal Government and are regulated through the Mines and Oilfields & Mineral Development (Government Control) Act, 1948. This foundational legislation governs various aspects related to mines and oilfields, encompassing the granting or revocation of exploration licences and mining leases, as well as the establishment of rates for royalties, rents, and taxes. Additionally, it exercises control over the production, storage, and distribution of minerals and oils.

Petroleum Rules, established by the Government of Pakistan (GoP) under the authority granted by the 1948 Act, are formally issued and published in the official Gazette. These rules are supplemented by petroleum policies periodically issued by the GoP. Together, these regulations provide the framework for governing the exploration, transportation, storage, processing, distribution, and sale of petroleum within Pakistan.

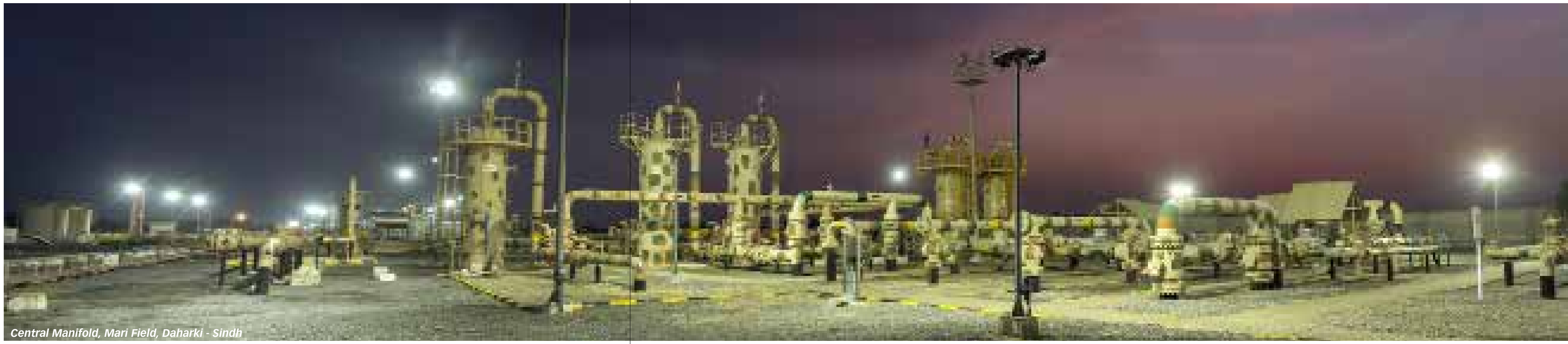
Regulatory oversight of Pakistan's petroleum sector is conducted by two primary bodies: (i) the Ministry of Energy (MOE), specifically through its Directorate General Petroleum Concessions (DGPC), which operates within the policy wing of the MOE, and (ii) the Oil and Gas Regulatory Authority (OGRA).

Within the MOE's Petroleum Division, the policy wing comprises various directorates and authorities tasked with managing different functions related to exploration and production (E&P) activities in the country. These bodies collectively ensure compliance with regulatory frameworks and contribute to the effective administration of Pakistan's petroleum resources.

The legitimate needs, interests of key stakeholders and industry trends:
As noted above, the oil and gas industry face significant challenges, geostrategic competition between regional and global rivals, impact of sanctions on Russia, fragility of the Iranian Nuclear deal and war in the Middle East have further exacerbated market unpredictability. As a result, energy security, supply diversification, and the low carbon transition have become increasingly pressing concerns.

In Pakistan, the upstream sector continues to face significant challenges, including maturing reserves, limited new discoveries, and declining foreign investment. The sector is heavily reliant on a few national players, and the growing share of circular debt, security costs, and operational constraints are hindering efforts to meet the country's increasing energy demands. While LNG imports offer some relief, the country's growing dependence on energy imports, particularly refined fuels and LNG, makes it vulnerable to international price fluctuations.

Geopolitical issues pose a significant threat to future oil and gas supplies, compromising energy security. To address this, the government and local energy companies are focusing on indigenous resources to meet the country's energy needs. Investments in natural gas, particularly those aimed at reducing greenhouse gas (GHG) intensity and enhancing related infrastructure, are expected to increase in the coming years. The outlook for the upstream sector remains challenging, but efforts to enhance exploration, production, and infrastructure development are crucial for ensuring energy security and mitigating the impact of global market volatility.



Central Manifold, Mari Field, Daharki - Sindh

SWOT Analysis of the Company

Strengths:
- Large reserves base with strong financial outlook
- Low cost operator among peer companies
- Dominant gas player operating Pakistan's one of the largest fields
- Strategic position as backbone of national food security
- Successful operating history in frontier & security sensitive areas
- Experienced & highly qualified work-force with positive work attitude
- Efficient & highly resilient Services Division

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

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

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

Competitive landscape and market positioning

MPCL oversees and operates the largest gas reservoir in the country located at Mari Field, Daharki in Sindh. As the second largest gas producer in the country, MPCL holds a market share of around 29% and achieves a cumulative hydrocarbons production of around 115,000 BOE per day.

MPCL has a distinctive position in Pakistan's petroleum exploration and production industry driven by its unique customer base, mainly comprising of fertilizer manufacturers, who rely on natural gas as their primary feedstock. The gas produced from Mari Field boasts an ideal chemical composition for urea manufacturing, requiring no additional processing for utilization in the fertilizer sector. MPCL supplies over 90% of the natural gas consumed in the country's urea production, solidifying its market dominance.

As a predominantly gas-focused company, MPCL's gas composition and low production cost provide a competitive advantage over other gas producers and sources. Currently, there is no immediate competition from other exploration and production companies operating in Pakistan, particularly given the widening imbalance between gas supply and demand faced by gas utility companies. This has led to a heavy reliance on imported RLNG (Re-gasified Liquefied Natural Gas), priced under a ring-fenced full cost recovery mechanism.

Notably, the pricing of indigenous gas production for the fertilizer sector is subsidized, effectively eliminating competition with RLNG. This subsidy combined with MPCL's market dominance and competitive advantage, cements its position as a leading player in Pakistan's gas market. Additionally, the Company has also taken a proactive role by engaging international experts to conduct a supply/demand study in order to address the LNG and local production imbalances. This would enhance strategic planning, influence policy, optimize operations and boost investor confidence on a national scale.

The local and international political environment affecting the ability of the organization to implement its strategy
Over the past few years, Pakistan has experienced increasing political and economic uncertainty. The country is not just grappling with a collapsing economy but also facing challenges on wider social and governance indicators. The lack of a stable and predictable environment is a huge hurdle in solving the country's daunting economic problems, which are either left to fester or met with short-term quick-fix policy responses.

Unpredictable political and economic factors are responsible for a steady decline in productivity and the GDP growth rate. Low investment levels, high cost of production, mounting trade receivables, and the security challenges are amongst other key factors which are badly affecting the business activities particularly the performance of upstream petroleum sector.

Significant events occurred during and after the reporting period

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

Ghazij Discovery: In FY 2024, the company drilled four appraisal wells Mari-Ghazij-2, Mari Ghazij-3, Mari Ghazij-4 and Mari Ghazij-5 and put on production during the year after the successful drilling and subsequent discovery of exploration well Ghazij-1 in Mari D&P Lease area during the preceding year. Gas from the discovery is allocated to SNGPL. The Declaration of Commerciality (DOC) document has been submitted and Field Development Plan is being formulated.

In addition, the Company also made a landmark crude oil discovery Shawal-1 exploration well drilled in Mari Field in April 2024. The discovery was made in Ghazij formation. Test production has been dispatched to Pakistan Refinery

Halini Oil Field, Karak Block - KP & Punjab

Limited as per government allocation. The well is currently completed and under evaluation.

Kawagarh Discovery: In January 2024, MPCL made gas discovery at its appraisal-cum-exploratory well drilled in North Waziristan block in Kawagarh formation. The well is currently under evaluation and plans are being worked out for its optimal production strategy from the discovered formation.

Dunghan/Ranikot Discovery: MPCL has discovered gas in its exploratory well, Maiwand X-1, drilled in Block 28 of the Balochistan province, targeting the Dunghan and Ranikot reservoirs. Given the low volume of the gas, MPCL, as the operator, is pursuing plans to sell the gas to third-party buyers through a bidding process.

Amendments in 2012 Petroleum Policy: The GoP has approved the applicability of Zone-1(F) incentives to existing Exploration Licences (ELs) and Development & Production Leases (D&PLs) in security sensitive areas. Accordingly, MPCL has submitted its application to avail the incentive for its eligible blocks. The government has also allowed renewal of existing and future leases till commercial viability of a field. This incentive would enable MPCL to retain its leases till they reach their economic limits.

EPF at Waziristan Block: The construction of EPF at Waziristan Block has been completed and pre-commissioning activities have also been performed successfully. After completion of SNGPL pipeline, the hydro-testing of the pipeline is in progress which will be followed by production commencement.

Offshore Block-5 (UAE): PIOL has completed the first appraisal well (BD-0003) as per the Appraisal Programme for Pre-Existing Discoveries. The well results are as per expectations confirming both the structure and volumes. The drilling plan includes two more appraisal wells and an exploratory well which is continuing.

Mari Mining Company: MPCL has incorporated Mari Mining Company (Private) Limited to tap opportunities in the mining sector. The subsidiary has applied for various copper/gold and lithium exploration licences in district Chagai of Balochistan. The Balochistan Mines and Mineral Directorate (MMD) has offered two ELs, EL322 and EL323 pertaining to copper/gold exploration in the district. The Company has accepted the offer and is completing the license conditions.

Strategy and Resource Allocation

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

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

Exploration Portfolio Management:
MPCL is following a robust exploration portfolio management strategy which follows a rigorous & detailed review process to rank & prioritize the leads and prospects to ensure a robust risk reward matrix, based on which drilling and seismic plans are drafted. It enables the optimum utilization of available resources including funds, by targeting high grade exploration wells to ensure efficient capital discipline and production maximization.

Enhancement of Production:
The company is the single largest supplier of natural gas from Mari field to its fertilizer customers. There is a natural decline in supply pressure due to reservoir depletion. In order to manage delivery pressure and to extend plateau production, MPCL is working closely with its fertilizer customers to ensure national food security. The PEF (Pressure Enhancement Facilities) project at Mari Field, a joint effort between MPCL and its fertilizer customers consists of debottlenecking of surface pipeline infrastructure and installation of compression facility at various nodes, aims to ensure availability of gas to fertilizer plants for extended period of time.

Diversification and Clean Investments:
The company is also evaluating various options to dispose-off CO_2 separated from natural gas as a result of its gas processing operations by permanently sequestering it underground to reduce its carbon footprint. CO_2 disposal through injection into saline aquifers, or reusing it for commercial purposes are being studied at the moment.

Besides focusing on its core business portfolio, MPCL is also evaluating various investments in near core or non-core areas such as renewables, mining, green hydrogen, energy infrastructure and other investment avenues in the midstream or downstream sectors. The company has also engaged local and international consultants to seek help in carrying out studies for exploring potential opportunities in clean energy space and CCS.

Resource allocation plans to implement the strategy

The company is almost entirely structured on Equity Finance and had only Rs. 0.74 billion under Temporary Economic Re-Finance Facility (TERF) on its balance sheet at year end. Total equity as on June 30, 2024 was around Rs. 225 billion. In order to maintain financial discipline in investment decisions making, Company follows a robust and highly efficient capital allocation process which deploys built-for-purpose financial models for assessing multiple scenarios and sensitivities affecting the potential projects.

As of June 30, 2024, the Company had bank balance and short term investments of Rs. 74.89 billion. During the year Rs. 100.44 billion were generated from operating activities. At present the Company has sufficient funds to cater for its routine short term capital and operational requirements. However, in order to execute its aggressive exploration and development plans, particularly in the wake of continuously increasing burden of circular debt, priorities are being set to ensure efficient capital allocation to maximize value both for the Company and its shareholder.

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

Company's Vision for 2030 sets the operational priorities for its business plan, which undergo a rigorous process of consultation and deliberations before commencement of annual budgeting process. In sync with the business plan, capital budget is derived from the annual work program keeping in view the available resources and the prevalent macroeconomic conditions. The projects are prioritized based on a number of criteria accounting for projects in-flight, work commitment, ease of operations, proximity to existing

Control Room, Mari Field, Daharki - Sindh

infrastructure and overall project returns while taking into account concentration risk and the cash buffer. The short listed projects are further stress-tested on key risks, including but not limited to security situation in the area, import constraints due to forex issues, trade debts & regulatory considerations and are rationalized by drawing on previous experiences, lifecycle cost considerations and resources availability.

The aforesaid approach has led to an optimal work program for FY 2024-25, which will enable the company to carry out exploration and development activities as well as keep the overall cash flows in check.

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

Human Capital: MPCL expanding workforce is a key driver of its growth, bringing fresh perspective and enhancing the Company's ability to meet new challenges and opportunities. This growth not only supports operational demands but also fuels innovation and strengthens overall performance.

Hydrocarbon Reserves: Hydrocarbon Reserves: MPCL possesses substantial hydrocarbon reserves that ensure its ability to meet long-term supply commitments. As of June 30, 2024, the Company's 2P reserves stood at 704 million barrels of oil equivalent (MMBOE). MPCL ranks 2nd in the country in terms of reserves, with OGDCL being the only company with a larger reserves base. To secure the company's long-term viability, concerted efforts were made to accelerate Ghazij and Shewa discoveries, enabling MPCL to achieve a reserves replacement ratio of 423%.

Financial Resources: As of June 30, 2024, MPCL had shareholders' funds totaling around Rs. 225 billion at its disposal, with only Rs. 0.74 billion in long-term financing. This strong financial health provides the company with greater flexibility to pursue opportunities in both core and non-core areas.

MPCL's Seismic Expertise in Challenging Environment: Within our expansive portfolio, we boast a comprehensive array of cutting-edge assets including Drilling Rigs, Seismic Crews, Gravity and Magnetic Survey Units, Mud Logging Unit, and a state-of-the-art Data Processing Center.

As we venture forward, our strategic endeavors during 2023-24 have propelled us into security-sensitive areas of Pakistan with unwavering determination and foresight. Through a fusion of technological innovation, operational excellence, and unwavering commitment to HSE protocols, Mari Services Division stands at the forefront of advancing energy exploration initiatives while ensuring the safety and stability of our operations in Pakistan.

Mari Services Division is a pioneering force in the realm of energy exploration and support to the E&P Services space in Pakistan.

Brand Equity: MPCL maintains a distinguished position among corporate entities in Pakistan. The company's strong corporate image, market reputation, reliability, and robust relationships with customers, suppliers, joint venture partners, and local communities are pivotal to its ongoing success. MPCL also has a unique reputation and a proven track record of operating in security-sensitive, remote, and challenging areas.

The delay in revising gas prices resulted in a negative price differential, significantly impacting MPCL's financial position. Despite the wellhead prices at Mari field increasing, the unchanged gas sale prices led to this negative differential and substantial receivables from public sector gas utility companies creating liquidity challenges critical for sustaining operations and exploration activities.

Following concerted efforts by MPCL and the Petroleum Division, gas sale prices for the fertilizer sector from Mari Field were finally revised in October 2023. This has effectively addressed the negative differential margin issue. The issue stands resolved and after collection from customers, gas development surcharge is deposited in the government treasury.

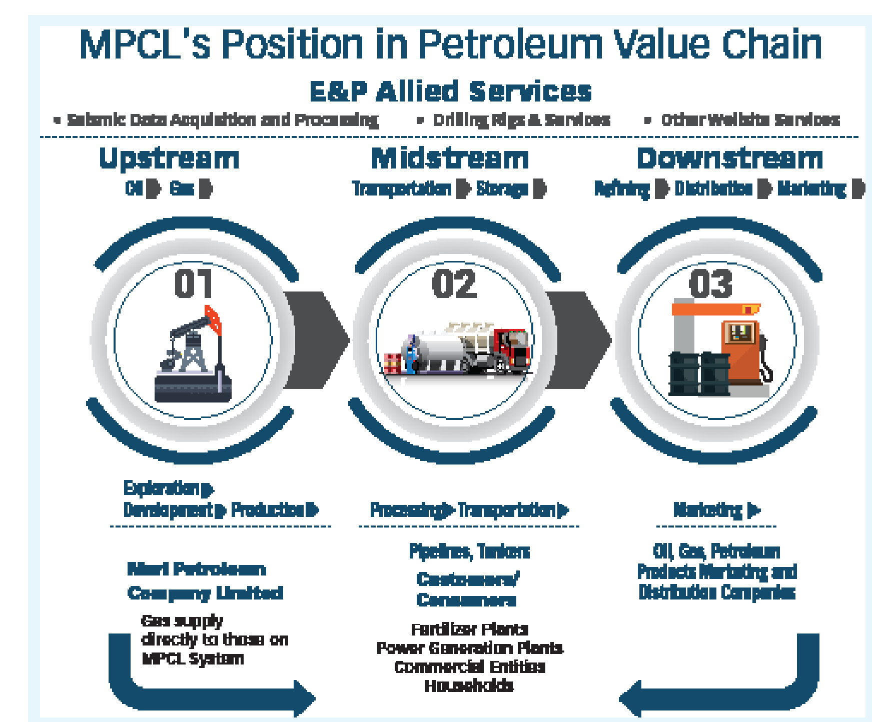
Analysis of the Company's Current performance Vis-à-vis targets

The Company's focus on core business, disciplined capital allocation, operational

Zarghun South Gas Field - Balochistan

excellence, use of new technologies and major investments in exploration and development projects is creating value for all stakeholders. The Company has enhanced its production capacity, maintained low operating cost and has been able to grow its resource base and portfolio. Some of the key highlights of FY 2024 are given below:

- Net Sales of Rs. 181.83 billion (FY 2023: Rs. 145.77 billion) and Net Profit of Rs. 77.29 billion (after super tax @ 10%) (FY 2023: Rs. 56.13 billion), showing an increase of 25% and 38%, respectively compared to last year. Earnings per share stood at Rs. 579.36 per share vs. Rs. 420.75 per share in FY 2023). Better prices, higher exchange rate, and incremental pricing for SGPC and swing volume helped in achieving these results.
- Hydrocarbon sales during FY 2023-24 stood at 39.01 MMBOE (FY 2022-23: 36.35 MMBOE) at an average of 106,595 BOE per day against the target of 108,364 BOE per day. Sales were mainly impacted due to external factors which includes forced curtailment



of gas by SNGPL from Mari Field, delay in commencement of production from Shewa EPF and frequent low offtakes by FPCDL. However, company effectively managed to minimize the impact of these external factors by ensuring uninterrupted sales to fertilizer customers at Mari Field and managing sales from satellite fields despite security challenges.

- The management implemented conscious cost optimization measures in all operations and has been able to sustain operating cost of around USD 2 per barrel of oil equivalent.

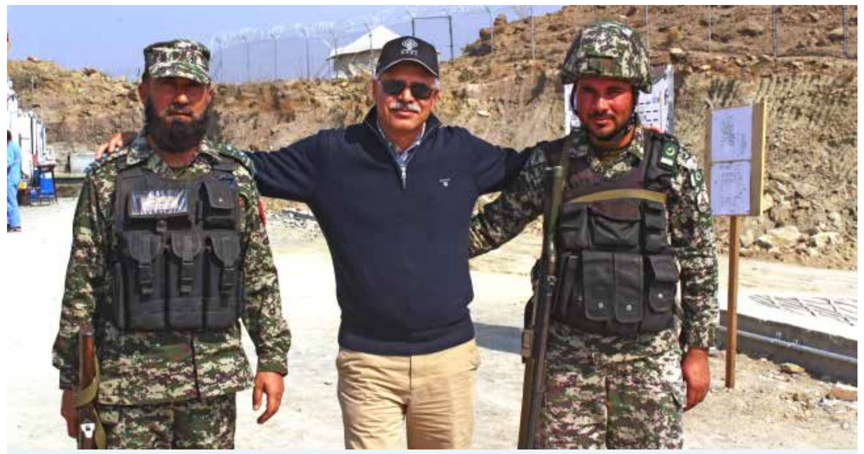
- 1st ever crude oil discovery in Mari Field at exploratory well Shawal-1.

- During the year 2023-24, the company secured 44% working interest in Kalchas South block as a JV partner. The company also signed agreements for acquisition of Spud Energy's working interest in Zarghun South Development & Production Lease (40%) and Nareli Block (27.55%), which are pending regulatory approvals.

  The Company's portfolio now consists of 35 blocks in Pakistan plus one offshore block in Abu Dhabi, spread over 68,695 sq. km.

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

- **Security Situation:** Terrorist activities in KP and Balochistan remained a major challenge for MPCL. Company personnel working in these regions lost their lives due to terrorist's attacks in high threat environments. Increased precautionary measures have been taken in collaboration with LEAs to enhance security protocols, safeguard personnel and eliminate these risks. The company is also working on plans to reduce security costs.



MD's Visit to Shewa-1, Waziristan Block - KP

- **Shewa Pipeline Commissioning:** The pipeline connecting the Shewa EPF to SNGPL's tie-in point, despite multiple delays, has now been successfully completed. Commissioning activities are currently underway, marking a critical phase in the project. MPCL and other key stakeholders remain actively engaged in ensuring all final arrangements are in place to enable the smooth flow of first gas. The collaborative efforts have brought the project to this advanced stage, with commissioning progressing as planned and preparations for gas transmission nearing completion.

- **Circular Debt:** The Company's share in circular debt reached Rs. 73 billion on June 30, 2024, out of which, Rs. 62 billion are overdue. The continued build-up of the circular debt could cause cash flow issues for the company and discussions are on going with the GoP and public sector gas utility companies to resolve the issue. Mitigation strategies are also being explored to reduce and eventually eliminate this exposure going forward.

- **Macro-Economic challenges** Inflation, forex non-availability, and delays in LC opening continue to pose challenges for the company to meet its commitments.

Diversification:
In order to achieve a resilient and diverse revenue stream while effectively managing risks, the Company is committed to diversification and strategic investments across different sectors. We are currently evaluating various projects and conducting thorough due diligence to identify the most promising ventures.

In line with its diversification into mining, MPCL has established Mari Mining Company (Private) Limited as its wholly owned subsidiary. The Company has been offered two new licences. These new licences and existing license EL-186 are for Gold, Copper, Lead, Zinc, Silver and Platinum Group Metals and are located in District Chagai, Balochistan. The Company plans to undertake field work which will include Geo physical & gravity magnetics surveys and Geochemical sampling. MPCL is also in discussions with various international mining companies for potential collaboration on mining projects in the country.

Furthermore, MPCL plans to diversify into near-core or non-core areas such as renewables, green hydrogen, and other investment opportunities within the oil and gas sector. We are continually assessing opportunities in these fields and have engaged local and international consultants to conduct studies for potential prospects.

MPCL Business Model

MPCL's business model continues to align its objectives with operational priorities, offering a comprehensive strategic roadmap. This roadmap considers both internal and external market dynamics, evaluating strategic opportunities in key areas, including but not limited to:

Strengthening the E&P Core: This involves expanding exploration blocks both onshore and offshore, enhancing production from existing reservoirs, and exploring adjacent industries through renewable projects.

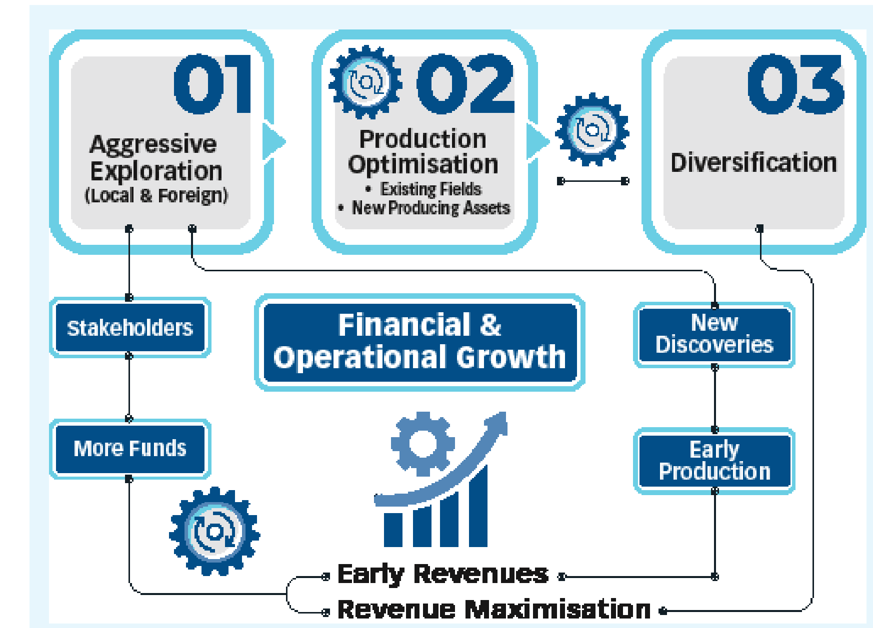
Operational Efficiency & Budgetary Control: Measures are implemented to reduce finding, development, and operating costs. Ensuring efficient resource allocation.

Production Optimization: The production optimization, particularly in the Mari D&PL area, to generate additional revenues that can be used to fund core business activities and future diversification objectives.

International Growth: PIOL has provided MPCL a strong foothold, opening the door to future opportunities. Nevertheless, MPCL remains focused on acquiring international blocks, with a particular emphasis on short cycle and low-cost assets to drive global expansion ambitions.

Exploration-led Growth Strategy: The company continues to pursue organic growth through exploration activities to replenish reserves and counter depletion.

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



a) **Growth**: Focus on business growth strategies, including hydrocarbon production, resource addition, reserves enhancement, acquisition of exploration acreages and business expansion diversification initiatives.

b) **Financials:** Aim to increase shareholder return, enhance net profit through sales growth and receivable recoveries, implement budgetary control measures, and achieve financial self-sufficiency across all sections of the Mari Services Division.

d) **Internal Processes:** Restructuring internal processes by adopting the latest technologies and techniques to improve operational efficiency.

e) **Stakeholders:** Consider the expectations of stakeholders, including joint venture partners, shareholders, customers, employees, and local communities in operational areas.

Stakeholders' engagement process and the frequency of such engagements

a) **Customers and Suppliers:** MPCL places high value on engaging with customers and suppliers to nurture robust relationships. Consistent and proactive communication is essential for comprehending their needs, addressing concerns promptly, and fostering mutually advantageous partnerships. The frequency of engagement with customers and suppliers to tailored to the unique demands of each business relationship and the specific requirements of involved parties.

b) **Regulators:** Engagement with regulators is essential for MPCL to ensure compliance with industry regulations, demonstrate responsible corporate behavior, and uphold a positive corporate image. Regular interactions with regulators help establish a transparent and cooperative relationship, allowing MPCL to stay updated on regulatory changes, industry standards, and compliance requirements.

MPCL is also a member of Pakistan Petroleum Exploration and Production Companies Association (PPEPCA). PPEPCA is a key advisory and representative body of the upstream petroleum industry of Pakistan and plays an important role in conveying E&P companies' perspective to regulators.

Forward-Looking Statement

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

For the coming year, our priorities include successful completion of on-going projects including: development of Ghazij discovery, commencement of EWT gas production from Shewa-1 discovery, embark upon the critical phase of compressors installation under HRL Pressure Enhancement Facilities Project, safe delivery of strategic wells (Spinwarm-1 and Zarghun South-5 wells), additional horizontal wells in HRL Formation, complete field development of Shewa and Ghazij discoveries, Mari Re-vitalization Project, and completion of seismic, gravity and magnetic surveys in multiple blocks.

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

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

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

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

The projections and forecasts in MPCL's business plans are based on a combination of reliable sources, including PPIS reports, the Economic Survey of Pakistan, and various international oil and gas industry-specific sources such as publications and websites from the International Energy Agency (IEA). These external sources are complemented by the company's internal data related to exploration, production, and finance.

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

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

Analysis of Prior Period Forward-Looking Disclosures

In the previous year's forward-looking statements, the Company identified several key focus areas, including:

- Strengthening of core business by increasing production and achieving 100% reserves replacement ratio
- Installation and commissioning of Shewa-1 Early Production Facilities
- Completion of pipeline debottlenecking and finalizing the study for compressor installation under HRL Pressure Enhancement Facilities Project
- Turnaround of SGPC and commissioning of third Amine Sweetening Unit
- Drilling of strategic wells: Shewa-2, Maiwand X-1, and Bolan West
- Drilling of additional horizontal wells in the HRL formation
- Appraisal and development of Ghazij-1 discovery
- Executing the Mari Re-vitalization Project
- Completion of seismic, gravity and magnetic surveys in Nareli, Wali West and other blocks
- Pursue diversification opportunities in mining, green hydrogen and renewables
- Become a national leader in ESG by reducing carbon footprint through CCS projects

Upon reviewing the Company's actual performance and the status of ongoing projects, as detailed in the section titled "Analysis of the Company's Current Performance vis-à-vis the Targets," it is evident that the Company's priorities were well-aligned with its forward-looking statements. The Company achieved substantial milestones in several focus areas, yet some objectives remain ongoing or are in varying stages of completion.

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

The current status of the projects highlighted in the prior year's forward-looking statements has been comprehensively detailed in the Managing Director's Outlook, the Director's Report, and the Success Stories section. These updates provide a clear view of the progress made and affirm the Company's commitment to its strategic goals.

Company's future Research & Development initiatives

In order to promote innovative thinking among employees and building the differentiating capabilities through investing in R&D efforts, particularly in new energies and the related technologies, a platform called Future Energies & Business Innovation (FEBI) has been developed by the company. Besides mobilizing internal resources to improve internal processes & developing solutions to routine business problems, the plan includes engaging reputed national and international consulting firms and academic institutions to undertake R&D in pre-defined areas and support company's growth initiatives. The key areas of interest include machine learning, AI, digital oilfields, CCS, green H2, & battery storage etc.

MPCL strategic objectives aligned with company's overall mission, vision and objectives

MPCL's strategic objectives are closely linked to its overall mission and vision, ensuring organizational alignment and coherence. Driven by Company's purpose, the vision outlines its long-term aspirations, and the objectives set specific, measurable goals. MPCL's corporate objectives serve as the means of operationalizing its strategy, guiding daily operations and decision-making to advance the mission and bring the vision closer to reality. This alignment ensures that every action taken by the Company contributes meaningfully to its overarching goals, fostering a unified direction and sustained success.

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

Being a premier E&P Company in the country with aspiration to expand globally, MPCL's strategic direction and resource allocation are shaped by several critical factors: technological changes, ESG reporting challenges, innovation imperatives, and resource shortages.

1. **Technological Changes:** The E&P industry is undergoing significant transformation driven by technological innovations. The adoption of new technologies can enhance the efficiency and accuracy of seismic, drilling, and production operations, leading to optimized resource identification and extraction.

2. **ESG Reporting Challenges:** E&P companies worldwide are facing increased scrutiny regarding their environmental impact of their activities. Stricter regulations, stakeholder expectations, and evolving investor preferences are compelling these companies to invest in improved environmental practices. Due to adverse impact of climate change, focus on ESG is gaining traction in Pakistan as well. In 2023, MPCL solidified its leadership in the upstream oil & gas industry Pakistan by inaugurating its pioneering Sustainability Report.

Inaugural Sustainability Report Ceremony - Islamabad

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

MPCL Response:
MPCL has introduced the following international best practices and cutting edge technologies to drive transformative change and maintain competitiveness in a rapidly evolving landscape:

- Performance Monitoring Dashboards
- Cloud based AI & ML applications
- Integrated Asset Performance Management System
- Wireless EM Telemetry
- RSS & LWD (at HRL 123H)
- DrillPlan, DrillOps and DrillOps Orchestrate (at Shewa-2)
- Petroleum Resource Management System
- Portfolio Ranking and Capital Allocation
- Dual Cellar Wellsite
- Invizon RT Implementation
- Wells Integrity Management System
- Horizontal drilling

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

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

However, there are some emerging areas of concern. For instance, the ongoing build-up of the circular debt is impacting the Company's financial capital and could affect future operations. Increased brain drain especially to Middle East market is impacting human capital, making it challenging for the company to attract and retain talent. The company is proactively addressing these issues to position itself for long-term success and adapt to evolving demands.

Major Plans and Decisions

A. **Corporate Restructuring:** MPCL has demonstrated consistently strong financial and operational performance, supported by a robust balance sheet and healthy cash flows. Currently, there are no plans for corporate restructuring. Previously the Company had established a new department, Engineering, Development and Projects with a focus on front-end development engineering, project execution and delivery to streamline and enhance operational efficiency.

B. **Business Expansion – Core Operations:** The Company has been substantially enhancing its exploration and development portfolio. During FY 2023-24, the company successfully initiated Phase-I of its Pressure Enhancement Facilities Project and commenced De-Bottlenecking activities for identification and removal of restrictions that may potentially increase production rates, reduce pressure drops and improve overall system efficiency, it simultaneously evaluated nodal compression packages as part of Phase II of the project which will aid in increasing hydrocarbon recovery and revenue, added a third Amine Sweetening Unit to the Sachal Gas Processing Complex to enhance its capacity, successfully drilled completed horizontal wells in Mari Field, successfully

MSD Safety Day - Islamabad

oversaw the construction of EPF at Waziristan block and performed pre-commissioning activities however the gas transmission pipeline is being constructed and is nearing completion, acquired 2D/3D seismic and Gravity & Magnetic data in various blocks, enhanced MSD capabilities by overhauling and commissioning two more land drilling rigs, establishing Gravity & Magnetic survey units, and acquisition of 4th seismic recorder, while a replacement rig has also been ordered. Several strategic exploratory and appraisal wells are currently in progress/planned for the next year apart from more horizontal wells in Mari Field, and seismic data acquisition projects in Nareli and Wali West blocks.

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

C. **Discontinuation of Operations:** The Company has no plans to discontinue any of its major operations.

Key performance indicators (KPIs) against strategic objectives and relevance

Operational KPIs for FY 2023-24 pertained to costs, profitability, HSE, sale of hydrocarbon, and exploration. Strategic KPIs for FY 2023-24 included Mari lease extension, Mari revitalization project, Block-5 appraisal plan, ESG strategy, management of circular debt, diversification through green project, HR and cultural transformation.

For FY 2024-25, Operational KPIs will remain unchanged while exact targets have been adjusted after taking into account various internal and external factors. Strategic KPIs will include completion of on-going projects from FY 2023-24 as well as new KPIs related to portfolio optimization, strategic targets, capability enhancement and cultural/behavioral changes.

Any material changes in the entity's business model during the year

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

Procurement Transformation Project

Phase-1 of the Procurement Transformation Project has successfully been completed, a significant achievement for our Supply Chain Management Department. By transforming critical categories like Crude Oil Transportation, Civil Works, Catering Services, Rental Vehicles, and OCTG, we have realized substantial cost savings amounting to $2.7 million. These milestones highlight our steadfast commitment to achieving operational excellence and enhancing efficiency. Amidst a dynamic business environment, our supply chain has demonstrated exceptional performance through strategic initiatives and process improvements, reinforcing stakeholder satisfaction. This accomplishment marks a pivotal step forward in our journey towards a more agile and cost-effective procurement framework.

Furthermore, Mari Petroleum Company Limited has been honored with the prestigious "Corporate Ethical Procurement & Supply Award" by the Chartered Institute of Procurement & Supply (CIPS), UK. This recognition marks a historic milestone, positioning MPCL as the first company in Pakistan to receive this esteemed recognition. The award acknowledges our dedication to ethical practices in combatting fraud, bribery, and corruption, promoting human rights, and advancing environmental sustainability. CIPS's recognition underscores the ethical foundation laid by our leadership and reinforces our core values of integrity, sustainability, and responsible procurement. These values are integral to our operations and continue to drive our ongoing success and commitment to continuous improvement.

Supply Chain Disruption Risk Due to ESG Incident and Company's Mitigation Strategy

Our supply chain relies on a complex network of suppliers to procure materials and services to fulfil our operational requirements. Various factors like macro-economic trends, geo-political dynamics, and environmental issues can disrupt our supply chain. MPCL is committed to proactively managing these Environmental, Social, and Governance (ESG) risks to ensure supply chain continuity. Here's how:

Sustainable Practices and Responsible Conduct:
We prioritize sustainable practices and ethical conduct throughout our supply chain. Contracts require suppliers to adhere to stringent environmental standards and responsible business practices, emphasizing their commitment to sustainability alongside legal compliance.

Preparedness for Disruptions:
We have robust contingency plans and alternative sourcing strategies to address potential disruptions. This builds resilience and ensures operational continuity even in unforeseen circumstances.

Collaborative Risk Management:
Regular supplier audits verify compliance with contractual obligations, sustainable practices, and industry best practices. We actively engage with suppliers to promote dialogue and a shared commitment to sustainability and risk mitigation. This enables informed supplier selection and engagement.

Diversification for Stability:
We actively diversify our supply chain by reducing dependence on single suppliers for each category. This minimizes the impact of disruptions and enhances our ability to respond effectively to unforeseen events.

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

Composition of Local vs Imported Material and Sensitivity Analysis of Currency Fluctuations

The fiscal year 2023-24 witnessed significant fluctuations in the exchange rate between the USD and the PKR. This volatility presented a challenge to our procurement function, as a substantial portion (36.5%) of our materials and services are sourced from international vendors. This analysis highlights the impact of these exchange rate movements on our procurement costs.

Exchange Rate Dynamics
The USD-PKR exchange rate exhibited significant volatility throughout FY 2023-24. The rate fluctuated from a low of PKR 277.9 in July 2023 to a high of PKR 304.45 in August 2023. This volatility was not only pronounced over the year but also marked by significant variations within shorter periods. Furthermore, a notable disparity existed between open market rates and interbank rates. Open market rates, catering to retail demand, typically charged a premium compared to the interbank rates used for commercial transactions. This disparity meant that even with relative stability in interbank rates, open market rates were susceptible to significant fluctuations driven by supply and demand dynamics. A period of relative stability was observed in May-June 2024, when the exchange rate held steady at PKR 278.59, offering a temporary respite from the preceding volatility.

Impact on Procurement Costs
A devaluation of the PKR against the USD directly translates to an increase in the cost of imported materials, potentially leading to higher overall procurement expenses. This is a significant concern due to our reliance on foreign sources for a substantial portion of our materials and services. A sharp increase in the exchange rate can lead to a considerable rise in the cost of imported materials, impacting our procurement budgets.

Indirect Effects on Local Materials
While local material costs are not directly affected by USD-PKR fluctuations, there can be indirect consequences. Local suppliers who rely on imported raw materials may pass on increased costs due to exchange rate movements, indirectly impacting our local procurement. Local procurement, while offering greater stability in terms of direct currency fluctuations, remains susceptible to broader economic conditions influenced by foreign currency movements.

Risk Mitigation Strategies
To manage the risks associated with exchange rate fluctuations, we have adopted proactive measures. We are actively diversifying our supplier base to include vendors with more stable pricing models. Additionally, we are focusing on developing more indigenous sources of supply. These strategies collectively help to mitigate the impact of currency fluctuations on our overall procurement costs.

Conclusion
While local procurement provides a degree of protection from direct exchange rate fluctuations, the substantial volume of foreign procurement requires vigilant monitoring and proactive management of currency movements. Using strategic measures such as forward contracts and diversification of suppliers, we can effectively navigate the challenges posed by a volatile currency environment and mitigate the adverse effects on our procurement costs.

Mari Field (Mari Deep), Daharki - Sindh

Health, Safety & Environment Policy

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

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

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

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

HEALTH

- 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 perform their duties without undue risk to themselves or others;
- Arrange for medical services necessary for the treatment of employee occupational illness or injuries & for handling of medical emergencies;
- Monitor health related performance to ensure compliance with this policy;
- Implement Alcohol and Drug Abuse Policy among employees and contractors.

SAFETY

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

ENVIRONMENT

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

Health, Safety and Environment

Leadership Commitment

HSE related issues are given highest importance at MPCL and are handled through a combination of management commitment and participation of all employees and contractors working for us. In all our operational activities, our well-integrated management and leadership remained steadfastly devoted to ensuring sustainable health, safety, and the environment. Our key principles of integrity, unity, and excellence are linked to sustain our essential objectives through safe and excellent operations across our portfolio. MPCL's leadership maintained its dedication to acting ethically in considering the environment, health, and safety, and implementing the highest standards of quality assurance and control into all aspects of our business, including its social impact.

Given the extremely hazardous environment in which we operate, MPCL has always recognized and proactively controlled all operational risks to As low As Reasonably Practicable (ALARP) Levels.

Our HSE Goal

MPCL prioritizes Health, Safety, and Environmental excellence in its operations, aligning with core values and sustainability goals. We implement and continuously improve our HSE policies & management system, adhering to international standards. Our strategic HSE goals are:

- MPCL believes that for sustainability HSE culture and people buy-in are vital to continuous business success. Henceforth, as part of strategy, strong emphasis is given from leadership teams to foster the HSE culture in entire organization. MPCL's HSE efforts focuses on creating value within the well-integrated organization with goal of "no harm to People, Environment, Asset and Reputation", while considering HSE as an integral part of the business strategy and operations.
- Managing incidents effectively and having a robust Emergency and Crisis Management System while assuring the business sustainability and resumption proactively is vital for our business.

HSE Performance Metrics and Targets

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

MPCL has overall exceeded its Corporate HSE targets related to Occupational and Process Safety. Refer to page 209 for more details.

Ten Process Safety Fundamentals

Process Safety Management

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

The reporting culture of Process Safety Incidents also improved, with more focus on leading indicators. The Incident Investigation approach continued by using Tripod Beta methodology, ensuring that latent failures are identified, and processes are improved as part of the HSE management system.

Further, Process Safety Fundamentals, that includes 10 basic process safety management guides, were practiced within all operations.

Safety Walk at Mari Field, Daharki - Sindh

Contractor HSE Management

Being a responsible E&P business organization, MPCL remained committed to maintaining a strategic contractor safety management program for all contractors and subcontractors working for MPCL. Contractor engagement and management are critical to achieving high technical, commercial, and safety performance.

To overcome the integration challenges of two organizations with different workplace cultures, mindset, work planning and methodology, differences in language, and managing competency, a comprehensive Contractor HSE Management Framework was followed. MPCL organized and conducted multiple HSE workshops, seminars, Lifesaving rules campaigns, kick-off meetings, pre-mobilization workshops, hazard-hunting surveys, Control of Work workshops, Simultaneous Operations Workshops, road safety workshops, Walk around audits, Hazard Hunting Surveys, Reward and Recognition Programs and Service Quality Meetings.

Crisis & Emergency Management

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

Environmental Management & Regulatory Compliance

MPCL is ISO 14001:2015 (Environmental Management System; EMS) certified complying with all environmental applicable laws and regulations. Our Integrated Management System Audit against the EMS Standards resulted in zero non-compliance & observations.

MPCL managed compliance to reporting to relevant regulator like EPA, CIM and wild life on all health, safety and environmental parameters, waste and emissions as part of our regulatory compliance.

Integrated Management System (International Standards)

MPCL has maintained its ISO standards implementation with ZERO significant Non-Compliance during the surveillance audits by the external body in reporting period.

MPCL is maintaining the following ISO Standards:

- 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)

Occupational Health Management

MPCL is prioritizing health and well being for staff including the permanent and contractual staff. Pre-employment health checks, annual medical examinations and health monitoring are all part of the health surveillance programs well in place. MPCL operational health hazards were well managed with no occupational disease / illness observed during the fiscal year.

Fire Drill at Halini Gas and Condensate Field, Karak Block - KP & Punjab

HSE Workshops and Trainings

MPCL fosters collaboration and alignment among staff and departments to enhance efficiency. We prioritize capacity building and provide regular HSE trainings, empowering employees across all locations to work safely and effectively.

We achieved the following objectives through continuous training and development:

- Understanding HSE requirements for the E&P life cycle.
- Understanding HSE roles & responsibilities.
- Identification of Hazards and mitigating risks to ALARP levels.
- Improved performance for achieving high level of performance.
- Continuous improvement of our system with value addition.
- Clarity on Incident Reporting requirements.

Further, over 103,800 training man-hours were dedicated to 2,620 HSE sessions, with 646 drills. Moreover, 68 management walkarounds were carried out to enhance safety leadership.

HSE Improvement Oriented Programs & Initiatives

Our Safety Performance with a TRIR of 0.19 and Process Safety Tier-1 & 2 rate to Zero is reflective of the following programs that were undertaken during our operational activities:

- HSE Management System Implementation.
- Life Saving Rules Implementation.
- Process Safety Fundamentals Implementation.
- HSE Policy Implementation.
- Contractor Safety Monitoring and Improvement Programs.
- Air Emissions & other Regulatory Environmental Parameters Monitoring and Control.
- Pre-Employment and Annual Medical Check-ups of all Employees.
- Fire & gas related risks and hazards Management.
- Conducting HAZOP and other Safe Operational Studies.
- Performing HSEQ Audits & Inspections.
- Ensuring Incident Investigation & Reporting.
- Carrying out Noise & Ambient Air Monitoring.
- Road Safety Management.
- Pre-startup Safety Review Programs.

Enhancing HSE Culture

Different HSE programs were introduced to strengthen our HSE culture, with active involvement from both leadership and employees. These efforts led to notable advancements in relevant areas of HSE management system over the year.

"Safety Day" Activities

In November 2023 HSE day was organized with the theme "Let's Act Together." Led by our MD/CEO, the visit of our senior management team to the Mari field in Daharki underscored our unwavering commitment to cultivating a positive and sustainable safety culture for MPCL. The event was an excellent display of engaging activities designed to underscore the importance of safety, people-centric approaches and collaboration. Insightful panel discussions delved into the nuances of safety culture.

International case studies were meticulously examined, drawing lessons related to process and operational safety. A couple of key sessions were conducted in parallel; one focusing on psychological safety and other one conducting SWOT analysis of our HSE performance as an organization.

In May, 2024 Mari's Services Division in close collaboration with our HSE department held the 1st Safety Day to highlight the importance of HSE and to encourage the MSD team for their consistent adherence to the best industry practices and international standards. The theme of the safety day was" Committed to Safety Excellence".

This was followed by interactive sessions highlighting Safety Leadership and Logistics Safety. The day ended with award distributions for excellence shown in the field of HSE by our services team.

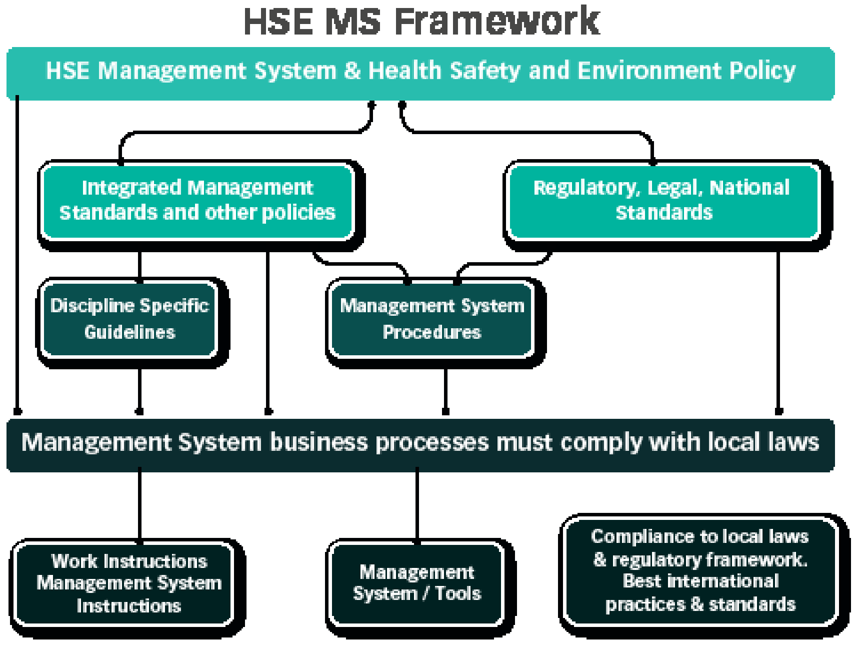
HSE Committee Meetings

MPCL's monthly HSE committee meetings, led by the Managing Director and departmental directors, facilitate discussions with employee representatives on HSE matters. The committee has a standard agenda, that includes discussion on key HSE performance, risk assessments, process matters, ESG, and incident root causes, A specific focus is given on closure of actionable items.

HSE Management System

To realize MPCL goal of carrying all business activities with no harm to People, Environment, Asset and Reputation of the company, MPCL has a well-developed Health, Safety and Environmental Management System (HSE-MS) comprising of 14 elements.

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



MSD Safety Day, Islamabad

Human Resource Management & Development

Our People

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

To enable our people to thrive, we prioritize their success, recognizing that their accomplishments directly contribute to our strategic success. As such, we have adopted a strategic approach that places significant emphasis on continual up-skilling and re-skilling initiatives for our teams. This ongoing objective emphasizes our commitment to empowering our workforce, both as individuals and as a cohesive unit. By nurturing the development of our employees and equipping them with the necessary knowledge and competencies, we foster a culture of continuous growth, enabling our workforce to adapt, innovate, and drive our organization forward.

Talent Acquisition

Attracting top talent remains a paramount objective for our organization. To achieve this, we have implemented focused recruitment strategies aimed at identifying and hiring professionals who possess specialized expertise in crucial areas such as exploration, production, drilling, and other key facets of our operations.

In addition, we have developed comprehensive onboarding programs that ensure new employees receive the necessary training and support to swiftly integrate into their respective roles and make valuable contributions towards our organizational goals.

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

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

Work Force
as on June 30, 2024

Management	808
Non-Management	790
Trainees (Management & Non-Management)	55
Total	**1,653**
Male Employees	1,569
Female Employees	84
Female Employees at C-1 Level	01
Differently abled employees	01
Average No. of Employees	1,641

Resource allocation plans to implement the strategy

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

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

Diversity and Inclusion

We are committed to advancing diversity and inclusion in our hiring practices, career progression, and development, while maintaining a focus on meritocratic decisions. Gender diversity is a key strategic priority, aimed at integrating it across all levels of our organization. To ensure accountability, gender diversity ratios are now integral to the departmental scorecards.

Other than that, our talent acquisition team has also raised the diversity ratio from 4% to 8.8% which is an achievement.

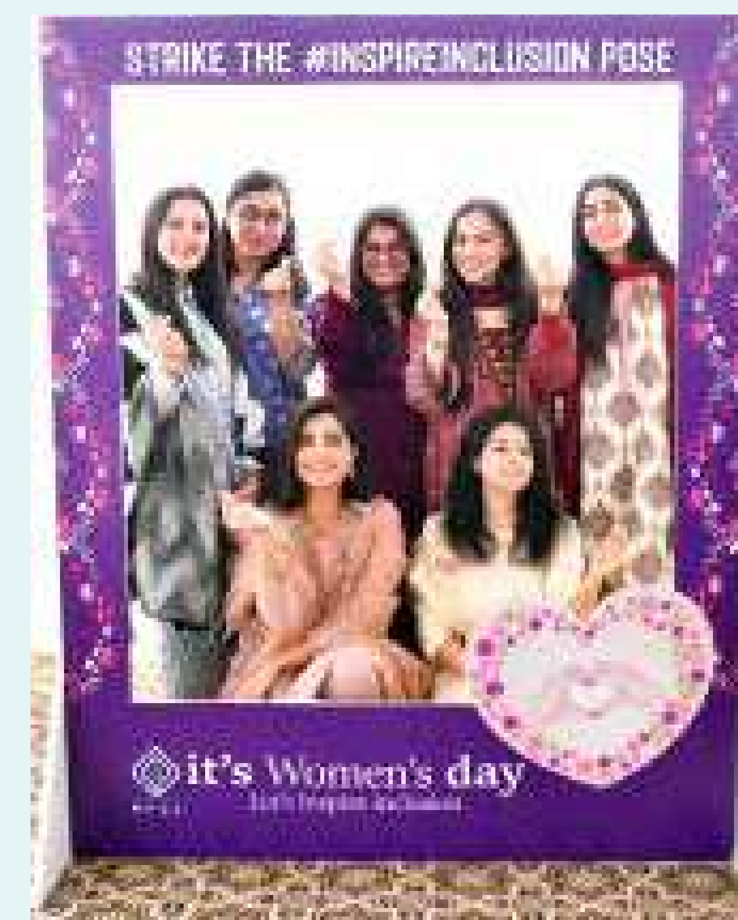
Additionally, we have established a robust framework to attract and hire differently abled persons (DAPs), ensuring equal opportunities and their integration as a productive segment of society.

Competency Management

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

By defining clear competency frameworks and conducting competency assessments, we ensure that employees have the requisite proficiencies to excel

in their respective positions. This process not only allows us to identify competency gaps but also enables us to provide targeted training and development programs to bridge those gaps and enhance overall performance. Through effective competency management, we strive to foster a culture of continuous improvement and excellence in our operations.



In continuation of our pursuit towards excellence we started competency of blue collared technical staff and it's been completed.

Learning & Development

The oil industry is widely recognized as a highly technical field that demands a workforce equipped with specialized skills and knowledge. Consequently, prioritizing the continuous development and training of our employees stands as our foremost objective. We meticulously design and implement training programs tailored to equip our workforce with the essential competencies and knowledge required to perform their roles effectively.

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

The snapshot of the training conducted for our employees in year 2023-2024 is as follows:

Training Status 2023 – 24 (Technical and Non-Technical)			
S.No.	Training	Sessions	Participants
1	Technical	255	1,597
2	Non-Technical	86	1,275
3	HSE	83	3,017
Total		**424**	**5,889**

Culture & Engagement

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

To provide a platform for encouraging employee participation and innovative ideas, we launched MPCL Voice, an online suggestion mechanism. This platform enables employees to share their suggestions and contribute to the overall growth and development of our organization.

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

Strengthening Our Core Values

This year, we launched our "Redefined Core Values" initiative, underscoring our commitment to Integrity, Unity, and Excellence.

These values are not just principles; they are the guiding behaviors that shape our corporate culture and drive our daily operations. By embedding these values into every aspect of our work, we are fostering an environment where ethical conduct, teamwork, and high performance are paramount.

Rewarding Employees

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

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

Our reward philosophy embodies three critical facets: recognition, reward, and caring for our people. We firmly believe that a well-designed rewards system not only recognizes individual achievements but also reinforces a culture of excellence, innovation, and high performance. Promotions are awarded based on merit and contributions, ensuring that our employees see a clear path for career advancement. Rewards are given to acknowledge exceptional work, while our motivational strategies are designed to encourage ongoing commitment and enthusiasm.

Our aim is to provide our employees with a rewarding work environment that not only values their contributions but also encourages their continued growth and success.

Policies & Procedures

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

To uphold their effectiveness, our policies and procedures are regularly reviewed and updated to reflect changes in the business landscape, laws, regulations, and industry standards. We emphasize timely communication and training initiatives to ensure that employees have a comprehensive understanding of the policies and procedures and are adept at applying them in their day-to-day work.

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

Embrace Agility Session - Islamabad

Corporate Social Responsibility

Organizational Commitment towards Sustainable Development of Communities

At Mari Petroleum Company Limited (MPCL), our commitment to Corporate Social Responsibility (CSR) is an integral part of our corporate ethos. We recognize that our operations have a profound impact on the communities in which we operate, and we are dedicated to fostering sustainable development that benefits not only our business but also the society at large. Our CSR initiatives are guided by the belief that corporate success and social welfare are interdependent, and we strive to create a positive, lasting impact through our various community development programs.

Recognizing that our business success is intricately linked to the well-being of the people and the environment in which we operate, we have embedded Corporate Social Responsibility (CSR) into our core business strategy.

In the fiscal year 2023-24, MPCL has reinforced its commitment to community development by expanding our CSR initiatives across multiple thematic areas. These include, but are not limited to health, education, clean drinking water, environmental conservation, livelihood and economic opportunities, and infrastructure development. Our approach is holistic, ensuring that our efforts address the diverse needs of the communities we serve, thereby promoting overall social and economic well-being.

MANDATORY SOCIAL WELFARE OBLIGATIONS

In compliance to DGPC Guidelines and PCA, SWOs for CY 2024 have been deposited in the joint account maintained with respective DCs.

As per applicable policies, around USD 822,000 has been deposited in sixteen (16) MPCL operated blocks/ D&P Leases.

VOLUNTARY CSR

In addition to MPCL's contractual and statutory obligations, the Company initiated multiple social investment programs for the communities living nearby the operational areas and spent over PKR 3.5 Billion.

Adoption & Compliance to Social Guidelines

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

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

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

b) **Aligned with UN Sustainable Development Goals (SDGs)**

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

Health Initiatives

Health is a fundamental human right, and MPCL has taken significant steps to ensure that the communities around our areas of operation have access to quality healthcare services. Our health initiatives are designed to provide both immediate medical assistance and long-term health benefits.

MARI SEHAT UMEED PROGRAM

MSUP is an initiative launched in Waziristan to provide surgical treatment to local community. This program aims to provide essential healthcare services, particularly focusing on surgical care, to improve the health and well-being of the residents in the region. By providing free access to medical resources and expertise, the program seeks to enhance the quality of life and support the healthcare infrastructure of underserved populace in Waziristan. Almost 200 patients have been screened and referred to various hospitals in Peshawar and Islamabad.

MOBILE HEALTH UNITS (MHUS)

MHUs are operating in four remote Tehsils of Waziristan i.e., Shewa, Spinwam, Mir Ali and Dossali. These MHUs move to different locations each day to provide basic healthcare, diagnostics and medicines to far flung populace at their doorstep, who do not have access to medical facilities. MHUs have treated over 13,000 patients in the current year, out of which majority are females and children. Moreover, approximately 6000 medical tests and ultrasounds have been conducted with the mobile diagnostic equipment available in MHUs.


CSR activities at Mari Field, Daharki - Sindh

HEALTHCARE FACILITIES AND ESTABLISHMENT OF FREE MEDICAL CAMPS

MPCL understands that access to quality healthcare is a fundamental need. Throughout 2023-24, we have continued to provide comprehensive healthcare services through regular medical camps and adoption of healthcare facilities in Daharki, Waziristan and Balochistan. These initiatives have significantly improved health outcomes for thousands of individuals in remote and underserved areas. Our medical camps offer free medical consultations, medicines, and essential health education, addressing both immediate healthcare needs and promoting long-term health awareness.

Over 70,000 patients have been treated in the two medical facilities (RHC Spinwam and THQ Shewa) adopted by MPCL in Waziristan.

Multiple free medical camps have been organized in Balochistan and a specialized 3-day eye camp was conducted in Daharki to provide free of cost surgical and ophthalmology facilities.

In addition, MPCL is operating various medical facilities in Daharki including Mother & Child Health Centre, Tuberculosis / Asthma Clinic, Mari Medical Complex and Mobile Dispensaries which are serving the underserved community of Daharki for many years.

Impact

MPCL's health initiatives have led to a significant reduction in disease prevalence. Improved access to healthcare services has empowered individuals to lead healthier lives, with better health outcomes for women and children in particular. The community's increased health awareness and preventive care practices are contributing to long-term health benefits.

Education Initiatives

Education is a cornerstone for community development and empowerment. MPCL's education initiatives aim to enhance access to quality education and foster a culture of learning in the communities we serve.

Investing in education is pivotal to community development. MPCL has made significant contributions to improve educational infrastructure by constructing and renovating schools, providing necessary educational materials, and launching scholarship programs for deserving students. Our scholarship programs have enabled many students from economically underprivileged families to pursue higher education, thereby fostering a new generation of educated and skilled individuals.

ROSHAN MUSTAKBIL PROGRAM

Under this program, over 350 students (boys and girls) from Waziristan are being educated at various institutes across the country, including Pak-Turk School (Peshawar, Lahore and Islamabad) and Aligarh Public School Lahore. The program not only focuses on the academics, but also nurtures the students towards becoming a responsible and productive member of the society and an agent of change in their respective area.

SCHOLARSHIP PROGRAMS

Scholarship programs play a critical role in leveling the playing field, providing equal opportunities, and fostering a more educated and equitable society. Hence, MPCL has provided scholarships to number of students in Sukkur IBA University, NUST and LUMS.

NOOR-E-SEHAR SPECIAL EDUCATION SCHOOL (NSSES)

NSSES is a state-of-the-art inclusive education complex located in Daharki which is providing specialized education and rehabilitation facilities to over 200 children with diverse disabilities. With a vision of leaving no one behind, this institute is a catalyst of change towards making the society more inclusive.

Impact

Improved educational facilities and access to scholarships have increased literacy rates and educational attainment in our communities. This empowerment through education is expected to yield long-term socio-economic benefits.

Students supported by MPCL scholarships have achieved academic excellence and are now pursuing higher education and professional careers. The enhanced educational infrastructure and trained teachers have created a conducive learning environment, fostering intellectual growth and future opportunities for children.

Clean Drinking Water Initiatives

Access to clean drinking water is essential for a healthy life. In response to the water scarcity challenges faced by many communities, MPCL has installed multiple solarized water filtration plants and constructed overhead tanks to provide safe drinking water.

In Daharki, MPCL has commissioned over 85 solarized RO Plants, in addition to providing clean drinking water through water bowsers to far flung villages. Moreover, 8 Clean Drinking Water Supply Schemes are under execution in Waziristan with an estimated beneficiary base of over 100,000 individuals.

In addition to providing infrastructure, MPCL has also engaged communities in water management practices, educating them on the importance of water conservation and proper maintenance of water facilities. This participatory approach ensures the sustainability of our clean water initiatives and empowers communities to take ownership of their water resources.

Impact

These initiatives have drastically reduced water-borne diseases and have had a life-changing impact on the health and well-being of the local population.

Environmental Conservation Initiatives

Environmental sustainability is a core focus of our CSR strategy. MPCL is committed to minimizing our environmental footprint and promoting conservation practices within the communities we serve.

GREEN ON WHEELS – DEVELOPMENT OF MARI GARDEN IN F-9 PARK, ISLAMABAD

MPCL is committed to environmental stewardship and has undertaken extensive tree plantation drives. These initiatives are aimed at combating deforestation, enhancing biodiversity, and contributing to carbon sequestration. Over the past year, we have planted 25,000 trees in collaboration with CDA in Islamabad F9 Park to develop “Mari Garden”. Under this initiative, MPCL has developed the area with a walking track, benches, waste bins, landscaping and a sit-out area. These initiatives are also aimed at fostering a sense of environmental responsibility among community members.

Last year, MPCL developed the largest Miyawaki Forest of Islamabad by planting 20,000 indigenous trees, in addition to the 25,000 fruits trees.

RAINWATER HARVESTING PROJECT

To address water scarcity and promote sustainable water management for the 25,000 trees planted, MPCL has implemented rainwater harvesting project in the same locality within F9 Park. This project captures and stores rainwater for various uses, reducing reliance on groundwater and mitigating the effects of drought. The harvested water is used for irrigation and replenishing local aquifers, thereby improving water availability and contributing to high survival rate of the plantation.

Environmental Impact

Our environmental initiatives have fostered a culture of conservation and sustainability. Tree plantations and rainwater harvesting project have not only benefited the environment but also supported local water management.

The environmental initiatives have contributed to ecological balance and sustainability. Tree plantation drives have not only enhanced green cover but have also educated communities on the importance of environmental conservation.

Livelihood and Economic Opportunities

Economic empowerment is a cornerstone of our CSR strategy. MPCL has initiated various skills development programs aimed at enhancing the employability of local youth and women. By providing market-relevant skills, we have enabled many individuals to secure gainful employment or start their own businesses, leading to improved household incomes and economic resilience.

MARI KISSAN DOST PROGRAMME

MPCL has launched an agri-tech CSR initiative dedicated to empowering the farmer community of Daharki, in collaboration with Bakhabar Kissan.

With a focus on livelihood enhancement through improved crop yields, we are modernizing farming techniques to unlock a world of possibilities for our farmers.

Through this program, farmers gain access to contemporary agricultural training and resources through a specialized advisory service, paving the way for increased productivity and sustainability.

Most importantly, Mari Kissan Dost Programme isn't just about innovation—it's about real economic benefits for our farmers, driving growth, and prosperity in the community.

SKILLS DEVELOPMENT PROGRAMS

Skills development programs have the potential to bring about significant positive change in underprivileged communities. By addressing economic, social, educational, and environmental needs, these programs can lay the foundation for sustainable development and improved quality of life.

Keeping in view the far reaching impact, MPCL has collaborated with National Logistics Cell (NLC) which is a leading skills training institute in the country. Under this partnership, 100 youth from Waziristan and 100 from Daharki have undergone a 3-month skills development training program in NLC Training Centers located in Mandra and Dina. The trades are:

- Civil
- Earth Moving / Construction Machinery
- Material Handling Equipment
- Driving (HTV/LTV/Tractor)
- Mechanical
- Services
- Electrical
- IT

Economic Impact

Vocational training and microfinance support have created new economic opportunities, reducing unemployment and poverty levels. The increased income and economic stability have enhanced the quality of life for many families.

Skills development and support for local enterprises have led to improved economic conditions. Beneficiaries of these programs have reported increased incomes, better employment opportunities, and enhanced economic stability. The local economy has experienced growth, with small businesses thriving and contributing to community development.

Under school meal program in Waziristan, the widows engaged have an average income of Rs 50,000 for one cycle of meal preparation spanning 4-5 months, thus providing economic support to the household.

Moreover, 75% of our skills development program graduates are earning a decent income through employment in local business or through entrepreneurial ventures.

CSR activities in Waziristan - KP

Infrastructure Development

Infrastructure development is crucial for economic growth and access to essential services. MPCL has invested significantly in Daharki on the construction and maintenance of roads. Improved road infrastructure has enhanced connectivity, making it easier for community members to access markets, healthcare, education, and other services. This has not only facilitated economic activities but also improved the quality of life for the local population. Moreover, under Social Welfare Obligations and Productions Bonus, MPCL deposited Rs 3 Billion to District government, from which 324 schemes are being executed in different thematic areas.

- Health Projects (Including Medical Equipment, Ambulances) – 62
- Education Projects – 53
- Solarized RO/Filtration Plants – 85
- Roads – 29
- Drainage – 47
- Community Infrastructure – 19

Infrastructure Impact

Infrastructure development is transforming the remote areas, improving accessibility and connectivity. The construction of roads and public amenities has facilitated economic activities, improved access to essential services, and enhanced the overall quality of life. Community centers have become focal points for social and cultural activities, strengthening community bonds.

FUTURE DIRECTIONS

Looking ahead, MPCL remains dedicated to expanding and enhancing its CSR initiatives. We aim to deepen our impact by scaling up successful programs, introducing innovative solutions, and fostering stronger partnerships with stakeholders. Our future CSR strategy will continue to focus on sustainable development, community empowerment, and environmental stewardship, ensuring that we contribute positively to the socio-economic and environmental landscape of the regions we operate in.

In conclusion, MPCL's CSR initiatives in 2023-24 have significantly contributed to the development and well-being of the communities around our operational areas. By addressing critical issues in health, education, clean drinking water, environmental conservation, economic opportunities, and infrastructure, we have created a positive and sustainable impact. Moving forward, we remain committed to deepening our engagement with these communities and expanding our efforts to foster inclusive and holistic development.

Information Technology

Information Technology & Digital Transformation at MPCL

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

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

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

Mari Seismic Data Processing Center (MSPC) plays a vital role by providing high quality and state of the art 2D and 3D data processing facility, which helps the Company in making more cognizant decisions on the technical front. It's scalable infrastructure greatly helps in the application of latest geophysical technology across the full spectrum of seismic imaging and reservoir characterization. In view of growing expansion in MPCL's exploration activities which demand a steady increase in MSPC's computation capabilities, the system has been upgraded from 96 cores to 1024 cores for time, depth and parallel processing simultaneously. Advanced processing modules coupled with increase in computational power will enable MSPC to provide depth and time processing services with improved quality and in reduced time, as well as acquire the capability of handling multiple 2D and 3D time and depth projects simultaneously.

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

To support high performance systems and fulfill infrastructure requirements of G&G software/applications, Virtual Desktop Infrastructure (VDI) system was indigenously designed and implemented by MPCL's in-house IT team. This not only helped in saving the potential capital investment required for acquisition of high end workstations hardware, but also enhanced MPCL's centralized processing capability for high performance demanding technical software applications, in addition to making MPCL a pioneer in implementation of VDI infrastructure within the local E&P Industry. Through the VDI infrastructure, users are able to securely connect to MPCL's network and complete their tasks seamlessly, while working from home, thus helping them meet deadlines without any productivity and efficiency loss.

As part of the Company's IT strategy to achieve process efficiency and paperless office operations, digital transformation initiatives have been implemented. This includes developing numerous enhancements and custom reports to optimize the utilization of the SAP system. The Company has converted various paper-based documents and approvals to automated electronic forms with online approval workflows. Additionally, the Company has advanced its Enterprise Data Management and Analytics project to encompass major core functions and thus assist management in making data-driven decisions on critical issues. In this regard, various Business Intelligence (BI) dashboards have been developed for MPCL's senior management and operational staff to facilitate insightful decision-making.

Enterprise Resource Planning

Empowering business efficiency through integrated ERP solutions

To streamline its core business processes and optimize performance and productivity, the Company has automated and integrated its key workflows using latest ERP solutions. The ERP software is designed to manage and integrate functions across core business modules, including finance, human resources, supply chain, information technology and other key areas within a single system. This integration ensures seamless data flow and operational efficiency across the organization.

A dedicated team is responsible for maintaining and expanding ERP deployments across the Company. Recognizing the comprehensive nature of ERP solutions, MPCL carefully identifies and manages risks associated with its ERP projects. To mitigate the risks of excessive customization, the Company balances customizing its existing systems with leveraging industry-standard business processes to facilitate seamless integration of the ERP solution.

Keeping in view the significance of senior management's support towards the success of an ERP project, MPCL follows a systematic approach towards building use cases and conducting feasibility analysis for incorporating new and improved modules within its ERP toolkit. Senior management actively supports the effective implementation and continuous refinement of the ERP system, ensuring alignment with the Company's strategic objectives.

The Company prioritizes user training for ERP software, ensuring that employees are well-equipped to utilize the system effectively. Comprehensive training programs are conducted to develop the necessary skills and knowledge among users, facilitating smooth adoption and proficient use of ERP features.

The adoption of latest ERP features and functionality is undertaken by the Company after thorough testing, skills development, user training and through a comprehensive change management process to mitigate the risks generally associated with ERP projects. The company has established robust risk management practices to control risk factors, including regular assessments and updates to ensure the ERP system's reliability and effectiveness.

Safety of Records

Value creation through data governance

MPCL adopts industry leading software systems to ensure secure and fast transmission of financial data for recording and reporting of financial transactions. These systems which come equipped with a well-integrated set of technologies, provide the technological edge for safe and quick data storage and retrieval. For instance, MPCL's collaboration and content management system based on MS SharePoint brings information management, access, collaboration, people driven processes and business critical document management to a single environment, while ensuring strict access control for its users on need-to-know basis.

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

MPCL categorizes its information assets based on their significance and criticality towards achieving corporate objectives, and has devised security controls to ensure the confidentiality, integrity and availability of these assets according to their respective criticality levels. Assignment of access privileges and segregation of information residing on these assets are based on identifying asset owners, risk owners, information custodians and users. Critical information is labeled with predefined sensitivity classification levels, to ensure the availability of Company's critical information only to authorized users.

Disaster Recovery Plan (DRP)

Resilience and contingency planning for information security incidents

MPCL's DRP provides a structured approach for responding to unexpected events which threaten Company's IT infrastructure encompassing hardware, software, networks, processes and people. Priorities and recovery time objectives for critical systems are established based on business impact analysis ensuring that the most crucial functions are restored first. The DRP is periodically tested and refined to enhance the effectiveness of recovery procedures and processes, ensuring Company's readiness and minimizing system downtime during disaster situations. Additionally, a state-of-the-art remote Disaster Recovery site has been established at one of MPCL's field locations to provide a secure and reliable backup in case of significant disruptions.

IT Governance & Information Security Strategy

Enforcement of policies, procedures, responsibilities and regulatory frameworks

MPCL's initiatives on IT Governance provide necessary guidelines to ensure effective input and decision-making, improve the overall management of IT and optimize value creation from Company's IT investments, through a specialized framework comprising of IT policies, standards, processes and procedures. The Company's IT related initiatives and functions are overseen by a Steering Committee headed by the Managing Director with all Heads of Departments as its members. The Committee meets on quarterly basis to evaluate and ensure that the IT Strategy is aligned with Company's business objectives, and effective controls are in place to safeguard its information assets. The Committee also ensures that the requirements of Information Security Management System standard ISO/IEC ISMS 27001 are adequately met and identifies and oversees implementation of continual improvements in the ISMS systems. IT Governance, being an integral part of MPCL's corporate governance, helps the Company in creating value using IT systems and assets towards achievement of business strategies and goals, complying with legal, statutory and regulatory obligations, providing assurance to stakeholders and increasing returns on IT investments. Fully understanding the interdependent connection between IT Governance and cybersecurity, the Company keeps cybersecurity and various strategic elements including long term and short term organizational goals, IT vision and mission, assumptions, limitations, requirements, critical projects, and timelines, fully aligned with each other. This commitment is put into effect through the amalgamation of processes, procedures, resources and technologies. MPCL's ISMS Policy, Vision and Mission, Core Values, Code of Conduct, Growth Strategy, ESG Policy and Management System Procedures, along with cybersecurity hardware and software solutions, third party services, skilled human resources and industry collaborations, are the core pillars upholding MPCL's strategic pursuits vis-a-vis cybersecurity.

Risk Based Approach

Overseeing risks and IT governance for prompt resolution of security matters

MPCL prioritizes proactive cybersecurity risk management through a comprehensive early warning system. Departmental risk registers function as the foundation, regularly updated and reviewed during internal and external audits. These registers serve as the first line of defense, systematically identifying potential information security threats before they escalate into major incidents. The IT team further bolsters this system by continuously conducting vulnerability assessments and penetration testing. These proactive measures act as an early warning system for technical risks, identifying and addressing weaknesses in the IT infrastructure before they can be exploited by malicious actors.

This proactive approach is further strengthened by a commitment to ongoing evaluation. Regular internal management reviews and external audits assess the effectiveness of cybersecurity controls. The findings from these assessments are promptly presented to senior management. This ensures that areas requiring improvement are highlighted in a timely manner, providing early warnings about potential control deficiencies before they can be exploited. The internal audit charter mandates that, in critical situations, these findings may also be presented to the Board's Audit Committee. This ensures that high-priority cybersecurity threats receive timely communication and prioritization at the highest levels of the organization. Through this multi-layered early warning system, MPCL makes a systemic effort to swiftly identify, assess, and address cybersecurity risks. This proactive approach empowers effective decision-making and minimizes the impact of potential incidents, safeguarding the Company's critical information assets.

The Board of Directors plays a crucial role in the oversight of cybersecurity as part of its broader risk management responsibilities. Regular engagement with management ensures that cybersecurity is given priority at the highest levels of decision-making. The board is routinely briefed on the status of the Company's cybersecurity posture, emerging threats, and the effectiveness of existing security measures. These briefings include detailed reports on risk assessments, incident response activities, and compliance with regulatory requirements. By maintaining a continuous dialogue with the IT and cybersecurity teams, the board ensures that MPCL remains proactive in its approach to cybersecurity, swiftly addressing any vulnerabilities and aligning cybersecurity strategies with the Company's overall risk management framework. This ongoing engagement underscores the board's commitment to safeguarding MPCL's information assets and maintaining the trust of stakeholders.

Statement on Cybersecurity Governance and Oversight

Ensuring compliance and minimizing risks through effective oversight

The Company's Board of Directors prioritizes informed decision-making on cybersecurity. Regular reports from management reviews, ongoing risk assessments and independent evaluations strengthen MPCL's oversight of its cybersecurity strategy. The Board champions robust cybersecurity governance. A comprehensive framework ensures that the Company meets legal and regulatory requirements. A well-defined incident response plan outlines procedures for handling breaches, and management is held accountable for its implementation and addressing non-compliance issues. Transparency is a cornerstone of the Company's approach. In the event of a breach, the Board ensures timely disclosures as mandated by law. They actively oversee management's response, including communication with regulators and implementation of mitigation strategies. Furthermore, the Company learns from every incident, conducting thorough reviews to prevent future occurrences.

Security Assessment

Evaluating and securing technology, environment and infrastructure

MPCL has developed comprehensive management system procedures that include provisions for independent third party security assessments of its technology environment. As part of MPCL's compliance management program, annual surveillance audits and triennial recertification audits are conducted by SGS, an international assessment and certification company. Additionally, the Company regularly collaborates with leading cybersecurity companies and third party solution providers for penetration testing, security assessment and hardening of its information systems, with plans to continue expanding its professional associations in the future.

The Company has implemented an ongoing methodology for regular vulnerability assessment and penetration testing (VAPT) of its information assets. This approach involves cyclic testing of client and server computing machines, as well as communication and storage devices, utilizing both in-house resources and cutting-edge specialized tools. By leveraging globally recognized and widely adopted VAPT tools and techniques, endorsed by industry leaders, the Company ensures its technological infrastructure remains secure and resilient against emerging threats and vulnerabilities. Additionally, external audits and cyber security reviews are conducted to further assess and validate robustness of the Company's systems.

Cybersecurity Training and Education

Staying abreast with latest concepts and technologies

MPCL is fully cognizant of its responsibilities towards imparting knowledge about latest risks and cybersecurity trends to its employees, realizing the crucial role of human beings in upholding the efficacy of a cybersecurity program. In-house awareness sessions covering various aspects of cybersecurity, are regularly conducted for employees. The Company closely monitors the latest cybersecurity news and international developments to stay abreast of global trends. Official advisories on different topics are published on the Company portal, and automated tools are used to create awareness among employees. To assess employees' understanding and commitment to Company's cybersecurity related guidelines, simulated attack scenarios are created and launched for employees. The outcomes of these tests are meticulously documented and presented to senior management for review. This comprehensive approach ensures that MPCL's employees are well-informed and prepared to handle emerging cybersecurity threats, reinforcing the overall security posture of the organization.

Major Social Events

MPCL believes in celebrating events and festivals in company. It is an integral part of learning and building a strong cultural belief among employees. Providing ample opportunities for employees to build quality relationships with their coworkers can have numerous benefits for an organization, including improved collaboration, increased morale, and enhanced teamwork. Arranging informal get-togethers away from work can indeed be an effective way to bring employees from various departments together in a more relaxed and social environment. Such events allow employees to interact, get to know each other on a personal level, and have fun outside the usual work context. The personal touch and deeper connections formed in these informal settings often translate into stronger and longer-lasting relationships that can positively impact the work environment. Living by the above philosophy, the Company arranged following major events during the year.

Aug 2023
2nd Mari Petroleum Azadi Hockey Cup 2023

Aug 2023
Independence Day

Oct 2023
12 Rabi-ul-Awwal

Oct 2023
MPCL Oil & Gas T-20 Cricket Tournament 2023

Dec 2023
Quaid's Day

Dec 2023
Golf Coaching Sessions at Jinnah Driving Range Islamabad

Feb 2024
Celebration of MPCL successes & achievements

Feb 2024
Inter-Departmental Gymnasium Competition

Mar 2024
Women's Day

Mar 2024
Pakistan Day

Apr 2024
Iftar Cum Dinner

Jun 2024
Annual Function - Non Management

Annual Function 2023

On May 23, 2024, the Company held a prestigious ceremony to recognize the outstanding performance of its employees. This event took place in Islamabad and was attended by management employees, their families, and the Managing Director of MPCL. The ceremony commenced with the national anthem, recitation from the Holy Quran and Dua for Shuhada. During his speech, the Managing Director provided valuable insights into the Company's business strategy, operational and financial accomplishments, as well as future plans. He also commended MPCL's significant role in the national economy and applauded the management for consistently delivering exceptional results. Thereafter, he presented the Achievement and Excellence Awards for the year 2023 to the selected employees who had demonstrated exceptional performance. The awards distribution was followed by a delightful dinner.

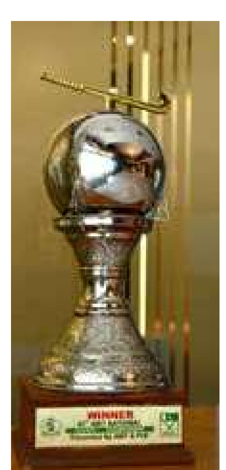
Awards and Recognitions

March 26, 2024

“Compliant Taxpayer Award” by the Prime Minister at the “Awards to the Compliant Taxpayers and Leading Exporters” arranged by the FBR.

October 10, 2023

MPCL included in the Top 25 Companies on Pakistan Stock Exchange for the Year 2022 (Placed at No. 13) on 10th October, 2023.



October 23, 2023

MPCL Hockey Team won the National Hockey Championship Title during the 67th AWT National Senior Championship 2023 held at Lt Gen Ishfaq Nadeem Hockey Stadium, Ayub Park, Rawalpindi, on October 23, 2023.

August, 2024

10th Environment Excellence Award

March 06, 2024

MPCL won three CSR awards for:

a. The Roshan Ahed Program (Green/ Clean Energy Initiatives),
b. Roshan Mustaqbil Program (Education and Scholarship Initiatives), and
c. Mobile Units (Health at Doorstep)

CIPS

Certificate of achievement for:

Mari Petroleum Company Limited

In recognition of successfully achieving:

Corporate Ethical Procurement & Supply

CIPS CORPORATE ETHICS

Achieved: 25th March 2024

March 26, 2024

MPCL won “Corporate Ethical Procurement Award” by the Chartered Institute of Procurement & Supply, UK on 26th March, 2024.

SAFA

SOUTH ASIAN FEDERATION OF ACCOUNTANTS

Committee for Improvement in Transparency, Accountability & Governance

Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022

Certificate of Merit

Category: SAARC Anniversary Award for Corporate Governance

Mari Petroleum Company Limited

December 22, 2023

MPCL Annual Report 2022 won the Certificate of Merit “SAARC Anniversary Award for Corporate Governance”, awarded by the South Asian Federation of Accountants, on December 22, 2023, in India.

Awards and Recognitions

August, 2024

21st Environment Excellence Award

February 29, 2024

MPCL was awarded three awards for Responsible Investment, Green Environmental Stewardship, and Plastics Innovation by The Professional Network on 29th Feb, 2024.

October 04, 2023

For the 7th consecutive year, MPCL won 1st Prize for the "Best Management Practices" in the Oil & Gas Sector, at the 38th Corporate Excellence Awards Ceremony arranged by the Management Association of Pakistan, on October 04, 2023.

October 12, 2023

MPCL Annual Report 2022 won Overall 3rd Position at the Best Corporate and Sustainability Report Awards, held on October 12, 2023, by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

October 12, 2023

MPCL Annual Report 2022 won the 1st Position in the Fuel & Energy Category at the Best Corporate and Sustainability Report Awards, held on October 12, 2023, by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

August 30, 2023

MPCL won four prestigious awards for Environmental Management, Emergency Response, and Health & Safety Risk Assessment & Control, at the 9th International Awards on Environment, Health and Safety held on August 30, 2023.

Corporate Governance

Board of Directors' Meeting in Progress at MPCL Head Office - Islamabad

Roles of the Chairman and the MD/CEO

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

Chairman MPCL Board

The Chairman is responsible for providing effective leadership to the Board, particularly during the Board and the shareholders' meetings. He sets the agenda of the Board meetings and ensures that reasonable time is available for discussion on each agenda item.

He ensures a conducive environment for overall effectiveness of the Board, and facilitates and encourages the contribution of executive, non-executive, and independent directors in carrying out the Board's business in line with the applicable laws, rules and regulations. At the start of the term of newly appointed directors, the Chairman informs them about their roles, responsibilities, duties and powers to help them effectively discharge their duties and responsibilities.

Managing Director/ CEO

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

Operations of the Board

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

The Board has delegated certain responsibilities to its Committees for review of relevant matters and making recommendations to the Board. All Committees operate in accordance with their TORs approved by the Board. The permanent Committees of the Board are the Audit Committee, Human Resource & Remuneration Committee, Technical Committee, Investment Committee and ESG Committee.

Any agenda or matter that requires Board's approval is first presented to the relevant Committee which, after thorough deliberations, presents its recommendations to the Board for final decision.

The Board has delegated the authority to manage the day-to-day affairs of the Company to the MD/CEO through a General Power of Attorney, in accordance with the Company's Articles of Association and applicable corporate laws.

However, the following matters of strategic, sensitive or extraordinary nature are reserved for the Board to ensure the highest level of oversight and control in line with good governance practices or as required under the relevant corporate laws or where these exceed the thresholds set in the authority delegated to the management.

Matters Reserved for the Board

a. All matters listed in Section 183 of the Companies Act 2017, Clause 10 of the Listed Companies (Code of Corporate Governance) 2019, and any other provisions of the applicable laws, rules and regulations.

b. Appointment and removal of:
   - i. Members of the Board and its Committees including the Chairman
   - ii. CFO, Head Internal Audit and Company Secretary
   - iii. Senior Management Staff reporting directly to the Managing Director
   - iv. Statutory Auditors*

c. Directors' remuneration

d. Annual review of the performance of the Board, Committees and individual Directors

e. Approval of quarterly and annual financial statements, dividends and bonus shares*, and significant change in accounting policies or practices

f. Strategy and direction, financial controls, legal and regulatory compliance, risk management, related party transactions, company's significant policies, changes to the company's capital structure, diversification projects, acquisition and relinquishment of working interests, major capital expenditures, annual performance incentives for the employees

g. Major transactions which exceed MD's authority or which are outside the ordinary course of business

h. Delegation of authority to the Management

[*final dividend, bonus shares and appointment of statutory auditors are subject to approval by the shareholders]

Chairman's Significant Commitments

Lt Gen Anwar Ali Hyder (Retd), Chairman MPCL Board of Directors is the Managing Director of Fauji Foundation. In addition, he is the Chairman of the Boards of several Fauji Foundation associated and subsidiary companies.

Lt Gen Anwar Ali Hyder (Retd), was appointed as Chairman of the Board on April 06, 2024 and since then there has been no change in his significant commitments.

Attendance at Board Meetings

Six Board meetings were held during the financial year 2023-24. The attendance of directors in the meetings was as under:

Sr#	Name	Meetings Attended
1	Lt Gen Anwar Ali Hyder HI(M), (Retd)	02[1]
2	Syed Bakhtiyar Kazmi	02[2]
3	Maj Gen Tariq Qaddus (Retd)	04[3]
4	Mr. Faheem Haider	06
5	Mr. Momin Agha	05[4]
6	Mr. Hassan Mehmood Yousufzai	05[5]
7	Mr. Ahmed Hayat Lak	06
8	Mr. Muhammad Aamir Salim	06
9	Mr. Adnan Afridi	06
10	Mr. Abid Niaz Hasan	06
11	Ms. Seema Adil	06
12	Mr. Waqar Ahmed Malik	04
13	Dr. Nadeem Inayat	04
14	Maj Gen Ahmad Mahmood Hayat (Retd)	02
15	Capt. (Retd) Muhammad Mahmood	01
16	Mr. Mohammad Hassan Iqbal	01

1. *Joined the Board in April 2024 in place of Mr. Waqar Ahmed Malik*
2. *Joined the Board in March 2024 in place of Dr. Nadeem Inayat*
3. *Joined the Board in November 2023 in place of Maj Gen Ahmad Mahmood Hayat (Retd)*
4. *Joined the Board in September 2023 in place of Capt. (Retd) Muhammad Mahmood*
5. *Joined the Board in September 2023 in place of Mr. Mohammad Hassan Iqbal*

Technical Committee Meeting in Progress, Head Office - Islamabad

Other Directorships of the Executive Director

MD MPCL is the only executive director on MPCL Board. He is also the MD/CEO of Mari Mining Company (Pvt) Ltd, and a Non-Executive Director on the board of Pakistan International Oil Limited (UAE). In addition, he is the Chairman of Society of Petroleum Engineers (SPE) – Pakistan Section.

External Search Consultancy and Its Connection with the Company

No external search consultancy was used during the year for the selection and appointment of the Chairman, MD/CEO or any of the Directors on MPCL Board.

Policy for Retention of Fee by an Executive Director

As per the Directors' Remuneration Policy of the Company, the executive director is not entitled to any fee for attending the board, committee or general meetings of the Company. However, he can retain the fee received from any other company where he serves as non-executive director.

Board's Policy on Diversity

MPCL has a diverse and balanced Board that provides a mix of professional expertise in leadership, finance, economics, engineering, legal, corporate law, oil & gas exploration and production disciplines. The collective experience of the Board members adequately covers all aspects of MPCL's business undertakings.

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

Currently the Board comprises of one executive and ten non-executive directors, including three independent directors who represent the shareholding interest of minority shareholders.

In compliance with the regulatory requirements, a female director was elected on the Board in the elections held on June 22, 2022.

Justification for Independence

MPCL has three independent directors on its Board. These directors meet the criteria of independence as prescribed in Section 166(2) of the Companies Act, 2017, and have been selected from the data bank of independent directors maintained by PICG.

Directors' Orientation and Trainings

As on June 30, 2024, ten (10) directors on MPCL Board were certified under SECP approved Directors' Training Program (DTP). Two (02) DTPs were arranged during the year in collaboration with the Pakistan Institute of Corporate Governance, which were attended by one (01) HOD and one (01) female executive. One newly appointed Director attended the certification training in August 2024, while the certification training for another Director who joined after close of the financial year will be arranged in due course. In addition to the trainings within the Country, the Directors are also sent on trainings at reputable institutions abroad to acquaint them with the latest developments and trends in governance, management, leadership, strategy, energy markets, and oil & gas technology. From time to time, orientation sessions are carried out to apprise the Board Members about the latest changes in corporate regulatory and governance regime in the Country.

Security Clearance of Foreign Directors

MPCL has never had a foreign director on its Board. In case a foreign director is elected on MPCL Board in future, security clearance will be obtained from the Ministry of Interior through the SECP.

A detailed SOP is in place for security clearance and provision of security to the foreigners coming into Pakistan to work with the Company. Security Section of MPCL's Administration Department undertakes coordination with Ministry of Interior for all security related matters. Supporting documentation is provided by the Corporate Affairs Department.

MD/CEO Performance Review

A Performance Scorecard is in place to objectively measure the performance of the Managing Director and top tiers of the Management on key operational and strategic parameters, and their variable pay is linked with the score achieved on the Scorecard. For the FY 2023-24, actual performance for the year was presented to the Board through the HR&R Committee in the Board meeting held on August 08, 2024.

In addition, MD/CEO's report on the Company's operations, major achievements, and the progress on outstanding issues is presented to the Board of Directors as a regular agenda item in each meeting for review, discussion and decisions, all of which are duly recorded in the minutes.

Committees of the Board of Directors

The Board of Directors of the Company oversees the operations and affairs of the Company in an efficient and effective manner. For the sake of smooth functioning, the Board has constituted five committees. These committees are entrusted with the task of ensuring speedy management decisions relating to their respective domains.

Audit Committee:

Role

The primary role of the Audit Committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls, compliance with applicable laws, rules and regulations, and enterprise risk management of the Company.

Composition

The Committee shall comprise of five members. All members of the Committee shall be non-executive directors, at least one of whom shall be an independent director. The Chairman of the Committee shall be an independent director.

Terms of Reference:

a. Determination of appropriate measures to safeguard the company's assets;

b. Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- major judgmental areas;
- significant adjustments resulting from the audit;
- going-concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards;
- compliance with corporate governance regulations and other statutory and regulatory requirements
- all related party transactions
- material off-balance sheet items

c. Review of Company's annual budget, forecasts and any budget re-appropriations.

d. Review of preliminary announcements of results prior to external communication and publication;

e. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

f. Review of management letter issued by external auditors and management's response thereto;

g. Ensuring coordination between the internal and external auditors of the Company;

h. Review of the scope and extent of internal audit, audit plan, reporting framework, audit reports significant findings, and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

i. Review training and development needs and succession planning of the internal audit function;

j. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

k. Ascertaining that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;

l. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

m. Review significant legal, regulatory and tax matters having a material impact on the Company;

n. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;

o. Determination of compliance with relevant statutory requirements;

p. Monitoring compliance with the Corporate Governance Regulations promulgated by SECP and identification of significant violations thereof;

q. Recommending the hiring or removal of the Chief Internal Auditor and his performance appraisal on annual basis;

r. Review whistleblowing policy and mechanism for staff and management and other stakeholders to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures; Monitor the Company's placement of funds and related policy matters on quarterly basis;

s. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;

t. Consideration of any other issue or matter of significant importance or matters as maybe assigned by the Board of Directors;

u. Approval of resolutions for transfer of shares and issuance of duplicate share certificates of the Company, as per provisions of the Companies Act, 2017 (resolutions to be signed by any two members);

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

I. Ensure that the Company implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of risks.

II. Delineate Company's overall risk appetite and tolerance level in relation to risks.

III. Ensure that Company's overall risk exposure is maintained at prudent levels and consistent with the Company's strategy.

IV. Evaluate annually the adequacy of the risk management function, including the background and experience of key senior risk officers, staffing adequacy, and the independence and authority of the risk management function.

V. Review periodic reports related to management's assessment of the Company's risk management performance, and any other tools or reports used by management to assess and discuss the categories of risk faced by the Company, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures, and management's views on the acceptable and appropriate levels of those risk exposures.

VI. Review the Company's ERM Strategy and ERM Policy to ensure their suitability, including adherence to relevant legislation and regulations.

VII. Ensure that the risk management function has adequate resources and has a well-defined Annual Risk Management Plan.

VIII. Review key projects of strategic nature from risk perspective.

IX. Review Audit or other findings relating to management of the Company's risks and that follow-up actions are undertaken by the Management.

X. Evaluate special cases where a risk (or risks) falls outside published guidelines and thresholds and make recommendations on appropriate action to the Board.

Attendance in the Audit Committee Meetings
Eight meetings of the Audit Committee were held during the financial year 2023-24. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Mr. Abid Niaz Hasan [a, b]	08
Syed Bakhtiyar Kazmi [b]	03[1]
Mr. Momin Agha	06[2]
Mr. Ahmed Hayat Lak	08
Mr. Adnan Afridi	08
Dr. Nadeem Inayat	08
Captain (Retd) Muhammad Mahmood	02[1]

1. *Joined the Committee in place of Dr. Nadeem Inayat*
2. *Joined the Committee in place of Capt. (R) Muhammad Mahmood*
   a. *Mr. Abid Niaz Hasan is an independent, non-executive director*
   b. *Mr. Abid Niaz Hasan and Syed Bakhtiyar Kazmi both qualify as financially literate*

HR and Remuneration Committee:

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

Composition
The Committee shall comprise of five members. All members of the Committee shall be non-executive Directors. The Chairman of the Board shall not be a member of the Committee. The Chairman of the Committee shall be an independent director.

Terms of Reference
Terms of reference of the HR&R Committee are as follows:

a. Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the Chief Executive Officer level;

b. Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

c. Recommending the human resource management policies to the board;

d. Recommending to the Board of Directors the employment, evaluation, compensation (including retirement benefits), and succession planning of the CEO.

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

f. Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO;

g. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company;

h. Review managements proposals for the promotion of employees as direct reports to the MD/CEO and make recommendations for consideration of the Board of Directors;

i. Review management's proposals for changes in the compensation policy and salary structure of employees and make recommendations for consideration of the Board.

j. Review management's proposals for strategic changes in the Company's organogram and make recommendation for consideration of the Board.

k. Evaluate the candidates and make recommendations for the appointment of senior management employees reporting directly to MD/CEO and their succession planning. For this particular function, the Managing Director will be co-opted member of the Committee. The Committee may also co-opt any other director for this purpose; and

l. Take up any matter assigned by the Board and make its recommendations to the Board thereon.

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.

Attendance in the HR&R Committee Meetings
Eight meetings of the HR&R Committee were held during the financial year 2023-24. The attendance of the directors in these meetings was as under:

Director	Meetings Attended
Mr. Adnan Afridi	08
Maj Gen Tariq Qaddus (Retd)	04[1]
Mr. Hassan Mehmood Yousufzai	05[2]
Mr. Ahmed Hayat Lak	08
Mr. Abid Niaz Hasan	08
Maj Gen Ahmad Mahmood Hayat (Retd)	04
Mr. Mohammad Hassan Iqbal	01[3]
Mr. Abdul Rasheed Jokhio	02

1. *Joined the Committee in place of Maj Gen Ahmad Mahmood Hayat (Retd)*
2. *Joined the Committee in place of Mr. Mohammad Hassan Iqbal*
3. *Joined the Committee in place of Mr. Abdul Rasheed Jokhio*

Technical Committee:

Role
The Technical Committee shall be responsible to evaluate technical aspects of all projects/matters pertaining to the Company's core business i.e. Exploration & Production and allied services and make their recommendations for consideration of the Board.

Composition
The committee shall comprise of five members. All members of the Committee shall be non-executive directors.

Terms of Reference

a. Annual Exploration, Appraisal and Development work program, its budget and any re-appropriations in the approved 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 the Company's 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. Technical aspects of the Company's diversification projects.

g. Any other matter that may be referred by the Board to the Committee.

Attendance in the Technical Committee Meetings
Five meeting of the Technical Committee were held during the financial year 2023-24. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Maj Gen Tariq Qaddus (Retd)	03[1]
Mr. Hassan Mehmood Yousufzai	04[2]
Mr. Ahmed Hayat Lak	03[3]
Mr. Muhammad Aamir Salim	05
Mr. Adnan Afridi	02
Ms. Seema Adil	05
Maj Gen Ahmad Mahmood Hayat (Retd)	02
Mr. Abdul Rasheed Jokhio	01

1. *Joined the Committee in place of Maj Gen Ahmad Mahmood Hayat (Retd)*
2. *Joined the Committee in place of Mr. Abdul Rasheed Jokhio*
3. *Replaced Mr. Adnan Afridi on the Committee*

Investment Committee:

Role
The major role of the Investment Committee is to evaluate and discuss the feasibilities of new projects to ensure growth and diversification of the Company's business.

Composition
The Committee shall comprise of five members. All members of the Committee shall be non-executive Directors. The Chairman of the Board shall be a member of the Committee.

Terms of Reference

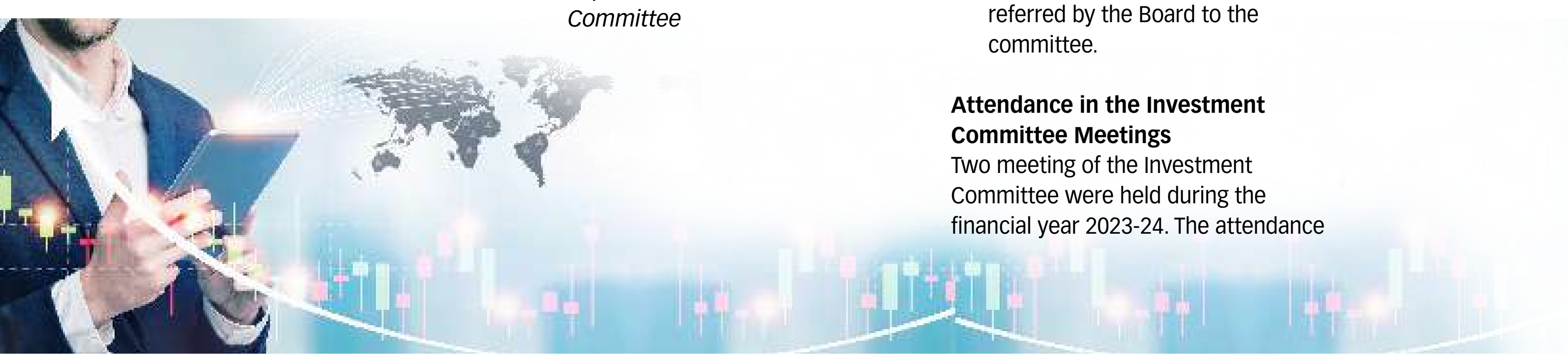
a. The Committee will review and recommend investment strategy relating to local and international growth in core business and/ or diversification projects. The Committee shall ensure that such investments are made in accordance with the Company's approved capital allocation framework and in line with Board's approved Strategies and policies in force from time to time.

b. Review external growth opportunities, potential diversification projects, acquisitions, or divestment of existing projects/ ventures, as proposed by the Management.

c. Review Management's proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company.

d. Any other matter that may be referred by the Board to the committee.

Attendance in the Investment Committee Meetings
Two meeting of the Investment Committee were held during the financial year 2023-24. The attendance of the directors in the meetings was as under:



Director	Meetings Attended
Syed Bakhtiyar Kazmi	01[1]
Maj Gen Tariq Qaddus (Retd)	02[2]
Mr. Muhammad Aamir Salim	02[1]
Mr. Adnan Afridi	02
Ms. Seema Adil	02
Dr. Nadeem Inayat	00
Maj Gen Ahmad Mahmood Hayat (Retd)	00

1. *Joined the Committee in place of Dr. Nadeem Inayat*
2. *Joined the Committee in place of Maj Gen Ahmad Mahmood Hayat (Retd)*

ESG Committee

Role
The role of the Environmental, Social, and Governance (ESG) Committee (the Committee) shall be to oversee, guide, and monitor the company's ESG initiatives, policies, and performance in alignment with industry best practices, regulatory requirements, and stakeholder expectations. The committee shall aim to enhance the company's sustainable practices, ethical conduct, and long-term value creation. The Committee shall report its findings, recommendations, and updates to the Board on a regular basis.

Composition:
The Committee shall comprise of at least five members, the majority of whom should be non-executive directors, including independent directors.

Terms of Reference

a. Review ESG strategies, policies, goals and targets for the company, while focusing on sector specific challenges, local perspective and energy and security needs of the company.

b. Monitor and assess the company's ESG performance, including key performance indicators, benchmarks and targets.

c. Oversee and advice ESG-related risks and opportunities that may impact the company's business, reputation, and financial performance.

d. Provide guidance to management team for adopting best international practices and seek support from ESG experts as needed to ensure company's compliance with relevant ESG laws, regulations, and reporting requirements in the country.

e. Foster constructive engagement with stakeholders, including investors, communities, government authorities and NGOs, to understand and address ESG concerns and expectations.

f. Oversee the appropriateness of the sustainability management system, while emphasizing on social impact of the company business.

g. Oversee and facilitate transparent communication of the company's ESG performance to stakeholders especially investors through the annual sustainability report and other relevant disclosures.

h. Promote ESG awareness and ensure ESG-related training opportunities are provided to employees, management and the Board.

i. Advice on management team's recommendations on the ESG implications of major projects, investments and initiatives for effective decision making.

j. Report its findings, recommendations, and activities to the Board of Directors on a regular basis or as requested by the Board.

Attendance in the ESG Committee Meetings

Two meeting of the ESG Committee were held during the financial year 2023-24. The attendance of the directors in the meetings was as under:

Director	Meetings Attended
Mr. Abid Niaz Hasan	02
Mr. Momin Agha	02
Mr. Muhammad Aamir Salim	02
Mr. Adnan Afridi	01[1]
Ms. Seema Adil	02
Maj Gen Ahmad Mahmood Hayat (Retd)	01

1. *Replaced Maj Gen Ahmad Mahmood Hayat (Retd) on the Committee*

Reports of the Audit Committee

In accordance with its TORs, the Audit Committee reviewed the Company's Annual and Interim Financial Statements, including the non-financial information, prior to their publication. The Audit Committee also periodically reviewed the adequacy and appropriateness of the internal controls, the matters relating to the accounting policies, the financial risks and the compliance with the applicable accounting and reporting standards, and statutory, legal and regulatory requirements. The Audit Committee also discussed with statutory auditors the issues arising from the interim and the annual audits along with the Management Letter issued by them and the management responses thereof.

Important findings, risks identified and follow-up actions were examined thoroughly in order to allow appropriate measures to be taken.

The Audit Committee reports were presented in the Board meetings on quarterly basis.

Audit Committee Views on Financial Statements

The financial statements of the Company for FY 2023-24 were presented to the Audit Committee in its meeting held on July 30, 2024. The Audit Committee reported to the Board that the statements were fair, balanced and understandable. The statements provided the shareholders and other readers with detailed qualitative and quantitative information which they can use to assess the Company's performance, business model, strategies, current financial position and the Company's future prospects.

Audit Committee on Appointment of External Auditors

Every year, the Audit Committee makes its recommendations to the Board regarding the appointment of statutory 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 July 30, 2024, recommended M/s A.F. Ferguson & Co., for reappointment as statutory auditors of the Company for FY 2024-25, based on their performance, market reputation, professional excellence and competitive fee.

Presence of the Chairman Audit Committee in AGM

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

Audit Committee Evaluation

Every year, evaluation of the Audit Committee is conducted as part of the Annual Evaluation of the Board, Committees and Individual Directors.

Internal Control Framework and Role of Internal Audit

In Compliance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has set up an Internal Audit function, which is headed by the Chief Internal Auditor, who directly reports to the Audit Committee of the Board.

The Internal Audit function is an independent assurance and consulting activity and is designed to add value and improve MPCL's operations. It helps the Company accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The main objectives of MPCL's Internal Control Framework include:

a. Effectiveness and efficiency of the Company's operations;

b. Reliability of the internal and external reporting;

c. Compliance with the applicable laws, rules, regulations, policies and procedures; and

d. Safeguarding of the Company's assets.

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

a. **Control Environment:** The control environment sets the tone and influences the control consciousness of the personnel. It is the foundation of all other components of the internal control, providing discipline and structure.

b. **Risk Assessment:** The Management of the Company is responsible for ensuring adequate risk identification and analysis of the relevant risks to achieve Internal Control Framework objectives.

c. **Control Activities:** These are the policies and procedures that help ensure that the Management directives are carried out effectively.

d. **Information and Communication:** Pertinent information must be identified, captured and communicated in a structured form and time-frame that enables people to carry out their assigned responsibilities.

e. **Monitoring:** Internal Control Systems need to be monitored by Internal Audit Department. This process assesses the quality of Internal Control Framework in place.

In addition, Internal Audit also undertakes special tasks as and when directed by the Audit Committee of the Board. Internal Audit plays a central role in highlighting weaknesses in the existing system and processes and identifying required controls needed to strengthen the overall control system.

Access of Head of Internal Audit to Audit Committee

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

Concerns about Actual or Potential Improprieties

The management and staff can report their concerns about actual or potential improprieties in financial and other matters to the Audit Committee in confidence through the Whistleblowing mechanism of the Company.

Engagement with Key Stakeholders' to understand their Needs, Interests and Trends

Major stakeholders of the Company include Shareholders (Institutional and Minority), Customers, Suppliers, Joint Venture Partners, Regulators, Banks and other Lenders, Media, Employees, Social Sector Organizations, and Communities in MPCL Concession areas. Relationships with different stakeholders are extremely important for the Company as these relationships can impact MPCL's operations, revenues and corporate image. MPCL maintains cordial relationships with all of its stakeholders.

Engagement with Shareholders

- Relationships with the shareholders are managed in line with the provisions of the Participation and Shareholders Agreement, applicable corporate laws, rules, regulations, and notifications, notably the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations 2019, the PSX Rulebook, and the Memorandum and Articles of Association of the Company.

- Annual and Quarterly Accounts of the Company are placed on the Company's Website while Annual Audited Accounts are also circulated to the Shareholders through QR code 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 the conventional mail, fax, email or phone.

- Material Information pertaining to the Company's operations is circulated to the Shareholders through the PSX, as and when need arises.

Engagement with other Stakeholders

Customers: MPCL customers are mostly corporate entities in dedicated sectors of fertilizer, power and gas distribution with long term allocations. MPCL interactions with these customers are B2B in nature. The Company maintains constant contact with all of its customers through periodic meetings, official correspondences, and personal visits.

Suppliers/Vendors/Service Providers: MPCL segments its suppliers, and employs an appropriate interaction model for each segment to maintain a collaborative working relationship with them. The Company treats its suppliers as strategic business partners for sustainable (reliable, ethical, cost effective) sourcing.

Media: A dedicated team of professionals maintains liaison with print and electronic media for sustained positive coverage of the Company's activities and achievements through new items, interviews, articles in special supplements, and advertisements.

Banks: The Company maintains consistent engagement with banks to secure competitive rates, facilitate financing and make deposits and investments. Furthermore, banks are regularly consulted for matters concerning letters of credit, supplier payments, and operational disbursements, further demonstrating our collaborative and comprehensive approach to financial management.

Engagement with Regulators

- Relationship with the SECP and the PSX are managed as per the applicable corporate laws, rules, regulations, and notifications, notably the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations 2019, the PSX Rulebook, and the Memorandum and Articles of Association of the Company.

- Annual and Quarterly Accounts of the Company are filed with the Registrar of the Companies and the SECP and are also circulated to the PSX.

- Material Information pertaining to the Company's operations is circulated to the PSX and the SECP as and when need arises.

- The Company also participates in the trainings and awareness sessions arranged by the regulatory bodies, from time to time.

Corporate Governance

Corporate Briefing Session
The Company carries out periodic briefings for the existing and potential investors and stock market participants to apprise them about the Company's operational and financial performance and the Company's future plans.

During FY 2023-24, two corporate briefing sessions were arranged at the MPCL Head Office on October 24, 2023, and June 14, 2024. The sessions were attended by a large number of market analysts, members of the brokerage houses, shareholders, and employees in person as well as virtually on MS Teams.

Summary of Analyst briefings
The briefings mainly covered the history of the company, overview of its operations, financial and operational performance including major achievements during the period, significant on-going projects, and future plans of the company. First briefing covered FY 2023-24, while second briefing covered 9M of FY 2023-24.

Briefing to the Shareholders
Apart from the corporate briefing sessions, the Managing Director makes a detailed presentation during the Annual General Meeting every year to brief the Shareholders on the Company's performance and its future plans. The presentation is followed by Q&A session wherein the views of the minority shareholders are solicited, their concerns are addressed and suggestions are noted for suitable action. The briefing and Q&A session are duly recorded.

Reaching out to Shareholders for Delivery of Unclaimed Dividends/ Shares
Pursuant to Section 244 of Companies Act 2017, the Company vigorously tries to reach out to its shareholders to deliver unclaimed shares and dividends that have been laying with the Company since inception. In addition to the attempts to contact concerned shareholders in person, written reminders have been dispatched since 2016. As a result, the Company has delivered about 59,111 unclaimed shares, and dividends amounting Rs. 52.9 million after promulgation of the Act.

Understanding of Major Shareholders' Views
Major shareholders of the Company are Fauji Foundation, OGDCL and the Government of Pakistan who collectively hold 80% shares in the Company. Out of 11 directors on MPCL Board, 8 directors are nominees of/ elected by the major shareholders. Hence, these directors are well aware of the views of the major shareholders about the Company and adequately share those views with other directors and management of the Company during the Board meetings.

Business Ethics and Anti-Corruption Measures

MPCL conducts its business in a socially responsible and ethical manner and in compliance with the applicable laws. The Company has prepared a Code of Conduct which, inter alia, covers the matters such as conflict of interest, business integrity, gifts, entertainment and bribery, insider trading and accountability etc. Members of the Board and employees, while joining and during their association with the Company, are required to read, acknowledge, and abide by the Code.

The Board has approved a Whistleblower Policy to encourage employees, who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express such concerns without fear of punishment or unfair treatment.

All complaints against the employees are thoroughly investigated to determine the veracity of such complaints. Inquiry reports are shared with the concerned quarters and where an employee is found guilty, strict disciplinary action is taken, including termination from the Company service.

An independent Internal Audit Department periodically reviews the conduct of the business of each department and points out the areas for improvement, if any.

Conflict of Interest
The matter of Conflict of Interest relating to Board members is dealt with in accordance with the provisions of the Companies Act, 2017 and the Articles of Association of the Company. Any person intending to become a Director of the Company has to submit a declaration that he/she is aware of the powers and duties of a Director as envisaged in the Companies Act, 2017 and has read the Articles of Association of the Company.

Further, MPCL has a Code of Conduct which covers this area. It is overriding intention of the Company that all business transitions conducted by it are on an arm's length basis. Adequate internal controls have been implemented to ensure that transactions with related parties are appropriately identified in the information system and disclosed in the financial statements.

Transactions and balances with the related parties are reviewed and approved by the Board on the recommendations of the Audit Committee.

Interested directors and executives are required to disclose their interest and withdraw themselves from the discussion or decision on any transaction in which they are interested.

Similarly, MPCL directors and executives are required to disclose buying and selling of the Company shares, within the prescribed time-frame.

Share Price Sensitivity Analysis
E&P is a high risk industry. Being an E&P Company, MPCL's operational and financial performance and consequently its share price can be impacted by several exogenous factors. Some potential factors influencing the share price are as follows:

Sale Price: The price of gas, condensate and crude oil produced by MPCL is linked with international crude oil prices. Hence, the company's financial results and share price are impacted by changes in the international crude oil price. Higher prices have a positive impact on sales revenue and profitability leading to increase in the share price, whereas lower crude prices have a contrary impact. Further, if production from HRL or Goru-B Reservoirs exceeds a certain minimum level, then all production over the benchmark becomes eligible for incentive price, which also impacts sales revenue and profitability.

Exchange Rate: Since international crude oil prices are denominated in US dollar, therefore, the company's financial results and share price are impacted by changes in PKR-USD exchange rate. A higher exchange rate has a positive impact on sales revenue and profitability leading to increase in the share price, whereas lower exchange rate has a contrary impact.

Procurement Costs: A significant portion of MPCL's procurement spend comprises foreign-sourced equipment, materials and services, primarily denominated in USD. Hence, a higher exchange rate increases the costs, thus negatively impacting the bottom-line. Further, key local suppliers, who rely on imported raw materials, are also impacted by the currency fluctuations and increase their prices as the exchange rate deteriorates.

Interest Rate: Pakistan is currently going through a period of hyper-inflation and high interest rates. Higher interest rates can increase borrowing costs, potentially hampering investment and growth plans, which could negatively impact the financial performance and share price. However, MPCL is shielded from the high interest rate as it is almost entirely financed through equity with insignificant debt financing. A positive impact of higher interest rate is that the company's finance income has jumped considerably, making positive contribution to the overall bottom-line.

Government Policies and Regulations: The share price is also influenced by shifts in government policies and regulations, including those related to the E&P sector, as well as the broader economy. These policies can pertain to areas like taxation, foreign exchange controls, gas pricing etc. Their effects on the share price can be either favorable or adverse, depending upon whether the policies and regulations align with or diverge from the interests of the company/industry.

Operational Achievements: Share price responds positively to MPCL's operational achievements such as oil and gas discoveries, completion of development projects, expansion of exploration acreage, optimization of production and reserves addition. These successes strengthen the company's long term prospects and viability, positively impacting the investors' perception.

Macroeconomic and Political Environment: Country's political situation, and changes in macroeconomic factors such as inflation, interest rates, circular debt, and balance of trade/payments etc. all impact the investors' perception and stock market performance. If things are moving in positive direction, investor' perception and stock market performance improves, which can positively influence the share price, and vice versa. Despite the on-going political uncertainty and macroeconomic challenges, MPCL share price has outperformed its listed peers and the stock market.

Last Annual General Meeting (AGM)
The 39th AGM of the Company was held on September 26, 2023, at 10:00 a.m., at the Registered Office of the Company situated at 21-Mauve Area, 3rd Road, Sector G-10/4, Islamabad.

Agenda, Decisions and Implementation
Agenda Item-1: To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.

Decision and Implementation: A detailed presentation on the Company's operations during the FY 2022-23 and the future plans was made by the Managing Director. After Q&A session, the audited accounts, the directors' and the auditors' reports were duly approved and adopted by the members.

Thereafter, the audited accounts, the directors' and the auditors' reports were filed with the Registrar of Companies and circulated to the SECP and the PSX.

Agenda Item-2: To approve, as recommended by the Board of Directors, the payment of final dividend

@ Rs. 58/- per share (580 %) for the financial year ended June 30, 2023. This was in addition to the interim dividends @ Rs. 89/- per share (890%) already paid.

Decision and Implementation:
The payment of the final dividend as recommended by the Board was approved by the shareholders. It was also approved that the dividend on the 5% bonus shares that were sub judice before the Sindh High Court be withheld by the Company till the final decision of the Court in the matter.

Accordingly, dividend was electronically transferred in the designated bank accounts of the eligible shareholders on September 27, 2023. Tax was deducted at the applicable rates and deposited in the Government Treasury.

Agenda Item-3: To appoint auditors for the year 2023-24 and fix their remuneration.

Decision and Implementation:
M/s A.F. Ferguson & Co., Chartered Accountants, were appointed as auditors to hold office until the conclusion of the next Annual General Meeting of the Company for the year ending June 30, 2024, at the fee and other terms and conditions agreed by the Board of Directors.

Facilitation to Minority Shareholders to Attend AGMs
Both the companies and the shareholders have to play a role to make AGMs effective and meaningful. MPCL follows the legal requirements in letter and spirit to encourage participation of the minority shareholders in the AGMs. Going beyond the legal requirements, the Company even delivers Annual Reports through the Company's dispatch riders at the shareholders request. Personal phone calls are also made to some of the shareholders to inform them about the AGM and invite them to attend in person or through proxy. Dedicated parking and security arrangements are made for the shareholders on the day of the AGM.

Corporate Benefits to Shareholders
In the financial year, our commitment to delivering consistent value to our shareholders is reflected in the substantial returns provided. The company declared a dividend of Rs. 232 per share, underscoring our dedication to rewarding our investors. Additionally, we issued 800% bonus shares, further enhancing shareholder value. These corporate benefits, including both the dividend payout and the issuance of bonus shares, are a testament to the robust financial performance and the value appreciation generated over the year. This reaffirms our ongoing focus on creating sustainable and long-term benefits for our shareholders.

Compliance with the Best Practices of Code of Corporate Governance
The Company ensures full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. Every year, the Statement of Compliance prepared by the Board of Directors is reviewed and verified by the statutory auditors of the Company.

The Statement for the year 2023-24 (included in the Annual Report) details the manner in which the Company has applied the requirements of the Regulations. The Statement also confirms that all material principles enshrined in the Regulations were complied with.

Good Governance Practice beyond the Requirements of the Regulations
Going beyond the requirements of the Regulations, the Company has adopted/ implemented following good governance practices in the Company:

- Although not mandatory under the Regulations, the Board has constituted a Technical Committee to evaluate the technical aspects of all projects/matters pertaining to the Company's core business, and an Investment Committee to evaluate the feasibilities of the new projects to ensure growth and diversification of the Company's business.

- Apart from the statutory positions, employment of all executives reporting directly to the Managing Director is approved by the Board on recommendations of the HR&R Committee. This practice ensures transparency in hiring, promotion and separation of senior management.

Awareness Session on Insider Trading
Insider trading is a serious offence under the Securities Act 2015 and carries hefty financial penalties and imprisonment time. The Company arranges in-house sessions to create awareness about insider trading and related matters. Management employees from all tiers participate in the sessions wherein they are apprised about the main concepts pertaining to insider trading, laws governing insider trading, responsibilities of the Company with regard to handling material insider information and maintenance of inside information register, penalties for non-compliance, real life case studies, and the contents of the inside information register of MPCL. Emails pertaining to the prohibition of the insider trading are also circulated from time to time to reinforce compliance.

Whistle Blowing Policy
The Board has approved a Whistleblower Policy to encourage employees, who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express such concerns without fear of punishment or unfair treatment. The Policy applies to all regular/contractual Management and Non-Management employees of the Company, vendors, contractors, customers and consultants etc. The Policy also includes other

Independence Day and Townhall Meeting 2024, Head Office - Islamabad

personnel associated in any other manner with the Company. Salient of the policy are as under:

- Audit Committee of the Board is responsible for implementation of the Whistle Blowing Policy.

- Chairman of the Audit Committee directly receives, reviews and decides whether a detailed investigation is needed on all whistles/complaints. The whistles/ complaints may be launched through dedicated email address (whistle@mpcl.com.pk) or through other forms like post, courier etc. directly to the Chairman Audit Committee. The aforementioned email is only accessible to the Chairman Audit Committee.

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

- The Policy allows anonymous whistles/complaints.

  During the year, there was one insignificant matter which was dealt as per the policy.

Dividend Policy
The Company aims to optimise shareholders' returns by maintaining adequate dividend payouts that are reflective of its financial performance and future outlook.

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.

Related Party Transactions
It is the policy of the Company that all transactions with related parties arising in the normal course of business shall be carried out on an unbiased, arm's length basis at normal commercial terms and conditions. Any related party transaction where majority of the directors are interested, shall be referred to the shareholders in a general meeting for ratification/ approval. If a related party transaction takes place other than on an "arm's length" basis, such transaction shall be approved by the Board on the recommendation of the Audit Committee only if there is a sound justification for such transaction and the reasons shall be properly recorded

39th Annual General Meeting at Head Office - Islamabad

in the minutes. Directors' and Officers' conflict of interest is managed in line with the provisions of Section 205 to 209 of the Companies Act, 2017.

Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the complete details of the transactions and balances with the related parties were placed before the Audit Committee for review at the end of each quarter. After review by the Committee, the transactions were considered and approved by the Board keeping in view the recommendations made by the Committee. In compliance with the requirements contained in the Fourth Schedule of the Companies Act, 2017, detailed disclosure regarding related party transactions has been presented in Note 39 of the Financial Statements.

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

Investors' Relations Section and Complete Accessibility of Annual Report on MPCL Website

In order to promote investor relations and facilitate access to the Company for grievance/other query registration, an Investors' Relations section (https://mpcl.com.pk/investors-relation-contact-center/) is maintained on MPCL website. Further, annual report is also completely accessible on the website (https://mpcl.com.pk/financial-reports/)

Managing Director/CEO Interview

CEO's presentation regarding MPCL's performance, business overview, strategy and outlook is placed at the following link: https://mpcl.com.pk/who-we-are/#gallery

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 2023-24 were approved by the Board in its 215th meeting held on August 08, 2024. Necessary disclosures to the PSX and the SECP were made on the same day after the 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 the PSX.

Redressal Mechanism for Investor's Complaints

A dedicated "Investor Contact and Complaints" page is being maintained on MPCL website under the Investor Relations Section. Executives of Corporate Affairs Department remain available during office hours on 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-2023-24, eight (08) complaints were received from various shareholders. All complaints were timely settled by the Shares Section of the Company.

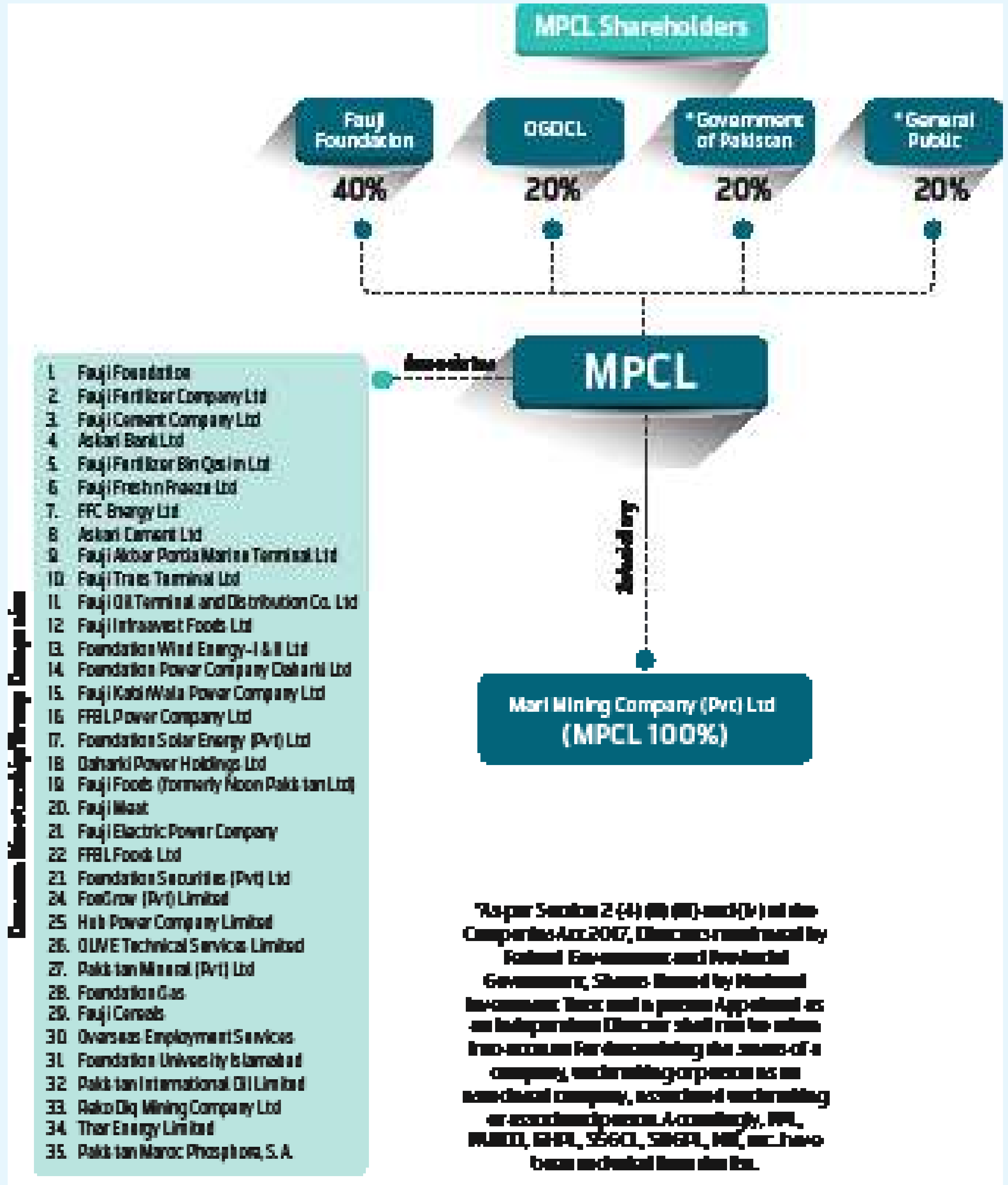
Transformation of Internal Audit Department

During the FY 2022-23, the Internal Audit Department (IAD) initiated a transformation journey to align its internal processes with the guidelines and internal auditing standards issued by IIA. To achieve this objective, an independent 3rd Party external assessment was conducted by a leading consultant to identify existing gaps and propose corrective actions. During the FY 2023-24, recommended action plan was complied with by implementing the required corrective actions.

Quality Assurance & Improvement Program (QAIP)

Quality Assurance & Improvement Program (QAIP) was implemented during FY 2023-24 which aims to add value to Company's operations through impactful audits. The program comprises ongoing and periodic assessments that involve rigorous and comprehensive processes, continuous supervision and testing of internal audit work to maintain consistency, reliability and compliance with the Definition of Internal Auditing, the Code of Ethics, and the Institute of Internal Auditors (IIA) Standards.

Company's Ownership Structure and Relationship with Associated Companies



Performance Indicators

PROFITABILITY RATIOS							
Net profit to net sales	%	42.51	38.51	34.75	43.06	42.09	40.92
EBITDA margin to net sales	%	63.31	59.85	56.34	67.76	63.87	64.83
Operating leverage	Times	1.31	1.16	0.58	7.81	0.50	1.46
Return on equity / shareholders' funds	%	39.30	37.51	26.84	30.14	38.68	46.87
Return on capital employed	%	39.21	37.36	26.76	30.14	38.68	46.87
Equity / Shareholders' funds	Rs in billion	224.91	168.43	130.86	115.53	93.15	63.61
LIQUIDITY RATIOS							
Current ratio	Times	2.79	1.98	2.26	3.61	3.71	2.98
Quick / acid test ratio	Times	2.60	1.77	2.13	3.36	3.15	2.60
Cash to current liabilities	Times	1.19	0.65	1.09	2.05	2.22	1.45
Cash flow from operations to net sales	Times	0.55	0.39	0.52	0.41	0.44	0.34
Cash flow from operations to capital expenditures	Times	2.06	1.33	1.25	1.14	2.50	2.05
Cash flow coverage ratio	Times	135.25	70.83	68.22	-	-	-
ACTIVITY / TURNOVER RATIOS							
Debtor turnover	Times	2.87	3.47	3.61	3.22	3.65	4.37
No. of days in receivables	Days	128	105	101	113	100	83
Total assets turnover	Times	0.60	0.66	0.57	0.53	0.66	0.79
Fixed assets turnover	Times	1.30	1.35	1.24	1.44	1.91	1.88
INVESTMENT / MARKET RATIOS							
Earnings per share (EPS) - basic and diluted	Rupees	579.36	420.75	247.84	235.71	227.23	182.36
Price earnings	Times	4.68	3.60	7.02	6.47	5.44	5.53
Price to book ratio	Times	1.61	1.20	1.77	1.76	1.77	1.92
Dividend yield	%	15.32*	8.45	8.13	11.40	0.60	0.40
Dividend payout	%	40.04*	34.94	50.03	59.82	2.68	3.29
Dividend cover	Times	2.50*	2.86	2.00	1.67	37.25	30.39
Dividend per share	Rupees	232.00*	147.00	124.00	141.00	6.10	6.00
Stock dividend per share	%	800**	-	-	-	10	10
Total shareholders' return / Return on investment	%	94.39*	(4.49)	23.11	28.77	23.13	(32.56)
Market value per share							
Year end	Rupees	2,712.34	1,514.64	1,739.74	1,524.39	1,236.65	1,009.33
highest during the year	Rupees	2,838.10	1,770.29	1,800.13	1,692.16	1,454.50	1,589.95
lowest during the year	Rupees	1,524.38	1,389.70	1,480.55	1,222.65	829.95	936.70
Breakup value per share / Net assets per share	Rupees	1,685.93	1,262.54	980.93	866.05	698.26	524.48
Market capitalization - year end price	Rupees in billion	361.83	202.06	232.09	203.36	164.97	122.41
Free cash flow	Rupees in billion	54.79	19.45	10.03	7.27	23.79	12.38
Economic value added	Rupees in billion	49.51	36.58	12.66	16.64	19.66	15.60
CAPITAL STRUCTURE RATIOS							
Debt to equity (as per book value)	%	0.26 : 99.74	0.40 : 99.60	0.55 : 99.45	00:100	00:100	00:100
Debt to equity (as per market value)	%	0.16 : 99.84	0.39 : 99.61	0.31 : 99.69	00:100	00:100	00:100
Financial leverage	%	0.33	0.47	0.57	-	-	-
Interest cover	Times	1,571.32	1,248.61	1,193.96	-	-	-
Weighted average cost of debt	%	2.75	2.75	2.75	-	-	-
EMPLOYEE PRODUCTIVITY AND OTHER RATIOS							
Production per employee	MBOE	23.77	22.76	26.10	28.25	27.39	27.75
Net sales per employee	Rs in million	110.80	91.28	67.28	57.49	59.04	49.06
Employee turnover ratio	%	10.36	7.76	6.01	7.95	5.66	5.94
Maintenance & repairs expense as							
%age of operating & administrative expenses	%	5.92	7.05	7.00	7.16	5.58	5.35
Stores and spares as %age of fixed assets	%	5.46	5.70	3.69	4.67	7.52	6.62

Note:
1. Breakup value with revaluation reserves does not apply as MPCL has no revaluation reserves. Furthermore, carrying value of investment in related party - associate and wholly owned subsidiary approximates its fair value.
2. Customer satisfaction index is not applicable as the oil and gas industry in Pakistan is highly regulated and customers are nominated by the Government.
3. Due to the nature of operations of the Company, the percentage of plant availability for the products of the Company and number of days in inventory, number of days in payables and operating cycle are not relevant.
4. Previous years' figures have been restated, wherever necessary for the purpose of comparison.

* This includes final dividend of Rs. 134 per share for the year ended June 30, 2024 proposed by the Board of Directors for approval of members in the Annual General Meeting.

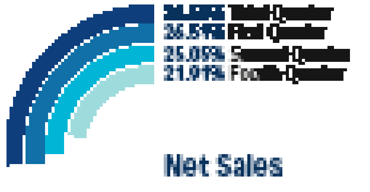
** This represents bonus shares of 800% for the year ended June 30, 2024 proposed by the Board of Directors for approval of members in the Annual General Meeting.

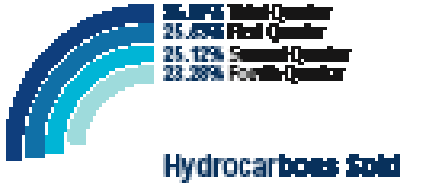
Quarterly Analysis

					Total for the year ended June 30, 2024
Net Sales (Rupees in million)	48,205.73	45,539.24	48,247.46	39,836.19	181,828.62
Net Profit (Rupees in million)	19,143.44	18,361.09	14,124.36	25,659.22	77,288.11
Earnings Per Share (Rupees)	143.50	137.64	105.88	192.34	579.36
Hydrocarbons Sold (MMBOE)	10.00	9.80	10.13	9.08	39.01
Gas Sold (MMSCF)	75,235	73,461	75,597	67,963	292,256
Liquid Sold (Barrels)	107,430	112,488	110,685	106,197	436,800

Analysis:

The distribution of sales and production across the quarters was balanced, with a slight dip observed in the final quarter, which is not due to any limitation on the part of the Company, but mainly a result of exogenous factors like emergency shutdowns, turnarounds of fertilizer plants and forced curtailment by gas distribution companies.

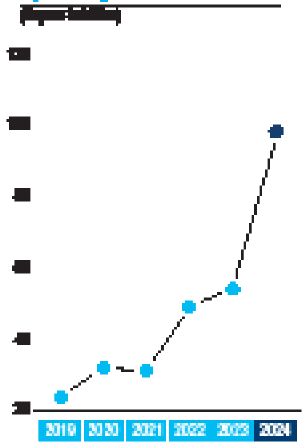




Summary of Cash Flows

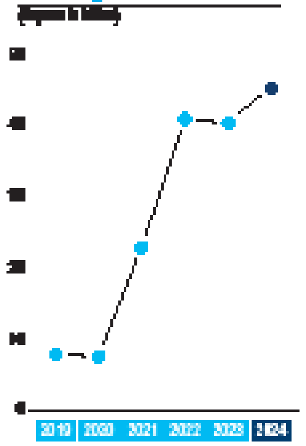
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
	(Rupees in million)					
Cash inflows from operating activities	100,442.62	56,195.34	49,400.04	29,973.02	31,465.74	20,226.68
Cash outflows from investing activities	(44,936.57)	(40,457.87)	(41,012.15)	(22,864.80)	(7,818.32)	(8,051.54)
Cash outflows from financing activities	(20,802.15)	(20,039.44)	(17,145.99)	(9,001.47)	(796.14)	(754.96)
Increase/(Decrease) in cash and cash equivalents	34,703.90	(4,301.97)	(8,758.10)	(1,893.25)	22,851.28	11,420.18
Cash and cash equivalents at beginning of year	40,900.69	41,491.13	48,605.38	50,334.40	27,335.82	15,706.26
Effect of exchange rate changes	(718.30)	3,711.53	1,643.84	164.23	147.31	209.37
Cash and cash equivalents at end of year	74,886.29	40,900.69	41,491.13	48,605.38	50,334.40	27,335.82

Cash Inflows from Operating Activities



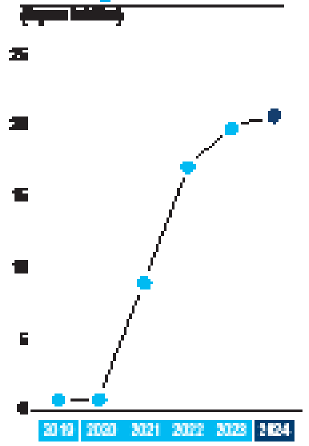
Net cash inflows from operating activities represent cash received from customers netted off with payments to suppliers, employees, and the Government for levies and taxes. The growth over the years is consistent with the activities of the Company, with the current year recording the highest cash inflows in the Company's history.

Cash Outflows from Investing Activities



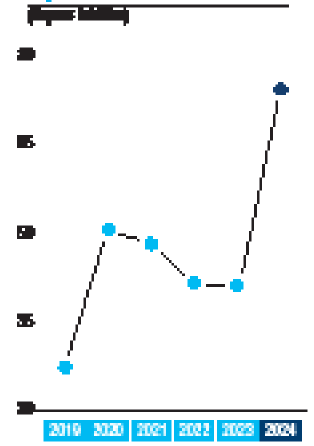
Investing activities mainly comprise of exploration and development activities, capital expenditures and investments. Cash outflows have increased over the years largely due to accelerated exploration and development activities of the Company.

Cash Outflows from Financing Activities



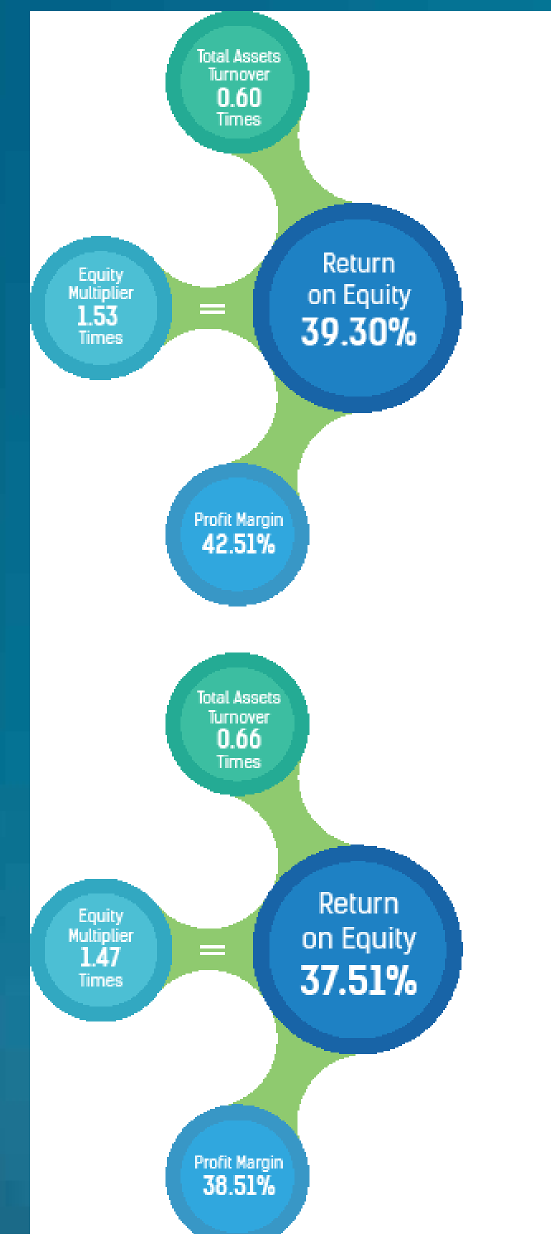
In recent years, cash outflows from financing activities increased mainly as a result of increased dividend distributions.

Cash and Cash Equivalents

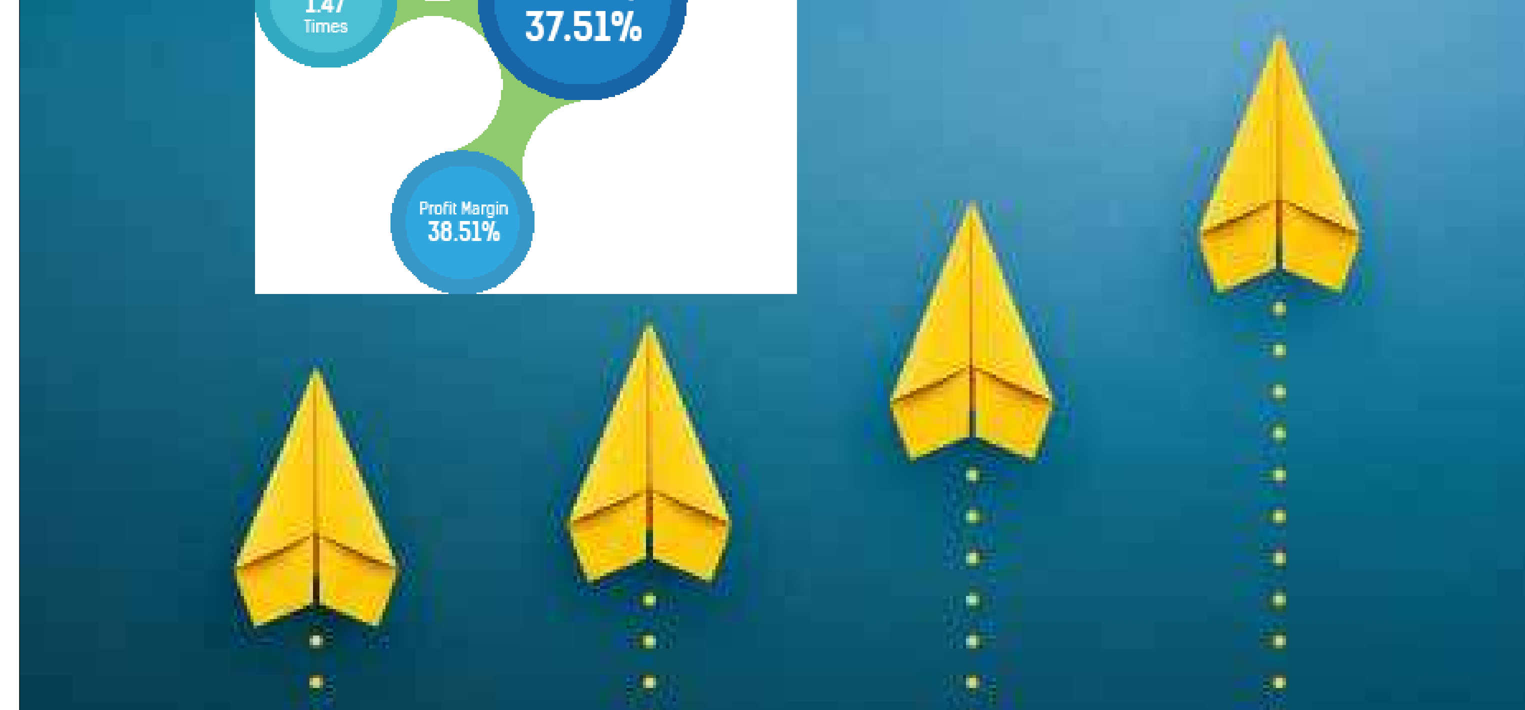


Cash and cash equivalents increased by 2.7 times from Rs 27.34 billion in 2018-19 to Rs 74.89 billion in 2023-24.

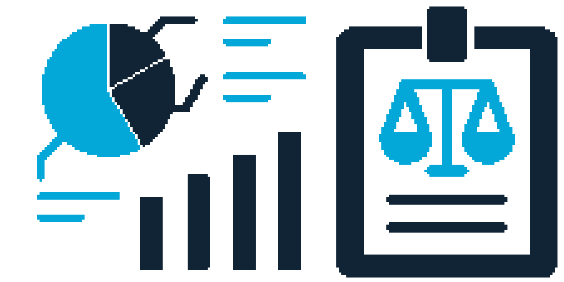
Return on Equity DuPont Analysis



ary reason for the increase in return on equity from 37.51% to s the increase in profit margin, primarily due to an increase in account of enhanced hydrocarbon sales volumes applicable tive prices and higher oil prices. However, return could have proved had there been no circular debt issue prevailing in oil sector.



Horizontal Analysis
Statement of Financial Position



(Rupees in thousand)

	2024	24 vs 23 %age	2023	23 vs 22 %age	2022	22 vs 21 %age	2021	21 vs 20 %age	2020	20 vs 19 %age	2019	19 vs 18 %age
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital	1,334,025	-	1,334,025	-	1,334,025	-	1,334,025	-	1,334,025	10.00	1,212,750	10.00
Undistributed percentage return reserve	-	-	-	-	-	-	-	(100.00)	477,899	(20.67)	602,415	(1.74)
Other reserves	17,192,508	(0.17)	17,222,067	9.61	15,711,988	3.44	15,190,001	7.05	14,190,001	7.58	13,190,001	8.20
Unappropriated profit	206,381,187	37.71	149,870,248	31.68	113,812,754	14.95	99,009,539	28.34	77,147,181	58.73	48,601,563	84.89
Total equity	224,907,720	33.53	168,426,340	28.71	130,858,767	13.26	115,533,565	24.03	93,149,106	46.45	63,606,729	58.26
Non current liabilities												
Long term financing	593,369	(11.75)	672,381	(7.15)	724,126	100.00	-	-	-	-	-	-
Deferred liabilities	27,445,015	20.04	22,862,894	47.08	15,544,293	39.14	11,171,723	8.02	10,342,139	2.83	10,057,962	26.48
Deferred income tax liability	30,679,757	100.00	-	-	-	-	-	-	-	-	-	-
	58,718,141	149.49	23,535,275	44.67	16,268,419	45.62	11,171,723	8.02	10,342,139	2.83	10,057,962	26.48
Current liabilities												
Trade and other payables	49,914,065	48.97	33,506,735	43.81	23,299,450	35.02	17,256,803	21.43	14,211,612	10.95	12,809,483	54.86
Unclaimed dividend	570,696	36.78	417,235	56.86	265,992	123.76	118,875	170.01	44,026	35.20	32,563	68.10
Unpaid dividend	-	-	-	-	-	-	-	-	-	(100.00)	7,544	(34.48)
Current maturity of long term financing	149,293	23.38	121,007	332.46	27,981	100.00	-	-	-	-	-	-
Provision for income tax	12,312,328	(56.94)	28,590,205	98.28	14,419,416	128.69	6,305,167	(24.92)	8,397,850	40.31	5,985,202	186.72
	62,946,382	0.50	62,635,182	64.77	38,012,839	60.52	23,680,845	4.54	22,653,488	20.27	18,834,792	81.27
Total liabilities	121,664,523	41.19	86,170,457	58.75	54,281,258	55.75	34,852,568	5.63	32,995,627	14.20	28,892,754	57.52
Total equity and liabilities	346,572,243	36.13	254,596,797	37.52	185,140,025	23.11	150,386,133	19.22	126,144,733	36.37	92,499,483	58.03
ASSETS												
Non current assets												
Property, plant and equipment	97,355,350	19.11	81,736,169	35.23	60,441,427	60.44	37,672,536	69.64	22,207,552	37.29	16,176,231	21.93
Development and production assets	35,118,195	40.52	24,992,278	40.93	17,733,482	8.94	16,278,235	38.35	11,766,348	(7.76)	12,755,574	7.31
Exploration and evaluation assets	25,532,040	59.99	15,958,410	9.76	14,538,766	96.84	7,386,197	24.86	5,915,531	(9.74)	6,553,548	143.67
Long term investments	12,501,087	118.37	5,724,782	79.73	3,185,145	174.34	1,161,018	100.00	-	-	-	-
Long term loans and advances	48,967	(0.23)	49,080	11.62	43,969	29.12	34,053	2.68	33,165	(16.58)	39,755	12.27
Long term deposits and prepayments	179,741	81.55	99,003	(20.64)	124,756	(31.56)	182,274	(48.51)	353,999	53.25	230,999	267.31
Deferred income tax asset	-	(100.00)	2,241,814	(26.68)	3,057,644	38.40	2,209,320	16.98	1,888,594	190.04	651,147	(64.21)
	170,735,380	30.53	130,801,536	31.96	99,125,189	52.68	64,923,633	53.97	42,165,189	15.82	36,407,254	22.34
Current assets												
Stores and spares	8,620,579	23.33	6,989,735	104.13	3,424,159	19.44	2,866,855	(4.44)	2,999,993	27.69	2,349,391	250.11
Trade debts	81,073,374	31.45	61,676,104	90.60	32,359,298	15.38	28,046,706	20.02	23,369,070	9.32	21,377,155	121.21
Short term loans and advances	9,529,056	(3.54)	9,879,116	26.78	7,792,601	42.44	5,470,861	(22.46)	7,055,770	48.47	4,752,460	87.67
Short term prepayments	575,233	143.84	235,905	73.88	135,672	(6.38)	144,920	7.42	134,910	45.19	92,919	39.28
Other receivables	751,104	(71.65)	2,649,332	291.76	676,270	261.04	187,311	282.83	48,928	(37.86)	78,739	154.14
Current portion of long term investments	-	(100.00)	1,041,068	2,435.00	41,068	3.00	39,831	100.00	-	-	-	-
Short term investments	22,676,219	146.56	9,197,048	84.12	4,995,065	(87.75)	40,782,256	21.25	33,634,126	62.48	20,700,000	145.34
Interest accrued	401,229	(5.22)	423,315	1,318.00	29,853	(70.34)	100,635	175.95	36,469	(65.51)	105,747	2.48
Cash and bank balances	52,210,069	64.68	31,703,638	(13.13)	36,496,060	366.52	7,823,125	(53.16)	16,700,278	151.67	6,635,818	(8.71)
	175,836,863	42.04	123,795,261	44.03	85,950,046	0.57	85,462,500	1.77	83,979,544	49.72	56,092,229	94.94
Assets classified as held for sale	-	-	-	(100.00)	64,790	100.00	-	-	-	-	-	-
Total assets	346,572,243	36.13	254,596,797	37.52	185,140,025	23.11	150,386,133	19.22	126,144,733	36.37	92,499,483	58.03

Horizontal Analysis
Statement of Profit or Loss

(Rupees in thousand)

	2024	24 vs 23 %age	2023	23 vs 22 %age	2022	22 vs 21 %age	2021	21 vs 20 %age	2020	20 vs 19 %age	2019	19 vs 18 %age
Net sales	181,828,621	24.74	145,769,907	53.23	95,134,477	30.29	73,018,271	1.38	72,026,368	21.14	59,457,121	46.00
Royalty	(22,097,614)	25.92	(17,548,455)	46.24	(11,999,913)	28.82	(9,315,126)	5.79	(8,805,560)	16.25	(7,574,515)	46.20
Operating and administrative expenses	(35,903,779)	32.43	(27,111,724)	55.79	(17,402,533)	15.71	(15,039,680)	12.96	(13,313,631)	13.58	(11,722,088)	16.85
Exploration and prospecting expenditure	(12,924,077)	(19.31)	(16,016,913)	46.52	(10,931,573)	140.59	(4,543,689)	(55.70)	(10,257,639)	138.11	(4,308,006)	29.96
Finance cost	(2,864,233)	61.38	(1,774,826)	81.14	(979,809)	(25.23)	(1,310,476)	130.74	(567,952)	(26.02)	(767,752)	20.01
Other charges	(6,741,704)	16.37	(5,793,579)	59.93	(3,622,588)	17.52	(3,082,462)	14.24	(2,698,227)	10.77	(2,435,811)	68.25
	(80,531,407)	18.00	(68,245,497)	51.87	(44,936,416)	34.98	(33,291,433)	(6.60)	(35,643,009)	32.96	(26,808,172)	30.04
	101,297,214	30.66	77,524,410	54.44	50,198,061	26.36	39,726,838	9.19	36,383,359	11.44	32,648,949	62.37
Other income / (expenses)	140,747	(138.81)	(362,655)	(851.85)	48,235	(84.54)	311,971	(8.24)	340,001	4.27	326,087	(156.04)
Finance income	9,209,169	1.47	9,075,445	102.44	4,483,085	13.77	3,940,536	(13.51)	4,556,085	162.86	1,733,298	126.39
Share of loss in associate	(284,225)	(27.13)	(390,022)	(85.07)	(2,613,070)	5,346.00	(47,982)	100.00	-	-	-	-
Profit before taxation	110,362,905	28.56	85,847,178	64.72	52,116,311	18.63	43,931,363	6.42	41,279,445	18.93	34,708,334	71.05
Provision for income tax	(33,074,794)	11.29	(29,718,467)	55.98	(19,053,300)	52.59	(12,486,454)	13.86	(10,966,572)	5.64	(10,381,246)	111.12
Profit for the year	77,288,111	37.70	56,128,711	69.76	33,063,011	5.15	31,444,909	3.73	30,312,873	24.61	24,327,088	58.23

Vertical Analysis
Statement of Financial Position

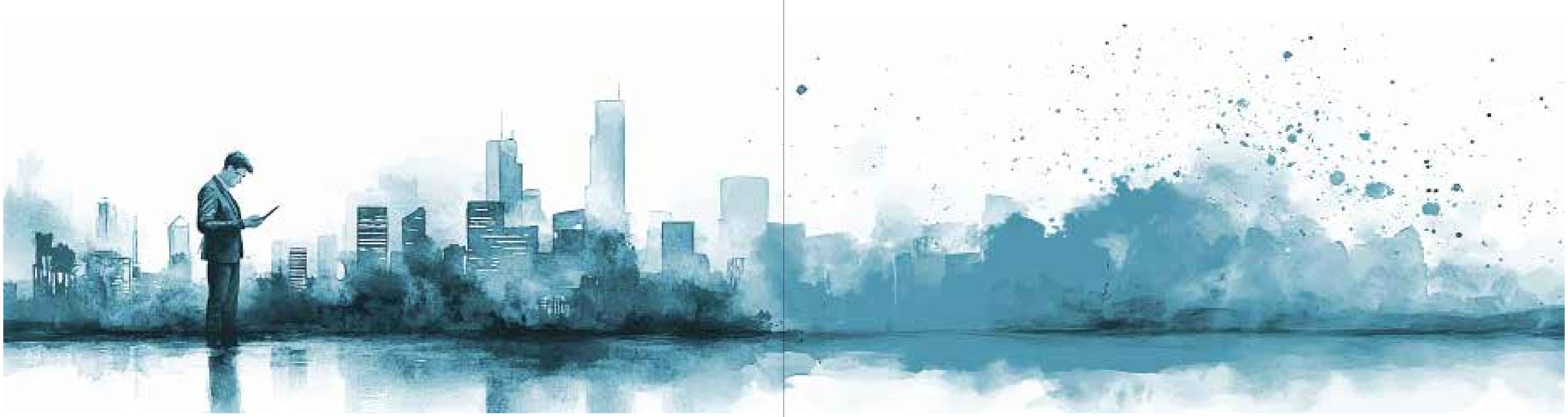
(Rupees in thousand)

	2024	% age	2023	% age	2022	% age	2021	% age	2020	% age	2019	% age
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital	1,334,025	0.38	1,334,025	0.52	1,334,025	0.72	1,334,025	0.89	1,334,025	1.06	1,212,750	1.31
Undistributed percentage return reserve	-	-	-	-	-	-	-	-	477,899	0.38	602,415	0.65
Other reserves	17,192,508	4.96	17,222,067	6.76	15,711,988	8.49	15,190,001	10.10	14,190,001	11.25	13,190,001	14.26
Unappropriated profit	206,381,187	59.55	149,870,248	58.87	113,812,754	61.47	99,009,539	65.84	77,147,181	61.16	48,601,563	52.54
Total equity	224,907,720	64.89	168,426,340	66.15	130,858,767	70.68	115,533,565	76.82	93,149,106	73.84	63,606,729	68.76
Non Current Liabilities												
Long term financing	593,369	0.17	672,381	0.26	724,126	0.39	-	-	-	-	-	-
Deferred liabilities	27,445,015	7.92	22,862,894	8.98	15,544,293	8.40	11,171,723	7.43	10,342,139	8.20	10,057,962	10.87
Deferred income tax liability	30,679,757	8.85	-	-	-	-	-	-	-	-	-	
	58,718,141	16.94	23,535,275	9.24	16,268,419	8.79	11,171,723	7.43	10,342,139	8.20	10,057,962	10.87
Current Liabilities												
Trade and other payables	49,914,065	14.40	33,506,735	13.16	23,299,450	12.58	17,256,803	11.47	14,211,612	11.27	12,809,483	13.85
Unclaimed dividend	570,696	0.16	417,235	0.16	265,992	0.14	118,875	0.08	44,026	0.03	32,563	0.04
Unpaid dividend	-	-	-	-	-	-	-	-	-	-	7,544	0.02
Current maturity of long term financing	149,293	0.04	121,007	0.05	27,981	0.02	-	-	-	-	-	-
Provision for income tax	12,312,328	3.55	28,590,205	11.23	14,419,416	7.79	6,305,167	4.19	8,397,850	6.66	5,985,202	6.46
	62,946,382	18.16	62,635,182	24.60	38,012,839	20.53	23,680,845	15.75	22,653,488	17.96	18,834,792	20.36
Total liabilities	121,664,523	35.11	86,170,457	33.85	54,281,258	29.32	34,852,568	23.18	32,995,627	26.16	28,892,754	31.24
Total equity and liabilities	346,572,243	100.00	254,596,797	100.00	185,140,025	100.00	150,386,133	100.00	126,144,733	100.00	92,499,483	100.00
ASSETS												
Non current assets												
Property, plant and equipment	97,355,350	28.09	81,736,169	32.10	60,441,427	32.65	37,672,536	25.05	22,207,552	17.60	16,176,231	17.49
Development and production assets	35,118,195	10.13	24,992,278	9.82	17,733,482	9.58	16,278,235	10.82	11,766,348	9.33	12,755,574	13.79
Exploration and evaluation assets	25,532,040	7.37	15,958,410	6.27	14,538,766	7.85	7,386,197	4.91	5,915,531	4.69	6,553,548	7.08
Long term investments	12,501,087	3.61	5,724,782	2.25	3,185,145	1.72	1,161,018	0.77	-	-	-	-
Long term loans and advances	48,967	0.01	49,080	0.02	43,969	0.02	34,053	0.02	33,165	0.03	39,755	0.04
Long term deposits and prepayments	179,741	0.05	99,003	0.04	124,756	0.07	182,274	0.12	353,999	0.28	230,999	0.25
Deferred income tax asset	-	-	2,241,814	0.88	3,057,644	1.65	2,209,320	1.47	1,888,594	1.50	651,147	0.70
	170,735,380	49.26	130,801,536	51.38	99,125,189	53.54	64,923,633	43.17	42,165,189	33.43	36,407,254	39.36
Current assets												
Stores and spares	8,620,579	2.49	6,989,735	2.75	3,424,159	1.85	2,866,855	1.91	2,999,993	2.38	2,349,391	2.54
Trade debts	81,073,374	23.39	61,676,104	24.23	32,359,298	17.48	28,046,706	18.65	23,369,070	18.53	21,377,155	23.11
Short term loans and advances	9,529,056	2.75	9,879,116	3.88	7,792,601	4.21	5,470,861	3.64	7,055,770	5.59	4,752,460	5.14
Short term prepayments	575,233	0.17	235,905	0.09	135,672	0.07	144,920	0.10	134,910	0.11	92,919	0.10
Other receivables	751,104	0.22	2,649,332	1.04	676,270	0.37	187,311	0.12	48,928	0.04	78,739	0.09
Current portion of long term investments	-	-	1,041,068	0.00	41,068	0.02	39,831	0.02	-	-	-	-
Short term investments	22,676,219	6.54	9,197,048	3.61	4,995,065	2.70	40,782,256	27.12	33,634,126	26.66	20,700,000	22.38
Interest accrued	401,229	0.12	423,315	0.17	29,853	0.02	100,635	0.07	36,469	0.03	105,747	0.11
Cash and bank balances	52,210,069	15.06	31,703,638	12.45	36,496,060	19.71	7,823,125	5.20	16,700,278	13.24	6,635,818	7.17
	175,836,863	50.74	123,795,261	48.62	85,950,046	46.43	85,462,500	56.83	83,979,544	66.57	56,092,229	60.64
Assets classified as held for sale	-	-	-	-	64,790	0.03	-	-	-	-	-	-
Total assets	346,572,243	100.00	254,596,797	100.00	185,140,025	100.00	150,386,133	100.00	126,144,733	100.00	92,499,483	100.00

Vertical Analysis
Statement of Profit or Loss

(Rupees in thousand)

	2024	% age	2023	% age	2022	% age	2021	% age	2020	% age	2019	% age
Net sales	181,828,621	100.00	145,769,907	100.00	95,134,477	100.00	73,018,271	100.00	72,026,368	100.00	59,457,121	100.00
Royalty	(22,097,614)	(12.15)	(17,548,455)	(12.04)	(11,999,913)	(12.61)	(9,315,126)	(12.76)	(8,805,560)	(12.23)	(7,574,515)	(12.74)
Operating and administrative expenses	(35,903,779)	(19.75)	(27,111,724)	(18.60)	(17,402,533)	(18.29)	(15,039,680)	(20.60)	(13,313,631)	(18.48)	(11,722,088)	(19.72)
Exploration and prospecting expenditure	(12,924,077)	(7.11)	(16,016,913)	(10.99)	(10,931,573)	(11.49)	(4,543,689)	(6.22)	(10,257,639)	(14.24)	(4,308,006)	(7.25)
Finance cost	(2,864,233)	(1.58)	(1,774,826)	(1.22)	(979,809)	(1.03)	(1,310,476)	(1.79)	(567,952)	(0.79)	(767,752)	(1.29)
Other charges	(6,741,704)	(3.71)	(5,793,579)	(3.97)	(3,622,588)	(3.81)	(3,082,462)	(4.22)	(2,698,227)	(3.75)	(2,435,811)	(4.10)
	(80,531,407)	(44.29)	(68,245,497)	(46.82)	(44,936,416)	(47.23)	(33,291,433)	(45.59)	(35,643,009)	(49.49)	(26,808,172)	(45.09)
	101,297,214	55.71	77,524,410	53.18	50,198,061	52.77	39,726,838	54.41	36,383,359	50.15	32,648,949	54.91
Other income / (expenses)	140,747	0.08	(362,655)	(0.25)	48,235	0.05	311,971	0.43	340,001	0.47	326,087	0.55
Finance income	9,209,169	5.06	9,075,445	6.23	4,483,085	4.71	3,940,536	5.40	4,556,085	6.33	1,733,298	2.92
Share of loss in associate	(284,225)	(0.16)	(390,022)	(0.27)	(2,613,070)	(2.75)	(47,982)	(0.07)	-	-	-	-
Profit before taxation	110,362,905	60.70	85,847,178	58.89	52,116,311	54.78	43,931,363	60.16	41,279,445	57.31	34,708,334	58.38
Provision for income tax	(33,074,794)	(18.19)	(29,718,467)	(20.39)	(19,053,300)	(20.03)	(12,486,454)	(17.10)	(10,966,572)	(15.23)	(10,381,246)	(17.46)
Profit for the year	77,288,111	42.51	56,128,711	38.51	33,063,011	34.75	31,444,909	43.06	30,312,873	42.09	24,327,088	40.92



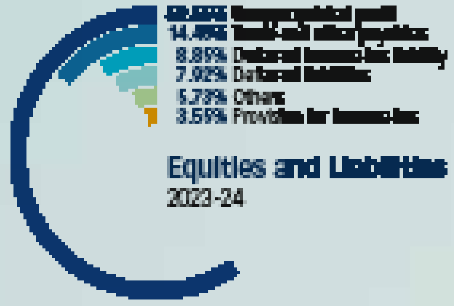
Financial Capital

Financing Arrangements:
The reliance on external financing is secondary to the Company's principal source of finance, which is internally generated cash. Given the Company's strong balance sheet and operational cash flows, management believes it will have no difficulty in securing debt financing in the future, if necessary.

Repayment of Debts and Recovery of Losses:
The Company possesses a strong debt-raising and repayment capability. Moreover, a strong cash position offers the flexibility to effectively manage loss recovery, if any. There were no defaults in the repayment of any debt during the year.

Liquidity and Cash Flow Management Strategy:

Analysis of Liquidity and Cash Flows:
Due to the strong financial position of the Company, there are no current or anticipated liquidity issues. Internally generated cash, mainly through hydrocarbon sales and income from deposits, effectively meets the liquidity needs of the Company. Minimum dependence is placed on external sources, thus ensuring lower borrowing costs. During the year, an amount of Rs 100,443 million was generated from the 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 effectively manage its liquidity, the Company consistently examines its cash inflows and outflows along with future cash projections prior to making any decisions. The regular monitoring provides clear insight into future liquidity needs 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.

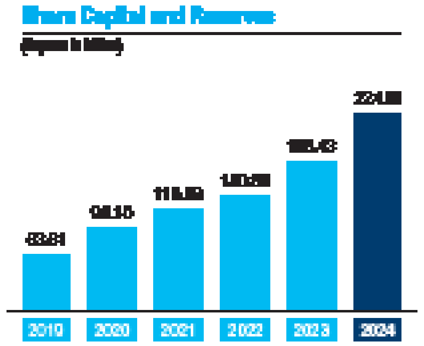
Statement of Unreserved Compliance of IFRS issued by IASB as applicable in Pakistan:
Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise International Financial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

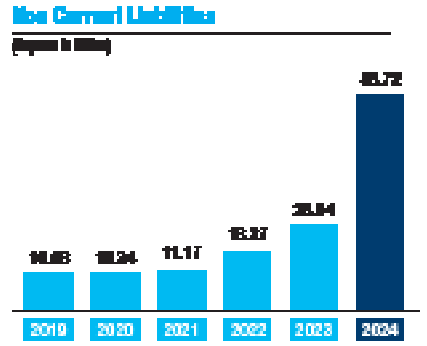
Six Years' Analysis

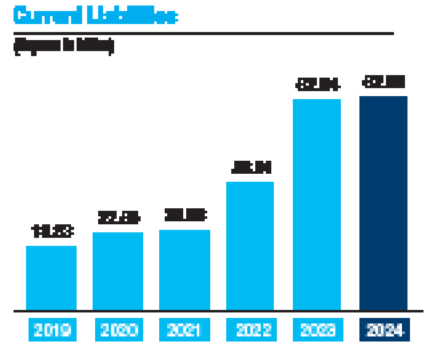
Horizontal Analysis, Vertical Analysis and Performance Indicators

Horizontal Analysis

Statement of Financial Position







Share Capital and Reserves

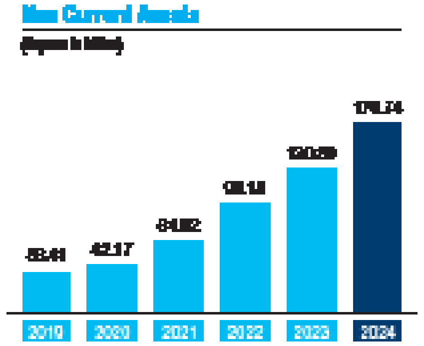
Unappropriated profit increased in 2023-24 by 38% in comparison to 2022-23, primarily on account of profit retention. Resultantly, shareholders' equity rose to Rs 224.91 billion at the close of 2023-24, registering an increase of 34% in comparison to 2022-23.

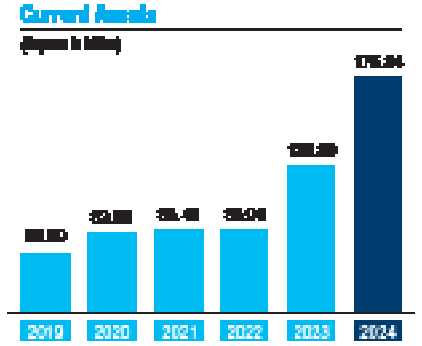
Non Current Liabilities

Deferred liabilities registered an annual average increase of 23% since 2018-19, predominantly due to an increase in provision for decommissioning costs over the years.

Current Liabilities

Current liabilities increased by only 0.5% in 2023-24 compared to annual average increase of 39% since 2018-19, mainly due to decrease in the provision for income tax offset by increase in trade and other payables.





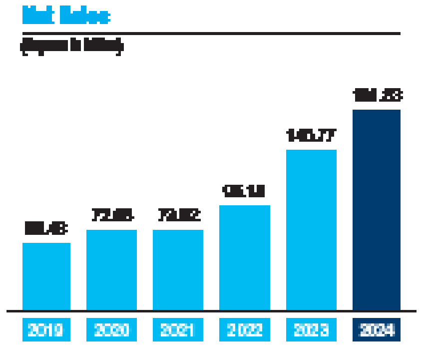
Non Current Assets

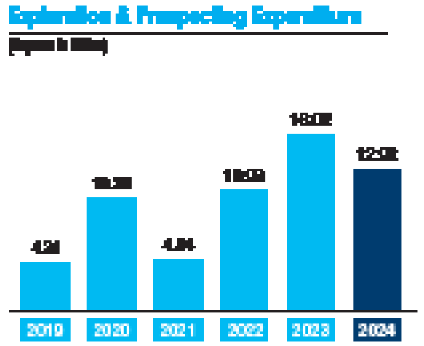
Non-current assets of the Company mainly include 'property, plant & equipment', 'development and production assets', and 'exploration and evaluation assets'. These assets have increased from Rs 36.41 billion in 2018-19 to Rs 170.74 billion at the close of 2023-24, mainly reflecting the enhancement of the asset base of the Company.

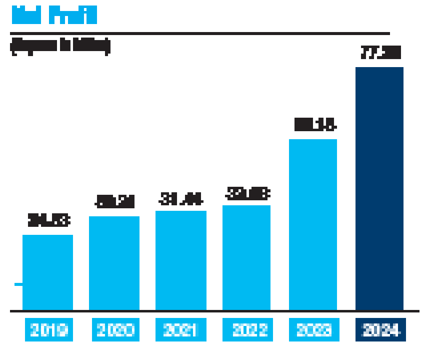
Current Assets

Current assets mainly comprise 'trade debts', 'short-term investments', and 'cash & bank balances'. Trade debts increased from Rs 21.38 billion in 2018-19 to Rs 81.07 billion at the close of 2023-24, primarily on account of the circular debt issue. In 2023-24, the Company's 'short-term investments' and 'cash and bank balances' accumulated to Rs 74.89 billion, registering an increase of 2.7 times compared to 2018-19, due to the retention of cash in the business.

Statement of Profit or Loss







Net sales increased by around 3 times from Rs 59.46 billion in 2018-19 to Rs 181.83 billion in 2023-24, primarily due to the enhancement of production and better selling prices that prevailed over the years. Further, finance income has increased by around 5 times in comparison to 2018-19 due to higher average bank/investment balances & interest rates and exchange gains on account of rupee devaluation.

Exploration and prospecting expenses have increased significantly in recent years, reflecting the Company's aggressive exploration efforts in terms of seismic acquisition and drilling of exploratory wells.

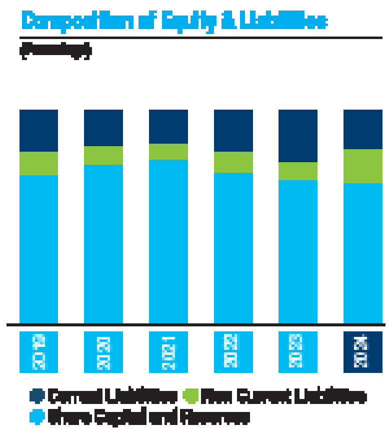
The Company achieved the highest ever net sales of Rs 181.83 billion, which is 25% higher than that of last year due to increased production and higher applicable oil and gas prices. The Company has also reported the highest ever net profit.

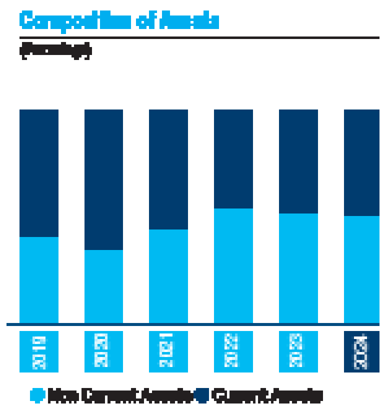
Six Years' Analysis

Horizontal Analysis, Vertical Analysis and Performance Indicators

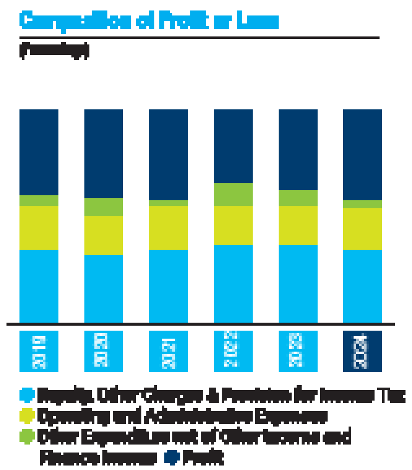
Vertical Analysis

Statement of Financial Position





Statement of Profit or Loss



Share Capital and Reserves

Unappropriated profit as a percentage of equity rose from a six-year average of 85% to 92% at the end of 2023-24, due to the retention of profits within the business.

Non Current Liabilities

The proportion of non-current liabilities to total liabilities increased from 35% in 2018-19 to 48% in 2023-24, primarily due to deferred income tax liability.

Current Liabilities

The proportion of 'Provision for income tax' within current liabilities has decreased from a six-year average of 33% to 20% by the end of 2023-24.

Non Current Assets

'Property, plant and equipment', 'development and production assets', and 'exploration and evaluation assets' together represent 93% of non-current assets, consistent with the six-year average of 94%, as the Company continued to invest in oil and gas assets.

Current Assets

The percentage of trade debts within current assets rose in 2023-24 compared to 2022-23, largely due to the circular debt issue. As of the end of 2023-24, 'short-term investments' and 'cash and bank balances' collectively make up 43% of current assets, which is below the six-year average of 48%, primarily due to the increase in trade debts.

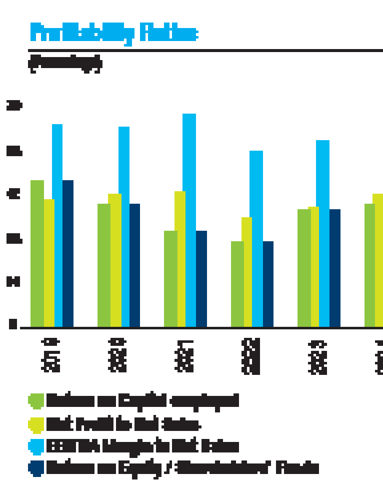
Net profit as a percentage of net sales stands at 43% for 2023-24, surpassing the six-year average of 40%.

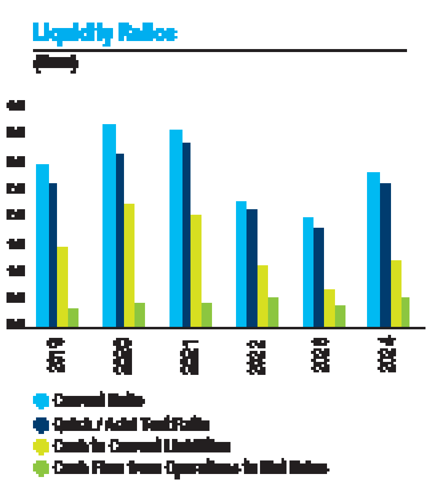
Performance Indicators

Methods and Assumptions Used in Compiling the Indicators

A performance indicator is a quantifiable metric that reflects a company's performance in areas such as profitability, operational efficiency, liquidity and solvency. It serves as a tool for management and other stakeholders to evaluate the Company's performance over time and compare its metrics with those of peers for informed decision-making. Since these indicators are based on historical data, they should be used alongside other information rather than as the sole basis for future strategic decisions. The performance indicators provided by the Company are selected with careful consideration of its dynamics, operations, financial structure, among other things.

Analysis of Performance Indicators





Profitability Ratios

Profitability ratios have strengthened compared to last year, mainly due to higher profits primarily driven by increased net sales.

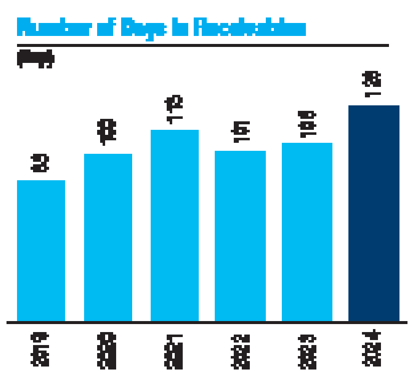
Liquidity Ratios

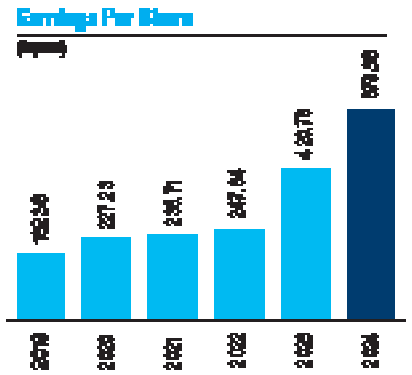
Current liabilities have remained relatively unchanged as compared to last year, leading to improvements in the current ratio, quick ratio and the cash-to-current liabilities ratio, driven by higher cash and cash equivalents. Additionally, cash flow from operations to net sales has increased compared to last year, reflecting positive performance despite the ongoing circular debt issue.

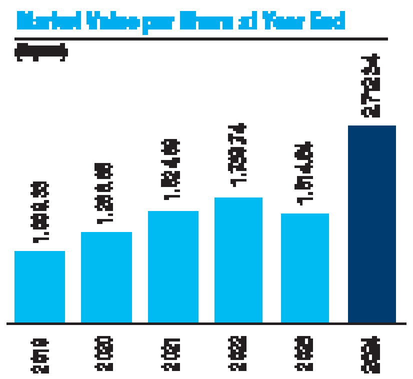
Six Years' Analysis

Horizontal Analysis, Vertical Analysis and Performance Indicators

Performance Indicators

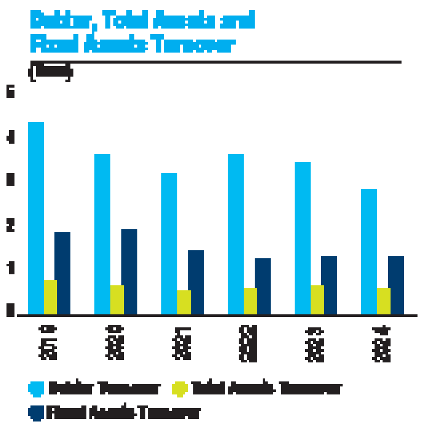






Activity / Turnover Ratios

Debtor turnover and days in receivables deteriorated in 2023-24, largely due to the circular debt issue. Management is maintaining ongoing communication with relevant customers and government authorities to expedite the resolution of this matter.



Investment / Market Ratios

Earnings per share for 2023-24 reached Rs 579.36, marking a 38% increase over the previous year due to improved profitability. The rise in the Company's share price at year-end has contributed to a positive trend in market ratios. The breakup value per share for 2023-24 was Rs 1,685.93, surpassing the six-year average of Rs 1,003.03.

Capital Structure Ratios

Over the past six years, the average equity in the Company's capital structure has been almost 100%, indicating minimal reliance on external financing.

Explanation of Negative Changes in Performance over the Period

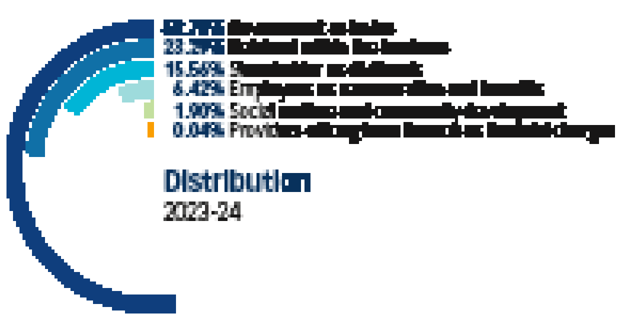
This section provides a explanation of all adverse performance trends observed over the past six years, supported by horizontal and vertical analyses of the statement of financial position, statement of profit or loss, statement of cash flows and relevant financial ratios.

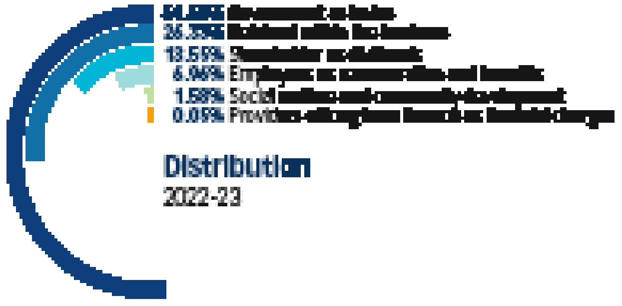
Statement of Value Added

	Year 2023-24		Year 2022-23	
	(Rs. in million)	% age	(Rs. in million)	% age
Revenues including Government levies and taxes	224,893.99	113.04	167,161.07	115.52
Less: Expenses netted off with other and finance income	(25,949.87)	(13.04)	(22,455.09)	(15.52)
Total value added	198,944.12	100.00	144,705.98	100.00
DISTRIBUTED AS FOLLOWS:				
Employees as remuneration and benefits	12,769.25	6.42	10,068.86	6.96
Government as levies				
Direct	33,675.74	16.93	31,091.79	21.48
Indirect	71,354.17	35.86	43,478.42	30.05
	105,029.91	52.79	74,570.21	51.53
Shareholder as dividends	30,949.38*	15.56	19,610.17	13.55
Social welfare and community development	3,782.51	1.90	2,286.78	1.58
Providers of long term finance as financial charges	70.28	0.04	68.78	0.05
Retained within the business	46,342.79	23.29	38,101.18	26.33
	198,944.12	100.00	144,705.98	100.00

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

* This includes final dividend of Rs 134 per share for the year ended June 30, 2024 proposed by the Board of Directors for approval of members in the Annual General Meeting.





Ten Years at a Glance

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
FINANCIAL										
Net sales (Rs in million)	181,828.62	145,769.91	95,134.48	73,018.27	72,026.37	59,457.12	40,722.70	28,242.92	21,761.18	19,351.97
Profit before taxation (Rs in million)	110,362.91	85,847.18	52,116.31	43,931.36	41,279.45	34,708.33	20,291.54	11,149.46	6,561.45	6,551.87
Profit for the year (Rs in million)	77,288.11	56,128.71	33,063.01	31,444.91	30,312.87	24,327.09	15,374.34	9,136.19	6,051.46	5,650.31
Earnings per share (Rs)	579.36	420.75	247.84	235.71	227.23	182.36	115.25	68.49	45.36	42.36
Dividend per share (Rs)	232.00*	147.00	124.00	141.00	6.10	6.00	6.00	5.20	5.10	5.22
Share price - at year end (Rs)	2,712.34	1,514.64	1,739.74	1,524.39	1,236.65	1,009.33	1,506.18	1,575.64	908.22	468.60
Contribution to national exchequer (Rs in million)	84,159.16	67,704.11	74,295.87	61,926.20	46,549.70	30,534.28	28,713.29	51,760.14	80,772.08	71,412.78
OPERATIONAL										
Balance Reserves and Resources (MMBOE)	816	682	642	612	568	573	601	612	363	388
Hydrocarbons sold (MMBOE)	39.01	36.35	36.91	35.87	33.41	33.64	34.02	32.32	30.48	29.21
Hydrocarbons sold (BOE per day)	106,595	99,600	101,109	98,281	91,283	92,159	93,216	88,537	83,279	80,014
Gas sold (BSCF)	292.26	275.21	280.37	269.26	249.55	257.14	257.16	243.84	232.02	224.75
Liquid sold (Barrels)	436,800	387,456	457,101	457,205	383,548	405,055	543,820	554,081	472,413	414,433
LPG sold (Metric ton)	-	18	32	54	22	20	-	20	25	362

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

* This includes final dividend of Rs 134 per share for the year ended June 30, 2024 proposed by the Board of Directors for approval of members in the Annual General Meeting.

Pattern of Shareholding

as at June 30, 2024

No. of Shareholders	Shareholding			Total shares held
2,765	1	to	100	73,735
886	101	to	500	231,421
390	501	to	1,000	298,977
664	1,001	to	5,000	1,441,371
125	5,001	to	10,000	906,675
54	10,001	to	15,000	645,255
29	15,001	to	20,000	495,163
19	20,001	to	25,000	417,558
13	25,001	to	30,000	357,695
11	30,001	to	35,000	351,737
10	35,001	to	40,000	388,602
10	40,001	to	45,000	423,524
15	45,001	to	50,000	728,381
10	50,001	to	55,000	524,750
2	55,001	to	60,000	115,125
3	60,001	to	65,000	188,892
2	65,001	to	70,000	133,929
5	70,001	to	75,000	361,979
3	75,001	to	80,000	230,443
5	80,001	to	85,000	410,726
3	85,001	to	90,000	263,662
1	90,001	to	95,000	92,062
2	95,001	to	100,000	199,223
2	100,001	to	105,000	203,209
1	110,001	to	115,000	111,400
1	115,001	to	120,000	118,762
1	120,001	to	125,000	122,190
1	125,001	to	130,000	125,397
1	130,001	to	135,000	135,000
1	135,001	to	140,000	136,339
1	140,001	to	145,000	141,926
1	165,001	to	170,000	169,959
1	170,001	to	175,000	174,119
1	175,001	to	180,000	175,980
1	195,001	to	200,000	200,000
3	210,001	to	215,000	633,235
1	215,001	to	220,000	220,000
1	220,001	to	225,000	223,522
1	230,001	to	235,000	230,314
1	235,001	to	240,000	235,232
1	245,001	to	250,000	250,000
1	250,001	to	255,000	254,410
1	340,001	to	345,000	344,155
1	385,001	to	390,000	389,636
1	425,001	to	430,000	430,000
1	460,001	to	465,000	463,766
1	470,001	to	475,000	473,444
1	615,001	to	620,000	617,925
1	625,001	to	630,000	630,000
1	650,001	to	655,000	651,240
1	735,001	to	740,000	736,120
1	910,001	to	915,000	910,597
1	1,160,001	to	1,165,000	1,160,320
1	1,215,001	to	1,220,000	1,215,286
1	1,995,001	to	2,000,000	1,999,168
1	4,200,001	to	4,205,000	4,201,941
1	26,455,001	to	26,460,000	26,458,162
1	26,660,001	to	26,665,000	26,662,548
1	52,915,001	to	52,920,000	52,916,313
5,066				**133,402,500**

Pattern of Shareholding as at June 30, 2024

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	9,864	-	9,864	0.01
Trustee ABL Stock Fund	1	71,677	-	71,677	0.05
Trustee AKD Index Tracker Fund	1	8,917	52	8,969	0.01
Trustee Al Habib Asset Allocation Fund	1	1,500	-	1,500	0.00
Trustee Al Habib Islamic Stock Fund	1	29,200	-	29,200	0.02
Trustee Al Habib Stock Fund	1	22,200	-	22,200	0.02
Trustee Al Meezan Mutual Fund	1	210,212	1,694	211,906	0.16
Trustee Al Ameen Islamic Asset Allocation Fund	1	11,229	-	11,229	0.01
Trustee Al Ameen Islamic Energy Fund	1	27,400	-	27,400	0.02
Trustee Al Ameen Shariah Stock Fund	1	254,410	-	254,410	0.19
Trustee Alfalah GHP Alpha Fund	1	12,113	-	12,113	0.01
Trustee Alfalah GHP Dedicated Equity Fund	1	1,800	-	1,800	0.00
Trustee Alfalah GHP Islamic Dedicated Equity Fund	1	1,714	-	1,714	0.00
Trustee Alfalah GHP Islamic Stock Fund	1	49,297	-	49,297	0.04
Trustee Alfalah GHP Stock Fund	1	21,497	-	21,497	0.02
Trustee Alhamra Islamic Stock Fund	1	39,900	-	39,900	0.03
Trustee Alhof-Dividend Strategy Plan	1	1,350	-	1,350	0.00
Trustee Allied Finergy Fund	1	3,819	-	3,819	0.00
Trustee APF - Equity Sub Fund	1	15,967	-	15,967	0.01
Trustee APIF - Equity Sub Fund	1	26,720	-	26,720	0.02
Trustee Atlas Islamic Dedicated Stock Fund	1	14,500	-	14,500	0.01
Trustee Atlas Islamic Stock Fund	1	169,959	121	170,080	0.13
Trustee Atlas Stock Market Fund	1	235,232	182	235,414	0.18
Trustee AWT Islamic Stock Fund	1	3,302	-	3,302	0.00
Trustee AWT Stock Fund	1	1,840	-	1,840	0.00
Trustee Faysal Asset Allocation Fund	1	1,510	-	1,510	0.00
Trustee Faysal Islamic Dedicated Equity Fund	1	476	-	476	0.00
Trustee Faysal Islamic Stock Fund	1	1,990	-	1,990	0.00
Trustee Faysal Stock Fund	1	635	-	635	0.00
Trustee First Capital Mutual Fund	1	1,408	93	1,501	0.00
Trustee HBL Investment Fund	1	6,200	-	6,200	0.00
Trustee HBL IPF Equity Sub Fund	1	733	169	902	0.00
Trustee HBL Islamic Asset Allocation Fund	1	1,400	-	1,400	0.00
Trustee JS Islamic Fund	1	6,891	-	6,891	0.01
Trustee JS Islamic Pension Savings Fund-Equity Account	1	610	-	610	0.00
Trustee JS Large Cap. Fund	1	31,656	-	31,656	0.02
Trustee JS Pension Savings Fund - Equity Account	1	3,049	-	3,049	0.00
Trustee KSE Meezan Index Fund	1	99,223	398	99,621	0.07
Trustee Lakson Equity Fund	1	59,625	1,222	60,847	0.05
Trustee Lakson Islamic Tactical Fund	1	5,037	-	5,037	0.00
Trustee Lakson Tactical Fund	1	4,972	-	4,972	0.00
Trustee Mahana Islamic Index Exchange Traded Fund	1	980	-	980	0.00
Trustee MCB Pakistan Stock Market Fund	1	41,200	-	41,200	0.03
Trustee Meezan Asset Allocation Fund	1	11,163	-	11,163	0.01
Trustee Meezan Balanced Fund	1	5,944	363	6,307	0.00
Trustee Meezan Energy Fund	1	87,413	-	87,413	0.07

Categories of Shareholders	Numbers	Shares Held	Pending Shares*	Total Shares	%Age
Trustee Meezan Islamic Fund	1	910,597	10,889	921,486	0.69
Trustee NBP Balanced Fund	1	20,124	-	20,124	0.02
Trustee NBP Islamic Energy Fund	1	76,026	-	76,026	0.06
Trustee NBP Islamic Sarmaya Izafa Fund	1	42,519	-	42,519	0.03
Trustee NBP Islamic Stock Fund	1	92,062	-	92,062	0.07
Trustee NBP Sarmaya Izafa Fund	1	12,779	-	12,779	0.01
Trustee NBP Stock Fund	1	389,636	-	389,636	0.29
Trustee Pak Qatar IPF - Equity Sub Fund	1	592	-	592	0.00
Trustee Pak-Qatar Islamic Stock Fund	1	13,304	-	13,304	0.01
Trustee UBL Asset Allocation Fund	1	3,139	-	3,139	0.00
Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	15,582	-	15,582	0.01
Trustee UBL Stock Advantage Fund	1	88,426	-	88,426	0.07
Trustee Unit Trust of Pakistan	1	30,910	-	30,910	0.02
Trustee Meezan Dedicated Equity Fund	1	15,890	-	15,890	0.01
Trustee Al Ameen Islamic Ret. Sav. Fund-Equity Sub Fund	1	34,879	-	34,879	0.03
Trustee Alhamra Islamic Asset Allocation Fund	1	15,215	-	15,215	0.01
Trustee HBL Islamic Stock Fund	1	2,002	-	2,002	0.00
MC FSL - Trustee JS Growth Fund	1	51,092	-	51,092	0.04
MCBFSL - Trustee ABL Islamic Stock Fund	1	41,023	-	41,023	0.03
MCBFSL Trustee ABL Islamic Dedicated Stock Fund	1	3,906	-	3,906	0.00
Trustee Alfalah GHP Value Fund	1	-	65	65	0.00
Trustee PIML Islamic Equity Fund	1	-	42	42	0.00
Trustee PIML Strategic Multi Asset Fund	1	-	30	30	0.00
Trustee First Crosby Dragon Fund	1	-	24	24	0.00
Trustee JS KSE-30 Index Fund	1	-	9	9	0.00
NIT & ICP					
Investment Corporation of Pakistan	1	4,031	-	4,031	0.00
IDBL (ICP Unit)	1	964	-	964	0.00
Trustee National Investment (Unit) Trust	1	1,999,168	46,268	2,045,436	1.53
Trustee NIT Asset Allocation Fund	1	5,860	-	5,860	0.00
Trustee NIT Islamic Equity Fund	1	80,694	-	80,694	0.06
Trustee NIT-Equity Market Opportunity Fund	1	344,155	5,913	350,068	0.26
Trustee NITIPF Equity Sub-Fund	1	5,488	-	5,488	0.00
Trustee NITPF Equity Sub-Fund	1	1,826	-	1,826	0.00
Banks, Development Financial Institutions and Non-Banking Financial Institutions					
National Development Finance Corp.	1	5,398	-	5,398	0.00
Bank Alfalah Limited	1	77,417	-	77,417	0.06
Habib Bank Limited-Treasury Division	1	230,314	-	230,314	0.17
Habib Metropolitan Bank Limited	1	135,000	-	135,000	0.10
Meezan Bank Limited	1	212,130	-	212,130	0.16
National Bank of Pakistan	1	473,444	-	473,444	0.35
Samba Bank Limited	1	8,149	-	8,149	0.01
Insurance & Takaful Companies					
5th Pillar Family Takaful Limited	1	4,490	-	4,490	0.00
Adamjee Life Assurance Company Limited	1	12,175	-	12,175	0.01
Alfalah Insurance Company Limited	1	8,098	-	8,098	0.01
Atlas Insurance Limited	1	45,662	-	45,662	0.03
Century Insurance Company Ltd	1	4,398	-	4,398	0.00

Pattern of Shareholding as at June 30, 2024

Categories of Shareholders

Categories of Shareholders	Numbers	Shares Held	Pending Shares*	Total Shares	%Age
Dawood Family Takaful Limited	1	5,360	-	5,360	0.00
EFU Health Insurance Limited	1	1,290	-	1,290	0.00
EFU Life Assurance Limited	1	651,240	-	651,240	0.49
GHAF Limited	1	2,000	-	2,000	0.00
IGI General Insurance Limited	1	2,655	-	2,655	0.00
Jubilee General Insurance Company Limited	1	103,008	-	103,008	0.08
Jubilee General Window Takaful Fund-PTF	1	4,000	-	4,000	0.00
Jubilee General Window Takaful Operations	1	2,000	-	2,000	0.00
Jubilee Life Insurance Company Limited	1	1,160,320	-	1,160,320	0.87
State Life Insurance Corp. of Pakistan	1	4,201,941	-	4,201,941	3.15
Pension Funds					
Trustees of Lucky Core 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	4,326	-	4,326	0.00
Unilever Pakistan DC Pension Fund (Sub Fund A)	1	7,289	-	7,289	0.01
Unilever Pakistan DC Pension Fund (Sub Fund B)	1	5,893	-	5,893	0.00
Unilever Pension Plan	1	703	-	703	0.00
Wyeth Pakistan DC Pension Fund	1	464	-	464	0.00
Trustee ABL Islamic Pension Fund - Equity Sub Fund	1	3,071	-	3,071	0.00
Trustee ABL Pension Fund - Equity Sub Fund	1	2,647	-	2,647	0.00
Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	223,522	1,573	225,095	0.17
Trustee Al-Habib Islamic Pension Fund- Equity Sub Fund	1	2,300	-	2,300	0.00
Trustee Al-Habib Pension Fund-Equity Sub Fund	1	1,450	-	1,450	0.00
Trustee NAFA Islamic Pension Fund Equity Account	1	44,444	-	44,444	0.03
Trustee NAFA Pension Fund Equity Sub- Fund Account	1	16,774	-	16,774	0.01
Trustee Punjab Fund Trust	1	50,335	-	50,335	0.04
Ekaterra Pakistan DC Pension Fund	1	780	-	780	0.00
Engro Corp Ltd MPT Employees Def Contr Pension Fund	1	273	-	273	0.00
HPSL Pension Fund	1	3,830	-	3,830	0.00
Indus Motor Company Limited Employees Pension Fund	1	5,900	-	5,900	0.00
Pakistan Refinery Limited Workmen Pension Fund	1	1,540	-	1,540	0.00
Pakistan Refinery Ltd Management Staff Pension Fund	1	13,760	-	13,760	0.01
Roche Pakistan Limited Management Staff Pension Fund	1	1,955	-	1,955	0.00
Trustee Pak Tobacco Co Ltd Staff Def Contri Pen Fd	1	6,872	-	6,872	0.01
Trustee Pak Tobacco Co Ltd Staff Pension Fund	1	47,354	-	47,354	0.04
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	27,415	-	27,415	0.02
Trustee Pakistan Petroleum Non Executive Staff Pension Fund	1	12,000	-	12,000	0.01
Trustee-Anpl Management Staff Pension Fund	1	933	-	933	0.00
Trustee of Crescent Steel & Allied Products Ltd-Pension Fund	1	438	-	438	0.00
Trustee-Shell Pakistan DC Pension Fund	1	8,997	-	8,997	0.01
Trustee-Shell Pakistan Management Staff Pension Fund	1	6,123	-	6,123	0.00
Trustee-The Kot Addu Power Co. Ltd. Employees Pension Fund	1	3,840	-	3,840	0.00
Kot Addu Power Company Limited Employees Pension Fund	1	2,610	-	2,610	0.00
Pakistan Petroleum Executive Staff Pension Fund (DC Shariah)	1	10,981	-	10,981	0.01
Trustee Pak. Petroleum Exec. Staff Pen. Fund DC Conventional	1	2,800	-	2,800	0.00
Pakistan Petroleum Executive Staff Pension Fund-DC Shariah	1	1,805	-	1,805	0.00
Abbott Laboratories (Pakistan) Limited Staff Pension Fund	1	3,560	-	3,560	0.00
Trustee AGIPF Equity Sub-Fund	1	2,149	-	2,149	0.00
Trustee AGPF Equity Sub-Fund	1	1,121	-	1,121	0.00
Trustee Pakistan Pension Fund - Equity Sub Fund	1	750	-	750	0.00

Categories of Shareholders	Numbers	Shares Held	Pending Shares*	Total Shares	%Age
Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	1	6,250	-	6,250	0.00
Trustee Faysal Islamic Pension Fund - Equity Sub Fund	1	900	-	900	0.00
Trustee Faysal Pension Fund-Equity Sub Fund	1	900	-	900	0.00
Local Individuals	4,711	9,884,335	-	9,884,335	7.41
Foreign Individuals	5	34,909	-	34,909	0.03
Others					
- Government of' Pakistan	1	26,662,548	-	26,662,548	19.99
- Federal Board of' Revenue	1	54,797	-	54,797	0.04
- Joint Stock Companies	85	1,351,214	-	1,351,214	1.01
- Executives	3	3,011	-	3,011	0.00
- Foreign Companies	15	603,326	-	603,326	0.45
- Investment Companies	1	4,780	-	4,780	0.00
- Others	99	409,103	-	409,103	0.31
	5,066	132,666,380	736,120	133,402,500	100. 00
*** Public Sector Companies and Corporations**					
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Shareholders holdings 5% or more voting interest					
Fauji Foundation		52,916,325	444,675	53,361,000	40.00
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Government of Pakistan		26,662,548	-	26,662,548	19.99
Shares held by Sponsor Shareholders					
Fauji Foundation		52,916,325	444,675	53,361,000	40.00
Oil & Gas Development Company Limited		26,458,162	222,338	26,680,500	20.00
Government of Pakistan		26,662,548	-	26,662,548	19.99
Shares held by Directors and Executives					
Directors		1,008	-	1,008	0.00
Executives		3,011	-	3,011	0.00

The trading in shares of the company by the Directors, CEO, CFO, Company Secretary, Executives, and their spouses and minor children during the financial year and up to the date of publication of this Annual Report is as follows:

Name	Dates	Purchase	Sale	"Rate Rs. Per Share**
Mr. Muhammad Qasim	February 16, 2024	10	-	2,238.00
Mr. Arslan Bin Shahid	July 10, 2024	100	-	2,660.00
Col Abdul Khaliq (Retd)	August 12-30, 2024	3,990	-	3,326.06
Mr. Adil Akbar	August 16, 2024	100	-	3,418.00
Mr. Usman Ahmed Butt	August 15-22, 2024	170	-	3,371.22
Mr. Muhammad Rashid	August 22-29, 2024	304	-	3,306.15
Mr. Muhammad Hadi	August 19-29, 2024	379	-	3,303.47
Mr. Muhammad Hadi	August 28, 2024	-	180	3,369.44
Brig. Saad Saeed Naik (Retd)	August 23-26, 2024	1,000	-	3,264.40
Mr. Naveed Ahmed	August 23-26, 2024	50	-	3,247.45

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

** Average rates

Sustainability Report 2024

About MPCL

In this chapter

Night view of Sachal Gas Processing Complex, Mari Field, Daharki - Sindh

About the Report

Mari Petroleum Company Limited (MPCL) has published its second annual Sustainability Report on September 03, 2024. The Report outlines MPCL's sustainability strategy, management approach, and performance on Environmental, Social, Governance and Economic issues from July 01, 2023, to June 30, 2024.

The MPCL Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards, applying the GRI 11 Oil and Gas Sector Standard 2021. The Report comprehensively showcases the activities aligned with the United Nations' Sustainable Development Goals (SDGs), as guided by the Business Reporting on SDGs developed by GRI and UNGC and meets the requirements of the UNGC's COP.

Report Content and Scope

The Report content is developed considering the requirements of the GRI Standards, the International Sustainability Standards Board (ISSB) IFRS S1 and S2 Standards, the Sustainability Accounting Standards Board (SASB) Standard for Oil and Gas – Exploration and Production industry and the "Sustainability reporting guidance for the oil and gas industry" developed by Ipieca, API, and IOGP. It also adheres to the AA1000APS-principles of Inclusivity, Materiality and Responsiveness and Impact. The material impacts, risks and opportunities were determined following the materiality analysis. Refer to page 170 of the Report.

The Report does not include information relating to subsidiaries and Joint Venture operations. The Report clearly outlines any specific exclusions for relevant information, ensuring comprehensive and transparent reporting. The company collects environmental, health, safety, and social data for all activities where MPCL is the operator or has more than 50% share and exercises controlling influence. This follows the "Sustainability Reporting Guidance for the Oil and Gas Industry" developed by Ipieca, API, and IOGP.

Restatements have been made to correct the previous year's data where necessary, and all such restatements are mentioned.

Assurance and Management Approval

The Sustainability Report is reviewed by the management and approved by MD/CEO with advice from the ESG Committee of the Board.

The Report was externally reviewed and assured by Ferso ESG, an independent reviewer, and counter signed by Nadeem Safdar & Co. Chartered Accountants to check compliance with the GRI Standards, ISAE 3000 (Revised), and AA 1000AS Principles. The senior management selected reviewers, discussed, and responded to their queries. See pages 223-225 for the external assurance report.

For any questions about the Report or its information, please contact the sustainability team through the following channels.

Phone: +92 51 111-410-410
Email: info@mpcl.com.pk

Letter from CEO

I am pleased to present our second Sustainability Report, a testament to Mari Petroleum Company Limited's (MPCL) ongoing journey towards sustainability. This report reflects our continuous efforts and dedication to fostering a future that is not only responsible but also sustainable, as we build on the progress we've made and look ahead to new opportunities for growth and innovation.

Building on our commitment to sustainability, we recognize that the transition to a low-carbon economy, coupled with economic uncertainty and market volatility, demands bold decisions and shifts in our business models. At MPCL, we are closely monitoring these developments and exploring new opportunities to align with the global energy transition. While doing so, we remain strategically focused on advancing our sustainable development agenda, ensuring that we continue to lead in this evolving landscape.

In addition to navigating these global shifts, as a company operating in a developing country, we face the dual challenge of transitioning to a low-carbon economy while ensuring national energy and food security. To address this, our strategy focuses on boosting the exploration and production of indigenous resources, thereby supporting the economy and promoting social equity in our regions of operation. By increasing the country's self-sufficiency, we aim to reduce dependency on energy imports and conserve valuable foreign reserves, reinforcing our commitment to sustainable development and national prosperity.

COP 28 has sparked momentum for the gradual reduction of methane with goal of overall carbon emission neutralization. In response, we have voluntarily signed the global charter for Oil & Gas De-Carbonization and aiming to synergize the efforts together with international best practices.

We are actively developing strategies and exploring technologies to reduce emissions and capture CO_2 by using technologies like CCUS, exploring opportunities for green hydrogen and process efficiency to minimize the impact of GHG emissions. Health and safety remain top priorities in our industry, given the challenging work environment and security risks. Our unwavering commitment has resulted in improved occupational and process safety performance while exceeding all set targets set forth in reference to international standards.

Our programs for social development in our communities and the well-being of our employees reflect our vision and commitment to mutual prosperity. We are dedicated to promoting workplace diversity and inclusion, supporting local initiatives, and nurturing a culture of safety and respect. Corporate Social Responsibility (CSR) is embedded in MPCL's ethos, which reaffirms its commitment towards bringing lasting impact in the lives of unserved and under-served communities.

We are dedicated to upholding and integrating UNGC's "Ten Principles" into our operations and supply chain as part of our strategy to promote sustainable practices.

In MPCL we believe in building a strong governance and transparency culture to build foundations for a strong company. Last year, we established an ESG Committee to evaluate our ESG initiatives and steer our transition and resilience efforts. We are fully dedicated to transparency, ethical practices, and accountability in all our actions.

As we move forward, our journey is far from over. There is still much to achieve and we are fully committed to advancing our efforts with unwavering dedication. We pledge to steadfastly pursue this path, driving positive change for a sustainable future.

Faheem Haider
Managing Director/CEO

Our Sustainability Journey

1994	MPCL Listed on Stock Exchange
2001	Dedicated Health, Safety & Environment Department Established
2002	Code of Corporate Governance Adopted
2007	ISO 14001: EMS Certification (Mari Field, Head Office & Karachi Office)
2011	Petroleum Institute of Pakistan Membership
2012	Diversity & Inclusion at Workplace Introduced
2013	ISO 14001: EMS Certification (Rig Mari-1)
2014	CSR Section Established CSR Policy Launched
2015	ISO 26000: Social Responsibility "Intermediate" ICCI Membership
2016	BTEX Condenser Units introduced Reporting of HSE, HR & CSR ISO 14001: EMS Certification (Zarghun, Halini, Sujawal)
2017	CSR Policy Revised ISO 26000: Social Responsibility based 3rd Party Assessment "Advanced"
2018	Sustainability Approach Introduced
2019	CSR Philosophy Developed MAP Membership ISO 14001: EMS Certification (Rig Mari-3 and MSU Alpha)
2020	World Economic Forum Membership
2022	ESG Working Group Established GRI Membership
2023	Signatory of UNGC ESG Policy Introduced SDGs Assessment
2024	Board's ESG Committee Established Signatory of OGDC 1st Sustainability Report Published Members of VCM / Net zero Committee of Pakistan

Sustainability Highlights 2024

0.19
(2023: 0.06)
Total Recordable Injury Rate

88,599
(2023: 42,909)
Employees Training Hours

0.00
(2023: 0.19)
Process Safety Event (Tier I)

728 ML
(2023: 525 ML*)
Water Consumption

669 MT
(2023: 353 MT)
Waste Generated

1,608,492 MT
(2023: 818,593 MT)
GHG Emissions

PKR 3,783 Mn
(2023: PKR 2,287 Mn)
Social Investment

PKR 229 Mn
(2023: PKR 237 Mn*)
Social Welfare Obligations

3,890,383 GJ
(2023: 2,127,705 GJ)
Energy Consumption

PKR 232
(2023: PKR 147)
Dividend Per Share

PKR 70 Bn
(2023: PKR 60 Bn*)
Spent on Goods and Services

39.30%
(2023: 37.51%)
Return on Equity

**2023 figure has been restated*

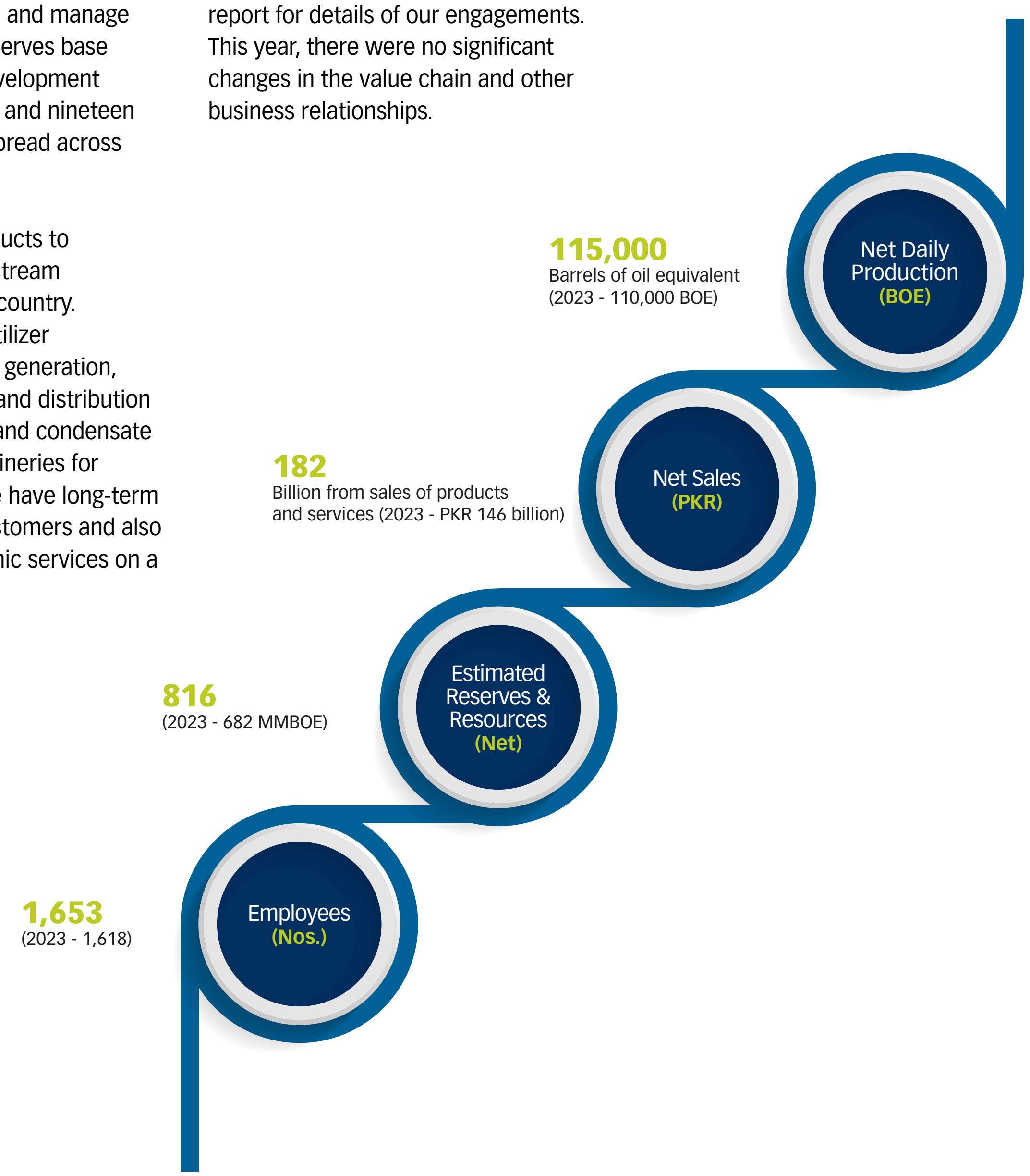
Our Business Model

MPCL, headquartered in Islamabad, is a publicly listed company in Pakistan that caters to the country's energy needs by ensuring responsible & sustainable exploration and production of Hydrocarbons. We at MPCL explore, drill, produce, and sell natural gas, crude oil, and condensate. We manage and operate one of the largest gas reservoirs in Pakistan at Mari Field, Daharki, Sindh. We are the largest gas producer in Pakistan with around 29% market share. We own and manage the second-largest reserves base and operate seven development and production leases and nineteen exploration licenses spread across Pakistan.

We supply all our products to midstream and downstream customers within the country. Gas is delivered to fertilizer manufacturers, power generation, and gas transmission and distribution companies. Crude oil and condensate are supplied to the refineries for further processing. We have long-term contracts with our customers and also offer drilling and seismic services on a commercial basis.

To operate successfully and sustainably, we have established numerous partnerships and collaborations to ensure safety and security at our field locations. Additionally, we partnered with non-governmental organizations, non-profit organizations, and social enterprises to enhance sustainability, create value for all stakeholders, and carry out our social investment programs and activities. See pages 215-221 of this report for details of our engagements. This year, there were no significant changes in the value chain and other business relationships.

See pages 06-07, 50-57, 260-262 and 263 of this report for further details about MPCL's operational performance, exploration and production key activities / success stories, information about operated and non operated blocks, and geographical presence.



Input | Value Adding Business Activities | Output & Outcome

Financial Capital

Strong capital base and financial resources.
PKR 224.9 Bn equity
PKR 0.74 Bn long-term financing

Climate change poses significant risks and opportunities for our business model in the medium to long term. It directly impacts our operations and value chain, increasing costs and reducing fossil fuel demand. However, it also creates investment opportunities in green technologies and low-carbon ventures. See pages 62-67 and 165 of this report to read about risk management and MPCL's sustainability strategy.

Financial Capital (Output & Outcome)

PKR 181.8 Bn Net sales
PKR 77.3 Bn Net profit
ROE increase by 1.79%

Human Capital

Workforce, culture and investment in skills development 1,653 employees and PKR 0.7 Bn spent on training and development

Human Capital (Output & Outcome)

256 New Hires
88,599 Training Hours
PKR 12.77 Bn Paid as Remuneration and Benefits to Employees
0.19 Injury Rate

Manufacture Capital

Our production plants, state-of-the-art technology and equipment, and operational offices

Manufacture Capital (Output & Outcome)

436,800 Barrels Oil Production
292.26 BSCF Gas Production
Ensuring food and energy security

Intellectual Capital

Intangible assets, IT infrastructure, reputation and knowledge or work-force and research

Intellectual Capital (Output & Outcome)

Learning and development.
Improved productivity and competitiveness
Exploring diversification and Transition to low carbon

Social and Relationship Capital

Strong relationships with local communities, joint venture partners, suppliers and other stakeholders

Social and Relationship Capital (Output & Outcome)

PKR 3.8 Bn CSR spending
PKR 70 Bn spent on goods and services
Increased reputation among stakeholders

Natural Capital

Natural resources and ecosystem services.
1,115 ML water withdrawal and 3,890,383 GJ energy used

External risks impact our business activities and objectives, while our activities impact the economy, environment, and people, including their human rights. Focusing on the most significant risks and impacts is essential to managing them and creating value for stakeholders. See pages 171-172 for material impacts, risks and opportunities.

Natural Capital (Output & Outcome)

386 ML water discharge, 1,608,492 MT emissions and 669 MT waste generated.
Impact on biodiversity and environmental conditions through emission and effluents.

Sustainability at MPCL

In this chapter

MPCL Safety Day 2023, Mari Field, Daharki - Sindh

Sustainability Strategy

MPCL envisions sustainability as a commitment to managing the sustainability impacts of its operations, risks, and opportunities posed by the external environment while creating value for the company and its stakeholders through responsible business operations and best practices.

In response to the evolving sustainability landscape and the global and national challenges faced by the oil and gas industry, MPCL has developed a comprehensive sustainability framework. This framework is designed to effectively manage environmental impacts and risks while capitalizing on opportunities to deliver value. Additionally, it supports our contribution to the nation's energy and food security.

Our sustainability policy is built upon three main pillars: Environmental, Social, and Governance. Launched in April 2023, this framework is designed to guide all our sustainability initiatives and our overall ESG journey.

We recognize the significant challenges our industry faces, such as climate change, the transition to low-carbon energy solutions, and our commitment to achieving Net Zero. At the same time, we are mindful of the broader economic challenges affecting Pakistan, including energy crises, food security, economic distress, and pressure on foreign exchange reserves.

In developing our sustainability strategy and interventions, we address these industry and economic challenges comprehensively. We evaluate sustainability-related risks and opportunities, considering their time horizons and potential impacts on our value chain business model. For details, please refer to pages 171-172.

The financial impacts of these risks and opportunities on performance and cash flows are mentioned in the financial statements. We currently do not have a mechanism to determine the financial effects of all risks and opportunities except the amount spent to tackle acute physical climate-related risks during the year.

We plan to conduct a scenario analysis to assess the resilience of our business model in the evolving low-carbon economy. This will also lead to developing appropriate strategies to ensure that our approach is adaptable to external changes, including market fluctuations, and aligns with the transition to low-carbon.

We focus on contributing to sustainable development goals by ensuring energy and food security, effectively managing our impacts, and seeking opportunities for low-carbon technologies and renewables. We aim to explore Pakistan's indigenous hydrocarbon resources while working to minimize the energy import bill and support food security by providing uninterrupted supplies to the fertilizer sector.

We strive to foster positive relationships with our investors, employees, suppliers, communities, and other stakeholders while addressing the social, environmental, and economic impacts of transitioning to an environmentally sustainable economy.

Our ESG Policy serves as a cornerstone for guiding our strategy and business decisions, committed to preventing and mitigating the negative impacts of our operations and activities. We are dedicated not only to applying mitigation measures but also to pursuing continuous improvement in alignment with the UN Sustainable Development Goals (SDGs).

Our ambitious mission includes striving towards Net Zero emissions, sustainable development, and fostering an inclusive society. Achieving these goals requires the availability and affordability of new technologies, particularly in developing countries like Pakistan. This involves addressing energy availability, food security, and substantial investments in research, development, and capital allocation.

Despite these challenges, we have set targets in key sustainability areas to better manage our impacts and demonstrate our commitment to responsible business practices.

ESG Reporting Workshop - Islamabad

ESG Policy

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

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

Faheem Haider
Managing Director/CEO

ESG Working Group - Islamabad

ENVIRONMENTAL

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

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

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

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

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

SOCIAL

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

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

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

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

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

GOVERNANCE

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

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

Protection of Human Rights & Child Labor
We comply all regulatory requirements for protection of human rights while ensuring compliance with labor laws and child labor.

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

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

Digitization, Data Privacy & Security
We ensure confidentiality and data security in the entire business operations with privacy of personal data.

Sustainable Development Goals and MPCL

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. These seventeen interconnected goals require development to meet social, economic, and environmental sustainability.

Our actions have varying impacts on all SDGs. However, SDG 7, "Affordable and Clean Energy", and SDG 13, "Climate Change", are the most relevant to our sector, as they support other critical SDGs in achieving sustainable development.

Last year, we undertook an SDGs baseline review against the UN SDGs indicators to assess our contribution to the SDGs and develop a road map to embed sustainability in our operations, ensure economic growth, and support sustainable communities. We are resolutely committed to aligning our activities with the UN SDGs, creating impactful programs, and championing sustainability practices throughout our supply chain. We fully recognize the profound consequences of our actions and decisions and are determined to make a strong positive impact through our efforts. Our unwavering dedication to these initiatives epitomizes our deep sense of responsibility towards the greater good, and we will persist in our relentless pursuit of a better future for all.

MPCL has identified six relevant and focused SDGs. MPCL's CSR program aligns with these SDGs and defines its CSR interventions supporting the core SDGs. This year, SDG 2, "Zero Hunger", which intersects both broad and lesser-focus SDGs, was selected for interventions in operational areas.

MPCL Focused SDGs

MPCL Focus SDG 2024

We are committed to ending hunger in all its forms by focusing on SDG 2 through the development of the Rural Food Economy in our Daharki Leased Area.

- Targeting farmers to build their capacity through advisory services and facilitate them through subsidy programs to increase their annual yield.
- Buying back from farmers by providing them premium rates for their crops and utilizing the produce to cook healthy, nutritious meals for children to end malnutrition.
- Support all small-scale farmers at all stages to make them self-sustainable.
- Developing the dairy industry by providing livestock support to rural communities for sustainable livelihood generation, asset development, and improving health by ensuring access to dairy products in their homes.

Refer to page 217-221 for details of programs.

Stakeholders' Engagement

Strong stakeholder relationships are crucial to our success, particularly in ensuring the smooth operations of our exploration and production activities. We are dedicated to actively engaging with stakeholders to understand their concerns, identify the actual and potential impacts of our operations on them, and share MPCL's approach to preventing and mitigating any negative consequences.

We identify and engage with people, groups, communities, or organizations to identify potential impacts to relevant stakeholders by our activities. Factors such as proximity, willingness to engage, responsibility, dependence, and influence are considered while identifying, prioritizing, and engaging with stakeholders. Stakeholder engagement activities are consistently conducted at corporate and project levels. The acquired insights play a pivotal role in updating organizational strategies and policies and managing the impacts on stakeholders.

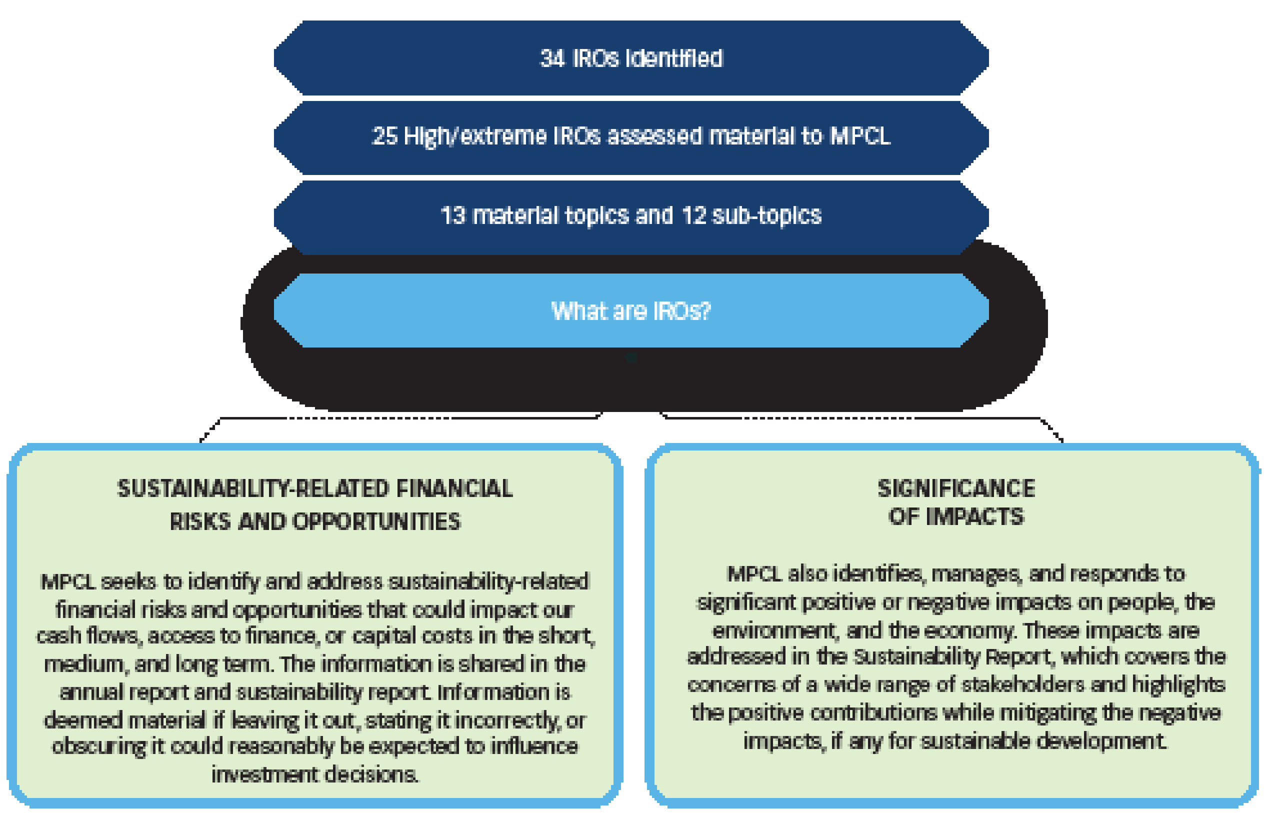
Stakeholder Groups	Engagement Channels	Key Topics and Concerns
Shareholders	• Annual General Meetings/Extra Ordinary General Meetings • Corporate reports • Investors relations department • Corporate briefings • PSX Disclosures (Material Information, General)	• Share price • Economic returns • New discoveries of oil and gas
Joint venture partners	• Project review meetings • Emails • OCM/TCM/FCM	• Project performance review • Health and safety • Compliance with regulations
Banks/Lenders	• Meetings • Emails	• Economic performance • New project developments
Employees	• Intranet • Employee surveys • Employee meetings • Townhall meetings	• Career development • Training • Health and Safety
Suppliers	• Service quality meeting • Request for quotation • Supplier surveys	• Timely delivery • Health and Safety
Customers	• Emails • Periodic meetings	• Uninterrupted supply of natural gas • New discoveries of oil and gas
Government	• Regular reporting • Policy development • Relationship management • Awareness and training sessions	• Energy security • Regulatory compliance • Payment of government dues • Community investment as required by law
Local communities	• Public hearings • Consultation sessions • Outreach programs • Grievances mechanism	• Infrastructure development • Community development • Employment opportunities
Industry associations	• Association meetings	• Regulatory framework • Business environment
NGOs/NPOs	• CSR collaboration projects and donations • Dialogue with stakeholders	• Community development projects around production sites
Media	• Press releases • Interviews	• Company strategy and performance

Material Sustainability Issues

We identified sustainability-related impacts, risks, and opportunities (IROs) by considering stakeholders' interests, industry-specific sustainability topics, Ipieca sectoral guidance, the GRI 11 Oil and Gas 2021 Standard, and external factors affecting MPCL's prospects and its significant environmental, economic, and social impacts. MPCL considered the IFRS S1 requirements for identifying sustainability-related risks and opportunities and reviewed the SASB Oil and Gas – Exploration & Production standard version 2023-12. The risks from the MPCL risk register were also reviewed during the process. The risk management system described on pages 62 - 63 is designed to address all types of risks described on pages 64 - 67 and 171 - 172. Upon identifying sustainability-related risks, particularly those associated with climate, we assessed them under our established risk management framework. This process encompassed evaluating both impact and likelihood, facilitating the consideration of their relative significance, and prioritizing risk management activities in line with our overarching strategy.

The material topics were prioritized based on the significance of negative and positive impacts, considering the severity and likelihood of negative consequences, the scale and scope and the likelihood of positive impacts. The effects of sustainability-related risks and opportunities on the MPCL prospects, position, and decision-making of investors and lenders were also considered. We used a double materiality approach, i.e. impact materiality and financial materiality to determine the material topics for the report.

This year, the material topics were reassessed to thirteen main topics/areas with twelve sub topics. Training and development, market presence, and indirect economic impacts were not considered material. The final list was approved after review by the experts and the management. Considering the developments in the field and increasing expected regulatory requirements, the materiality process shall be refreshed every year. The material topics are discussed in different sections of the report, which contain the management approach, key initiatives in 2024, performance information and outlook. The material matters also shape the structure and content of the report.



Our Material Topics

Topics	Sub-Topics	Risk and Opportunity	Value Chain	Time Horizon
GHG and Air Emissions (Pages 190 - 192)	GHG Emission and Air Emissions	**Risk** Evolving pressure to decarbonize, set science-based targets and net-zero policies globally may prompt MPCL to expedite the reduction of oil exploration and production, necessitating it to bear the transitional costs (such as revenue, decommissioning, and transition costs).	Own operations, Downstream	Long-term
		Failing to adapt to technology and market changes may lead to a trust deficit, missed opportunities, and reduced prospects for partnerships, potentially impacting company value.	Own operations	Medium-term
		Opportunity Rising temperatures and climate change effects are pushing faster shift to renewable and green energy sources. MPCL can benefit from investments in alternative less carbon fuels, renewables to support long-term decarbonization while maintaining energy security.	Own operations	Medium-term
Climate Adaptation, Resilience and Transition (Pages 190 - 191)	-	**Risk** Failing to adapt to climate changes (heat waves and increased temperatures, water scarcity, floods) and building climate resilience and transition may lead to increased costs impacting current and future income, cash flows, and asset impairment.	Own operations	Medium-term
		Opportunity Transitioning to a low-carbon economy creates business opportunities in renewable and green energy sources. MPCL can benefit from investing in alternative, low-carbon fuels and renewables to support long-term decarbonization while maintaining energy and food security.	Own operations, Downstream	Medium-term to long-term
Biodiversity (Pages 193 - 195)	Biodiversity and Closure and Rehabilitation	**Risk** Failure to align with biodiversity protocols and effectively manage the impacts of MPCL operations on biodiversity, site closures, and rehabilitation to achieve a net positive may put at risk future business opportunities, the imposition of fines and penalties, and a trust deficit among stakeholders.	Own operations	Short-term to medium-term
Waste (Pages 198 - 199)		**Risk** Failure to effectively manage and dispose of waste produced in MPCL operations, supply chains, and site closures can impact biodiversity, water, and soil vital to the community. This may put at risk future business opportunities, the imposition of fines and penalties, and a trust deficit among stakeholders.	Own operations, Upstream	Short-term to medium-term
Water and Effluents (Pages 196 - 197)		**Risk** Failure to optimize water use, effectively treat, and dispose of used water can result in increased water usage costs, operational disruptions due to the non-availability of fresh water, and strained relations with local communities.	Own operations, Upstream	Short-term to medium-term
Health and Safety (Pages 207 - 211)	Occupational Health and Safety and Asset Integrity and Critical Incident Management	**Risk** High rates of safety incidents or fatalities could result in financial loss, increased costs, legal liabilities, and damage to reputation.	Own operations	Short-term
Employment Practices (Pages 202 - 206)	Employment Practices Freedom of Association and Collective Bargaining Diversity & Inclusion and Work-life Balance	**Risk** Failure to attract and develop talent, lack of organizational agility, diversity, entrepreneurial culture, and the skills required for a digitally enabled, low-carbon future may impede the organization's ability to achieve its strategic goals and pursue new opportunities.	Own operations	Short-term to medium-term
Local Communities (Pages 215 - 221)	-	**Risk** Failing to manage pollutants and respect human rights at operational locations could lead to regulatory penalties, public health concerns, and human rights violations. Failing to share benefits with local communities create sense of deprivation among them which can create social distress resulting into internal security situation, thus hampering smooth business operations as well as reputational risk to organization.	Own operations	Short-term to medium-term

Topics	Sub-Topics	Risk and Opportunity	Value Chain	Time Horizon
Human Rights (Pages 212 - 213)	Non-discrimination and Equal Opportunity, Forced Labor and Modern Slavery, Child Labor, Land and Resource Rights, Conflict and Security	**Risk** Failing to respect human and labor rights may lead to regulatory penalties, human rights violations, reputational damage, and operational disruption in conflict areas.	Own operations, Upstream	Short-term to medium-term
Economic Impacts (Pages 186 - 187)	-	**Risk** Failure to create increased economic impacts hinders transitioning and diversification, the ability to attract talent pool, and the achievement of strategic objectives.	Own operations	Short-term
Ethics and Transparency (Pages 180 - 181)	Anti-competitive Behavior Anti-corruption Payments to Governments Public Policy	**Risk** Failure to comply with ethical practices leads to regulatory penalties and reputational damage.	Own operations	Short-term
Supply Chain Impacts (Pages 181-182)	-	**Risk** Failure to promote sustainable practices in the supply chain may hinder climate mitigation, adaptation, and resilience and lead to regulatory penalties, human rights violations, and reputational damage.	Own operations, Upstream	Medium-term
Digitization and Cybersecurity (Page 211)	-	**Risk** A major cybersecurity breach could pose a significant threat to MPCL's financial position and reputation.	Own operations	Short-term

Please see the following chapters/ sections for further information on how MPCL manages and responds to its impacts, sustainability-related risks and opportunities:

The governance approach can be found in the Governance chapter.

The sustainability strategy to mitigate impacts, sustainability-related risks and leverage opportunities is detailed in the Sustainability Strategy and Management Approach section of the report.

Performance can be found in the Highlights section.

The risk management framework is detailed in the Risk Management section of the annual report.

Metrics are available in different sections of the report, while targets can be referred to in the Targets section.

Sustainability on the Horizon

Sustainability Topic	Targets	Target Year
GHG & Air Emissions	Complete Scope I & II emissions calculations covering all MPCL operations including Mari Services Division by 2025	2025
Climate Adaptation, Resilience and Transition	• Continue working on climate adaptation, resilience, and transition strategy. • Continue working for CCS pilot project and registration for carbon credits. • Explore opportunities for Green Hydrogen by conducting due diligence / feasibility study. • Continue working under OGDC charter as a part of global community to decarbonize its operational footprint.	2025-26
Water and Effluents	Complete water footprint calculation.	2025
Waste	Complete waste footprint calculation.	2025
Health and Safety	HSE performance shall be aligned with IOGP safety performance matrices on all relevant key performance indicators that include occupational safety and process safety.	2025
Employment Practices	• Promote DEI practices. • Establish MPCL learning hub, leveraging technical in-house expertise to foster a knowledge sharing culture across the organization with an enhanced focus on developing young talent.	2026
Human Rights	Reporting initiatives/progress on UN SDGs under yearly communication on progress (COP) as a Global Member of UN Global Compact.	2025
Local Communities	In addition to CSR obligations under PCAs, Company to undertake initiatives aiming to develop people & planet.	2025
Ethics and Transparency	• Ensure everyone in the organization understands the code of ethics through annual refreshers / assessments. • Service contractors to follow ethics and transparency by embedding relevant clauses in the contracts.	2025

Governance

In this chapter

- Governance
- Policy Commitments
- Ethical Business Practices

Governance

Our governance framework unequivocally adheres to the requirements of the Companies Act 2017, the Code of Corporate Governance, the Pakistan Stock Exchange listing regulations, and best governance practices. These laws, regulations, and best practices constitute the robust governance structure and underlying systems essential for the seamless operation of our business.

GOVERNANCE STRUCTURE

The Board of Directors (Board) is MPCL's highest governing body and consists of eleven (11) directors, out of which seven (7) directors are elected by the shareholders and four (4) are nominated by the respective shareholders. The elected directors retire after three years and are eligible for re-election. Nominated directors serve until their nominators withdraw the nominations or they resign from the director's office. Nomination of directors is governed by the Companies Act, 2017 provisions, MPCL Articles of Association, and Participation and Shareholders Agreement among the sponsor shareholders. See pages 30 - 35 for a profile of the Board of Directors.

The Board is responsible for developing, approving, and updating the purpose, values or mission statements, strategies, policies, and goals. The Chairman of the Board is a non-executive director. The Board has delegated the company's executive management to the MD/CEO. He oversees the whole process of development, implementation and execution of the strategies.

The Board has constituted five (5) Committees under the applicable laws, regulations and best practices to assist in discharging its oversight function. The Board's Committees are the Audit Committee, HR&R Committee, Technical Committee, Investment Committee, and ESG Committee. The Committees function according to their respective terms of reference (TOR) and are responsible for assisting the Board in their respective areas. See pages 115 - 119 for the details about Board Committees.

SUSTAINABILITY GOVERNANCE

Board's Oversight of Sustainability-related Impacts, Risks and Opportunities

The Board provides oversight and responsibility for strategy formulation and implementation, considering sustainability-related impacts, risks and opportunities. The Board has delegated its oversight function to the ESG Committee, which reports regularly to the Board. ESG Committee convenes regularly meetings to oversee, guide, and monitor the sustainability-related impacts, risks and opportunities, the company's ESG initiatives, policies, and performance in alignment with industry best practices, regulatory requirements, and stakeholder expectations.

The ESG Committee members have the necessary expertise in sustainability to support MPCL's strategy for managing the sustainability-related impacts, risks and opportunities. The board members received training on ESG/ sustainability. Some of the board members also participated in COP 28 UAE to stay updated on the latest sustainability trends and developments.

Management's Role in Assessing and Managing Sustainability-related Impacts, Risks and Opportunities

Sustainability topics are integrated into the company's overall governance structure through various policies, systems, and procedures, whereas the enterprise risk management system supports risk monitoring and control mechanisms.

The risk management system and materiality analysis identify sustainability-related impacts, risks and opportunities. The MD/CEO and management team are responsible for overarching the implementation of a comprehensive internal control system. This system identifies and addresses MPCL's significant sustainability impacts, risks, and opportunities. Additionally, it aims to safeguard MPCL's assets and oversee the allocation of resources in alignment with the company's strategy.

The MD/CEO reviews and approves the material topics and the engagement with the external assurer. The ESG Committee reviews the sustainability performance and provides oversight and advice to the management team on sustainability matters.

MPCL manages the effects of its activities in key areas from a risk and opportunity perspective to maximize the value creation for all stakeholders. The corporate functions develop and steer the management processes and propose action plans for the functional experts at operational sites. The progress is reported to the Board. The Board deliberates on the progress against the corporate objectives and targets in board meetings which are held frequently throughout the year.

During the year, a session on ESG was organized for the management team and cross-functional team to update them on ESG and sustainability developments. The MPCL management team regularly participates in conferences, workshops, and training at reputable institutions in Pakistan and abroad to acquaint them with the latest developments and trends in governance, management, leadership, ESG, and sustainability. Moreover, regular sessions are conducted to apprise the Board Members about the latest corporate regulatory and governance regime changes.

Terms of Reference – ESG Committee

- Review ESG strategies, policies, goals and targets for the company, while focusing on sector specific challenges, local perspective and energy and security needs of the company.
- Monitor and assess the company's ESG performance, including key performance indicators, benchmarks and targets.
- Oversee and advice ESG-related risks and opportunities that may impact the company's business, reputation, and financial performance.
- Provide guidance to management team for adopting best international practices and seek support from ESG experts as needed to ensure company's compliance with relevant ESG laws, regulations, and reporting requirements in the country.
- Foster constructive engagement with stakeholders, including investors, communities, government authorities and NGOs, to understand and address ESG concerns and expectations.
- Oversee the appropriateness of the sustainability management system, while emphasizing on social impact of the company business.
- Oversee and facilitate transparent communication of the company's ESG performance to stakeholders especially investors through the annual sustainability report and other relevant disclosures.
- Promote ESG awareness and ensure ESG-related training opportunities are provided to employees, management and the Board.
- Advice on management team's recommendations on the ESG implications of major projects, investments and initiatives for effective decision making.
- Report its findings, recommendations, and activities to the Board of Directors on a regular basis or as requested by the Board.

ESG Committee of the Board

Mr. Abid Niaz Hasan
Chairman ESG Committee
Non-Executive Director

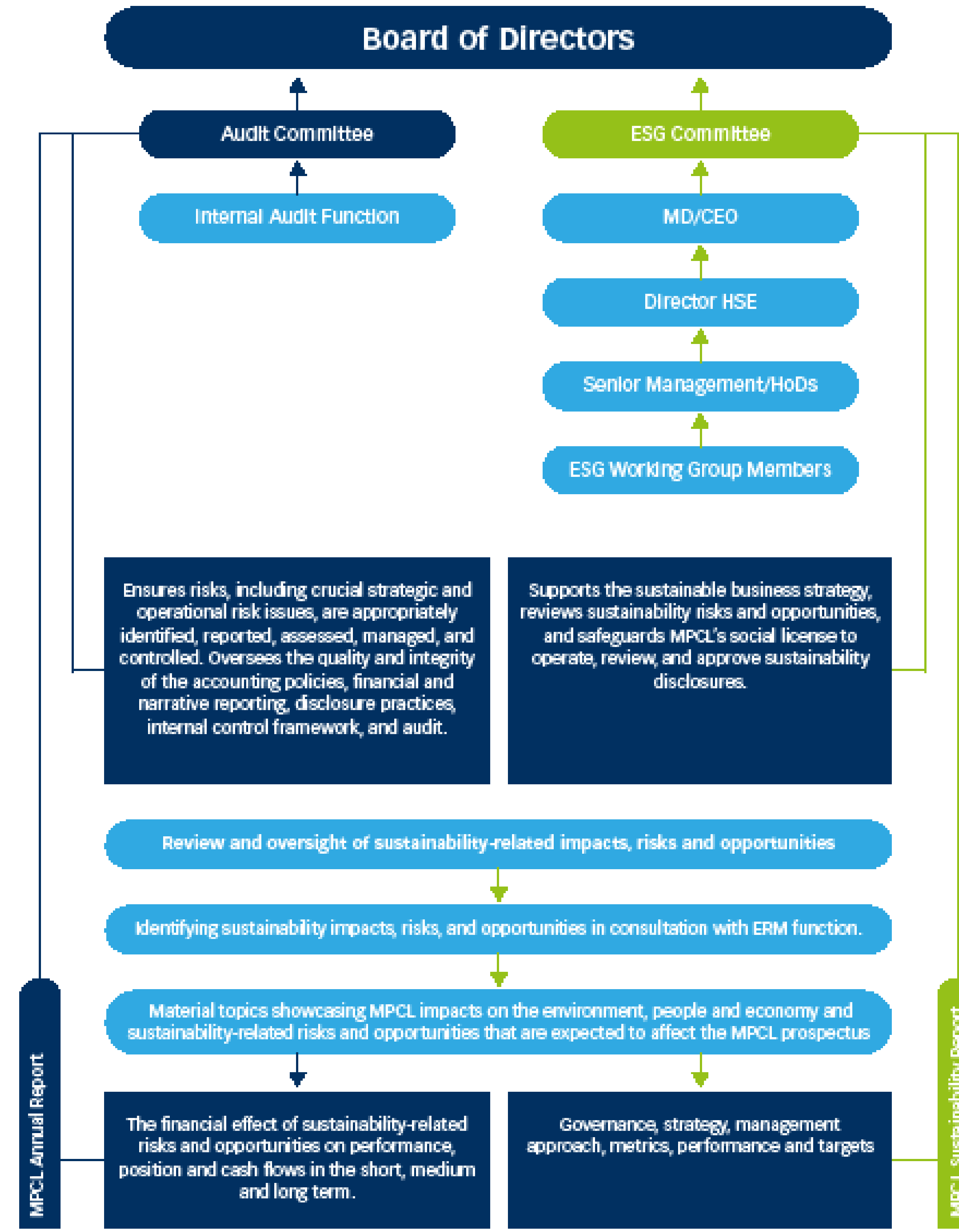
Mr. Momin Agha
Secretary Petroleum
Ministry of Energy (Petroleum Division)

Mr. Adnan Afridi
Managing Director/CEO
National Investment Trust Limited

Mr. Muhammad Aamir Salim
Executive Director (Petroserv)
OGDCL

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

Sustainability Governance Structure



Remuneration and Performance Review

HR&R Committee assesses the executive team's performance against defined objectives and targets, including performance on environmental issues. Incorporating environmental and social considerations in determining remuneration and performance evaluation is currently in its preliminary phase. It will be further developed by implementing targets and performance management that are aligned with sustainability objectives.

HR&R Committee engages external consultants for annual evaluation of the Board's performance. The Board appropriately responds to the assessment, including revising policies where necessary. The services of the Pakistan Institute of Corporate Governance were engaged to independently conduct the performance assessment of the board, its committees and individual directors for FY 2022-23. PICG evaluation report along with its recommendations were presented to the Board through the HR&R Committee in its meeting held in August 2024. For FY 2023-24, the Board has decided to hire the services of the Institute of Business Administration to conduct the said evaluation.

The Board determines directors' remuneration in line with a formal Directors' Remuneration Policy prepared under the applicable regulations. The policy considers directors' competencies, efforts, scope of board's work including number of meetings and directors' remuneration in comparable companies. As per the policy, only non-executive directors are entitled to a fixed fee for attending Board and Board Committee meetings. No fee is paid to directors for attending shareholders' meetings and no stock option scheme is in place for any category of directors. The MD/CEO is the only executive director on the Board and receives remuneration according to his employment contract with the Company.

The remuneration policies of executives, including the MD/CEO, are approved by the Board through the HR&R Committee. The executive remuneration policies require performance assessment against defined objectives and targets approved by the Board, including mitigating risks for MPCL and the stakeholders.

The annual incentive plan/ variable pay pool for MD/CEO and senior management is based on a performance scorecard, which assigns a certain weightage to the company's HSE performance.

Conflict of Interest and Critical Concerns

MPCL has a code of conduct applicable to all governance body members and employees that strictly prohibits conflict of interest. In case the conflict is not avoidable, it is communicated to the Board, and the interested directors do not participate in voting on interested matters. MPCL has specific policies on handling conflicts of interest and accepting gifts. The criteria for Related Party include cross-board memberships and cross-shareholding, among other factors. The significant and sensitive issues and critical concerns, including concerns relating to HSE and security, are communicated to the Board through the MD/CEO. MPCL has a process in place to manage conflicts of interest.

MPCL has an Investor Relations and Grievance Redress Policy and a Whistleblowing Policy. The Grievance Policy entails the details for registering a grievance and the mechanism for its inquiry and settlement. We adopt an approach to identifying and addressing grievances, which includes establishing or participating in grievance mechanisms to ensure stakeholders can voice their concerns and seek resolution for any negative impacts they have experienced.

Complaints and grievances can be filed through complaint forms available on our website. Whistle-blowing complaints go directly to the Chairman of the Audit Committee, who then reports these to the Board if required.

We have established channels that allow individuals to report any potential misconduct, ethical violations, or practices that may contradict our responsible business policies. These mechanisms can also be used to seek advice on implementing organizational policies and practices and guidance about ethical behavior. These channels ensure confidentiality, impartiality, and protection from retaliation for those who come forward with their concerns. No significant concerns or complaints were reported during the FY 2023-24.

Policy Commitments

Our policies clearly state our dedication to conducting business responsibly. These policy commitments apply to our operations, employees, and value chain partners. The Board of Directors approves all company policies, and any related changes are communicated through emails or circulars. The Code of Conduct, Investors' Relations & Grievance Policy, Whistleblowing Policy and respective forms are available on MPCL's website (www.mpcl.com.pk), while all other policies are accessible on the company's intranet.

We ensure that our policies, procedures, and risk management systems align with our commitment to effectively managing the impacts in our operations and supply chain. We share our policies with our value chain partners and encourage them to support our obligations by diligently adhering to relevant laws, regulations, and policies. See pages 181-182 to read more about managing sustainability impacts in the supply chain.

Our Health, Safety, and Environment (HSE) policy aligns with Article 15 of the Rio Declaration. Our human rights policies are based on relevant laws, regulations, and human rights conventions, as well as conventions and charters of the International Labor Organization (ILO) that the government of Pakistan has ratified. We fully respect and support human rights outlined in the Universal Declaration of Human Rights and ILO conventions.

The MD/CEO is responsible for embedding the commitments and implementing and reviewing the policies supported by the respective departments. The ESG working group members act as sustainability champions to promote sustainable practices. Regular training sessions on the code of conduct are organized for employees and business partners. Compliance with the guidelines is ensured through internal reviews and external certification of management systems.

Mitigating Negative Impacts

MPCL is committed to preventing, mitigating and remediating the negative impacts of its activities as far as practical. The project studies are conducted for each operational site per Federal and Provincial Environmental Protection Agencies (EPA) requirements. The project studies include the project's biological, physical, and socioeconomic environmental impact assessment on neighboring communities and mitigation measures to overcome the negative impacts.

Relevant sections of the report discuss our mitigation activities for negative impacts. Our approach is to act proactively to prevent negative operational, financial, environmental, and social impacts. The grievance mechanisms are operational at the corporate and operational site levels, where aggrieved parties can file grievances. These grievances are carefully reviewed and resolved, and the outcome is communicated to the stakeholders.

MEMBERSHIPS

- Management Association of Pakistan
- United Nations Global Compact
- World Economic Forum
- Petroleum Institute of Pakistan
- Pakistan Petroleum Exploration and Production Companies Association
- Global Reporting Initiative
- Islamabad Chamber of Commerce and Industry

MPCL supports SDGs and has aligned with relevant SDGs to make meaningful contributions.

Ethical Business Practices

Material Topics: Ethics and Transparency | Supply Chain Impacts

Adhering to ethical business practices, compliance with laws and regulations, and advocating for ethical and sustainable practices among our supply chain partners mitigate business risks and minimize the impacts on human rights, safety, labor practices, and environmental footprint associated with our operations and business activities.

MPCL is committed to acting ethically in all activities and promoting ethical practices in its supply chain due to its widespread economic, environmental, and social impacts. In a proactive move, MPCL became a member of the UNGC last year with a clear mission to advance ethical practices in its operations and supply chain. MPCL believes integrating the UNGC's "Ten Principles" is fundamental to its ethical business approach.

Business Ethics and Anti-Corruption

MPCL fosters a robust ethical culture and reinforces the Code of Conduct through regular awareness sessions. All Board members and employees are briefed on MPCL's Code of Conduct while on-boarding and must comply with it during their association with the Company to avoid unethical business practices.

MPCL's Code of Conduct strongly prohibits bribery and corruption in any form. The company has robust internal controls and oversight mechanisms to ensure transparency and accountability and prevent the risk of corruption. MPCL's donations and welfare policy governs donations and sponsorships. The CEO is responsible for ensuring ethical business practices and anti-corruption measures, while the Board Audit Committee reviews unethical business practices and provides recommendations to the Board.

MPCL business activities are rigorously assessed for compliance with ethical standards and applicable laws and regulations. Our whistle-blowing policy, a cornerstone of our compliance framework, provides a secure channel for employees and stakeholders to report violations of rules, regulations, and the Code of Conduct and suspected fraudulent instances. This policy has proven effective in ensuring ethical business practices, as evidenced by our annual risk review and investigation of whistle-blowing complaints. The findings are promptly shared with the Board Audit Committee and the management for disciplinary action in line with MPCL policies, demonstrating our commitment to addressing violations.

MPCL maintains a clean track record, with no incidents of corruption reported during the year. Considering the level of compliance, no session was organized for governance body members and employees. No legal action was taken or pending against MPCL regarding anti-competitive behavior or violating anti-trust and monopoly laws and regulations. As a listed company, all shareholding details are transparently available on the company's website. Our JV partners, reputed local and international energy sector companies, are required by regulations to submit the details of their beneficial ownership under laws and regulations. MPCL conducts a stringent screening process with comprehensive pre-qualification criteria to ensure that business is conducted with sound, well-known and legitimate suppliers, further underlining our commitment to ethical business practices.

MPCL expects its business partners to adhere to ethical business practices and combat corruption. During the year, there were no incidents of noncompliance with laws and regulations.

Contract Transparency

Pakistan's exploration and production (E&P) sector is subject to strict regulations. The commercial terms, including price, product specifications, delivery point, and payment terms, are predetermined in the Oil/Gas Sales and Purchase Agreements (GSPAs), and the details of the contracts are not made public. However, a cross-functional team is responsible for drafting, negotiating, and executing the agreements and contracts to ensure transparency during contract negotiations. Joint venture (JV) partners also participate in negotiating and finalizing contracts where applicable.

Payments to Government

We are devoted to ensuring equitable, transparent, and conscientious payments to the government. We seek to stimulate economic expansion through these efforts while actively contributing to public services, infrastructure development, and social programs. Our focal areas encompass precise and prompt reporting, openness, and moral tax practices, all aimed at guaranteeing that our financial contributions are aligned with the most stringent standards of integrity and answerability. Controls and processes are in place to prevent and address any issues related to tax compliance. This includes regular tax risk assessments, maintaining accurate and timely reporting, and adhering to relevant regulations. If any problems arise, we plan and implement corrective actions.

At MPCL, the Chief Financial Officer (CFO) supervises all tax-related matters. This includes managing tax practices and ensuring strict adherence to tax regulations. These meticulous processes are crucial in upholding transparency and accuracy regarding taxes and government payments.

Regular management reporting and external audits conducted by independent auditors ensure the effectiveness of controls and processes for tax issues. The ongoing evaluation and external audits continually enhance our tax management practices and the MPCL's overall financial governance.

MPCL interacts with various stakeholders, such as tax authorities, government entities, and industry peers. This engagement helps us collect insights and feedback to pinpoint areas for improvement, address concerns, evaluate the impact of our actions, and shape our approach to responsible tax management.

During the financial year 2024, MPCL made a significant contribution of Rs 84.2 billion to the national exchequer. Further details regarding the taxes remitted to the government can be found on page 147.

Public Policy

MPCL actively contributes to developing competitive E&P policies as a member of PPEPCA. Participating in policy development ensures alignment with international best practices and facilitates the E&P sector's development. MPCL strives to ensure that its policies remain competitive with its peers and support the growth of the country's E&P sector. If there is any discrepancy between its lobbying position and proposed policies, MPCL is committed to complying with corporate regulations and ensuring their implementation in both letter and spirit.

The Director of Business Development and Commercial Department ensures MPCL's public policy participation aligns with its strategy. MPCL has defined management system procedures to ensure compliance with applicable regulatory requirements and regularly reviews procedures through IMS audits to identify gaps. The findings from the periodic review are used to revise procedures and keep them relevant.

MPCL maintains a transparent relationship with local, provincial, and national governments and regulators. In the year 2024, MPCL upheld its commitment to transparency and compliance by not making any political contributions and not receiving any form of direct or indirect financial assistance from the government.

Supply Chain Impacts

MPCL is dedicated to maximizing value for its supply chain partners and

MPCL Management with Service Providers - Islamabad promoting sustainable practices to ensure ethical labor practices and worker well-being at every stage of our operations.

The responsibility for managing the supply chain impacts rests with the Head of the Supply Chain, who reports to the CFO. Our suppliers are required to abide by the laws and regulations applicable to MPCL, ethical business practices, and UNGC Principles. We also require supply chain partners to adhere to our policies and procurement terms, including health, safety, and environmental standards regulations.

Our screening and selection process for new suppliers is rigorous and meticulous. Our process ensures that only suppliers who share our values and meet our high standards are selected. This process thoroughly evaluates compliance with institutional frameworks and adherence to legal requirements, supporting our commitment to ethical and sustainable practices. First, MPCL prequalifies suppliers by collecting information to assess their compliance with HSE, financial and legal requirements. The goal is to select suppliers who meet these requirements for further evaluation and potential collaboration.

All suppliers are screened against MPCL's existing HSE requirements. The significant negative impacts in the supply chain relate to labor practices, human rights, and environmental footprint.

We have a comprehensive Vendor Performance Review and Audit procedure in place to ensure that suppliers/vendors comply with all required deliverables. We actively collaborate with our vendors to identify any gaps in their compliance with our guidelines. After providing them with sufficient time to make the necessary improvements, we may ultimately decide to end the business relationship if they fail to meet our standards.

We conduct thorough audits and assessments of our critical suppliers' facilities to ensure they comply with labor laws and standards. Our assessments involve on-site visits, worker interviews, and detailed reviews of relevant documentation such as working conditions, wages, working hours, and occupational health and safety. Through comprehensive audits, meticulous assessments, and stringent supplier selection processes, we endeavor to establish a supply chain that upholds ethical standards, safeguards workers' rights, and respects the dignity of all individuals involved.

To ensure the safety of vehicles and human lives, reduce emissions, and improve air quality, MPCL has standardized specifications for all LTV and HTV vehicles.

We actively engage with local suppliers and businesses, emphasizing local procurement whenever feasible. Local procurement not only strengthens the local supply chain but also meets the expectations of local communities through job creation and macroeconomic development in the operating locations. MPCL's supply chain comprises 1,184 suppliers, 251 foreign and 933 local suppliers. During the year, we procured 40% of goods and services from local suppliers and 60% from international supply chain partners.

Actions 2024

MPCL successfully underwent a rigorous evaluation of its Supply Chain Function and was honored with the "Corporate Ethical Procurement & Supply Award" by the Chartered Institute of Procurement & Supply (CIPS), UK. This award demonstrates our unwavering dedication to enhancing our workforce and enforcing ethical practices in three crucial areas: preventing Fraud, Bribery, and Corruption, promoting Human Rights, and ensuring the Environment and sustainability.

MPCL has updated its supplier selection and evaluation criteria to include social and governance factors.

Future Actions

MPCL is planning to develop a supplier code of conduct, for which working has been started. Furthermore, MPCL plans to assess the impacts, develop comprehensive strategies, and support supply chain partners through capacity building to manage these impacts in the future.

MPCL plans to incorporate ESG criteria into vendor performance evaluations and introduce an incentive program to reward vendors demonstrating strong ESG practices.

World Day for Safety and Health at Halini Oil Field, Karak Block - KP & Punjab

Powering Economy

In this chapter

- Our Approach
- Energy and Food Security
- Economic Returns

Our Approach

MPCL is firmly committed to propelling the economy and positioning itself as an internationally integrated Exploration and Production (E&P) company. Amidst the challenges faced by Pakistan's economy, MPCL acknowledges the substantial responsibility placed upon it to proactively contribute to enhancing food and energy security while upholding ethical business practices to ensure favourable returns for our shareholders.

In line with our business strategy, we aim to generate value for our shareholders and establish financial robustness that enables us to effectively address the challenges associated with transitioning to low-carbon and cleaner energy solutions. Under this strategic direction, we face significant challenges from severe weather conditions and heightened security threats in remote operating areas. Nevertheless, we remain resolute in our commitment to overcoming these challenges and continuing to contribute to the economic and social progress at national and local levels.

The board's approval of the business strategy, yearly plans, goals, and objectives indicates the consensus among key stakeholders. These strategic decisions are diligently executed under the oversight of the Managing Director/CEO. Furthermore, the board engages in regular and comprehensive discussions regarding financial and operational performance and the review of strategic goals and targets. This iterative process ensures that requisite adjustments and necessary measures are promptly implemented in response to the board's scrutiny, guidance, and strategic directives.

Energy and Food Security

Pursuing strategic business initiatives aimed at bolstering energy and food security, and making meaningful contributions to the socio-economic advancement of Pakistan.

Pakistan is currently grappling with a multifaceted energy crisis that has led to economic and social instability. Affordable and reliable energy is imperative for revitalizing the economy and fostering sustainable development.

Furthermore, access to dependable energy is critical in achieving meaningful employment and economic advancement. MPCL is dedicated to providing gas for power generation, catering to the needs of both domestic and commercial consumers.

Food security has emerged as a significant concern for Pakistan, stemming from elevated global grain prices, dwindling crop yields due to climate change, and diminished farmers' income. Applying fertilizers in crop cultivation is crucial in achieving improved yields, price stability, and food security. MPCL actively contributes to food security by ensuring fertilizer manufacturing plants' uninterrupted feed gas supply. Notably, MPCL's feed gas supplies are the foundation for over 90% of Pakistan's urea production, thus pivotal in addressing the nation's food security challenges.

At MPCL, our unwavering commitment is to explore and develop resources to bolster Pakistan's food and energy security and foster socio-economic progress.

Economic Returns

Material Topics: Economic Impacts

Generating and distributing economic value for stakeholders, while also contributing to the economy through payments to the government.

The direct impacts of our economic performance include creating enhanced value, distributing dividends, making supply chain payments, providing salaries and benefits to employees, and paying taxes to the government. Indirectly, our economic impacts stimulate local economies, support socioeconomic development through community investment and development projects, and improve industry practices related to health, safety, and technical skills.

Our robust risk management systems and processes enable us to recognize and evaluate potential negative impacts of our operations. We aim to prevent or minimize potential and actual adverse impacts through proactive measures, including thorough planning, efficient resource allocation, and technological advancements.

Our organizational strategy, business plan, and oversight framework are instrumental in managing economic impacts. Cross-functional teams routinely assess performance and track progress to uphold compliance with sustainability objectives and strategic priorities.

We have established clear goals, targets, and indicators, including financial metrics and community investment indicators, to assess our progress. We regularly monitor key performance indicators, conduct impact assessments, and engage with stakeholders to evaluate the effectiveness of our policies and procedures. Based on these evaluations, we adjust our operational policies and procedures. For more information on the economic value we have generated and distributed, please refer to page 147.

Financial Implication of Climate Change

Mari Petroleum realizes that the risks and opportunities posed by climate change can significantly impact its operations. However, climate-related transition risks do not immediately impact MPCL's production or operations. Still, impacts may become visible in the next 5-10 years, mainly on oil production and commercialization. However, gas production is predicted not to have any significant impact due to climate change because of being a relatively clean source of energy.

Climate-related physical risks are significant risks. These risks may cause extensive damage to field infrastructure, resulting in production suspension, loss of revenue, increased expenditures, and decreased demand for products in the medium to long term. The financial implications of these risks can vary from incident to incident, ranging from a few thousand to millions of dollars. MPCL has insurance coverage for facilities and related infrastructure to limit its financial exposure.
Climate-related risks are thoroughly considered in all significant investment and operational decisions. Currently, we do not conduct financial assessments of climate-related risks and opportunities. Nonetheless, we consistently evaluate and enhance our risk management practices.

Climate-Related Risks
Physical Risk

Physical risks are commonly detected at the asset or project level and are subsequently addressed according to the evaluated level of risk. The primary physical risks we have identified are related to severe weather, which could increase safety and operational risks for our operations, particularly in process safety, personal safety, and environmental impact.

Acute Risk

Climate change leads to heat waves, persistent high temperatures, heavy rainfall, and flooding, which affect personal and equipment safety, damage production facilities, pipelines, and transportation networks, and disrupt operations and infrastructure.

The financial impacts of these climate risks include possible revenue losses, higher spending on health and safety, repair and recovery efforts, and investment in resilient infrastructure. We conduct safety and flood risk assessments to address these risks, enhance infrastructure resilience, and create site-specific emergency response plans.

Action 2024

During the year, MPCL undertook various activities for projects aiming to increase resilience to climate-related acute physical risk.

Transition Risk

Transitioning to a low-carbon economy presents significant risks for MPCL in the medium and long term. The ESG Committee of the Board evaluates MPCL's strategy and oversees operations to manage climate-related transition risks and opportunities effectively.

Market, Regulatory and Reputation Risk

The growing market pressure to cut emissions and switch to low-carbon energy products presents a challenge for MPCL in reducing emissions and transitioning to low-carbon. The discussion about a carbon tax to curtail emissions also poses a regulatory risk in the medium to long term. These risks could lead to reduced product demand, asset impairment, lower profitability, increased spending on emission reduction initiatives, and investment in low-carbon energy options.

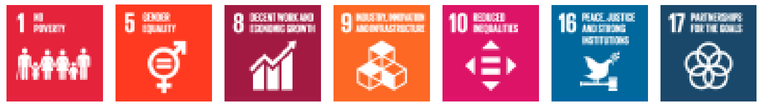
Action 2024

MPCL is implementing emission control measures to mitigate risk. These include a Carbon Capture, Utilization, and Storage (CCUS) project in the Mari field and extensive tree plantation drives nationwide. A budget of three million USD has been designated for the planning phase of the CCUS project. The associated risk management costs include capital investment in low-carbon energy solutions and expenditures on emission control technologies and monitoring systems.

Climate-related Opportunity Product and services

Transition to Renewable Energy

The increasing demand for renewable energy sources in Pakistan's energy market presents a potential business opportunity for MPCL. Investing in renewable projects could lead to a diversified revenue stream and reduced reliance on fossil fuels. However, there are expected costs, including the capital investments required for developing renewable energy infrastructure and projects.
Mari Petroleum recognizes the impact of climate change and is committed to facilitating the shift toward a low-carbon economy and advocating for sustainable energy practices. Our stance on climate change aligns with our policies and objectives.



Respecting Nature

In this chapter

- Our Approach
- Climate Change
- Protecting Biodiversity
- Conserving Water Resources
- Circularity and Waste

Our Approach

Climate change, biodiversity loss, increasing waste, and deteriorating water quality have heightened the need for responsible business practices and ecosystem protection.

As an Exploration and Production (E&P) company, we rely heavily on natural resources such as land, water, and materials for our operations. Our activities can negatively impact the environment through land use, emissions, water consumption, and waste discharge.

To mitigate these effects, we are establishing baselines in critical areas, setting targets, and optimizing resource use. MPCL's operational fields are certified under ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, ensuring the highest quality of management systems.

We diligently assess and document the environmental impacts of our activities, managing them through project-specific Environmental Management Plans (EMPs) to ensure compliance with applicable laws. In the event of significant adverse impacts, we activate an emergency response plan and implement Crisis & Emergency Management to prevent pollution.

Regular internal HSE audits, safety management audits, and external assessments evaluate the effectiveness of our environmental management systems. We share audit insights through HSE Spotlight, review outcomes during biannual business reviews, and refine our Environmental Management Procedures accordingly.

MPCL remains committed to upholding all relevant environmental laws, regulations and rules in our operational activities. According to our most recent evaluation, we have not detected any significant noncompliance with environmental laws, regulations or rules. Our steadfast vigilance in monitoring and scrutinizing our practices underscores our unwavering dedication to environmental sustainability and legal conformity.

Climate Change

Material Topics: Climate Adaption, Resilience and Transition | GHG and Air Emissions

As part of Pakistan's strong commitment to the Paris Agreement, we are actively involved in several initiatives aimed at reducing emissions, improving energy efficiency, and minimizing venting and flaring. Moreover, we are working diligently to develop strategies to enhance climate adaptation and resilience.

MPCL recognizes climate change as a significant global challenge and is firmly dedicated to transforming into a low-carbon enterprise, which aligns with Pakistan's obligations under the Paris Agreement. We understand that the Pakistani economy faces significant challenges, particularly in energy and food security, which may require making trade-offs to achieve Sustainable Development Goals (SDGs). However, we are committed to proactively addressing the carbon footprint associated with our operations and establishing MPCL as a responsible entity within climate change considerations.

Climate Adaption and Resilience

MPCL's climate adaptation and resilience approach focuses on reducing our operations' carbon footprint and supplying affordable, reliable, cleaner fuel to the domestic market, including feedstock for fertilizer manufacturing. We aim for low-carbon and Net Zero shifts. Our Exploration and Production (E&P) policies go beyond regulatory compliance to address the effects of climate change.

As one of the country's leading energy suppliers, MPCL is critically conscious of its impact on economic development and the environment through its exploration and production activities. In 2022, MPCL redefined its corporate vision, emphasising sustainability as a foundational principle and committing to exploring and providing clean energy for the domestic market. The corporate strategies were adjusted to prioritize the planet, people and governance considerations. Internally, we started extensive discussions to assess our operations' environmental impacts and develop effective management and mitigation strategies.

In addition, we are actively raising awareness and educating our employees about MPCL's commitment to environmental, social, and governance (ESG) principles. The Board has approved the strategy and oversees the transformation to a more sustainable business model. The management team under the leadership of CEO implements policies and explores cleaner, low-carbon business opportunities.

Actions 2024

Oil & Gas Decarbonizing Charter

During COP28, MPCL joined more than 50 other oil and gas companies in signing the Oil & Gas Decarbonizing Charter (OGDC) to support the global cause of accelerating in de-carbonization efforts. While building on the experience of the Oil and Gas Climate Initiative (OGCI) and others, the platform aims to accelerate knowledge dissemination, foster collaboration with peers and partners to catalyze scalable actions to deliver concrete outcomes in support of the world's move to a net-zero greenhouse gas emissions future.

Voluntary Carbon Market (VCM)/ Net Zero Committee

MPCL became a member of the Voluntary Carbon Market & Net Zero (VCM/NZ) Committee constituted by the Ministry of Climate Change and Environmental Coordination (MOCC&EC) to enhance the private sector engagement in developing the Voluntary Carbon Market. The purpose and objective of the committee are to steer the development of VCM in Pakistan, assist in identifying issues and challenges, and help find solutions to ensure sustainable operations and development.

Future Energy Business Initiatives

MPCL has established a "FEBI" team (Future Energy Business Initiatives) to explore green energy projects, such as Green Hydrogen and Hydropower. The team is currently evaluating projects to help reducing the company's carbon footprint in its field operations while contributing to Pakistan's Nationally Determined Contributions (NDC) by incorporating renewable energy sources into the country's energy mix by 2030.

Carbon Footprint Calculation

MPCL is taking significant steps to measure its carbon footprint. This year, the GHG emissions boundary was enhanced to include drilling operations. In contrast, Mari Seismic Unit shall be included next year to complete the GHG emissions inventory covering Scope I and Scope II.

Vehicle Pooling

MPCL implemented a company-wide vehicle pooling system to optimize energy conservation and reduce carbon emissions.

Future Actions

Carbon Capture, Utilization and Storage (CCUS)

We are exploring options for reducing greenhouse gas emissions to mitigate adverse impacts and promote environmental stewardship. MPCL is developing a CCUS project to reduce its carbon footprint, which is crucial for reaching the Net Zero target.

Green Hydrogen

We have also signed Memorandums of Understanding (MOUs) to explore potential partnerships with other companies and technology partners for green energy initiatives. In this context, the company is exploring opportunities in the green hydrogen sector and evaluating market potential.

See pages 186 -187 for the financial implications of climate risk.

GHG and Air Emissions

MPCL complies with all emission regulations for its business operations. The HSE department maintains and monitors greenhouse gas (GHG) inventory and works with operating locations and business functions on GHG and energy-related issues. GHG emissions monitoring from production sites and data collection includes Scope I and Scope II emissions. We diligently monitor GHG emissions and sulfur oxides (SOx) and nitrogen oxides (NOx) in compliance with regulatory mandates. Within MPCL, we have specific objectives to reduce emissions from our business operations, minimize flaring, and actively detect and eliminate methane leaks. Regular maintenance is performed on all processing equipment to prevent or minimize fugitive emissions.

MPCL uses a variety of delegated control devices to ensure efficient processing operations and effective management of the effluent produced by gas processing facilities. Different facilities within MPCL have several processing units, such as gas sweetening, dehydration, membrane operations, and dew-point control units. The choice of these units depends on the specific requirements of the feed and final product. The facility units are closely monitored and optimized to maintain gas specifications and minimize flaring. MPCL has implemented automated systems at each facility to ensure safe flaring and venting, reducing effluent release and adhering to industry standards.

MPCL HSE reporting tool continually monitors performance. This comprehensive process involves regular monitoring, data collection, and in-depth analysis of relevant metrics and key performance indicators. We assess our efforts and monitor progress to improve operational efficiency. The evaluation assists in making timely adjustments to optimize resource allocation, minimize environmental impact, and strive towards a sustainable future.

The calculations included CO_2 and CH4 gases. MPCL currently does not calculate scope III emissions. The energy intensity calculation covers Scope I and Scope II emissions. MPCL is working to complete the GHG emissions inventory calculations for Scope I and Scope II. Therefore, no emission reduction data is available for this year. The exhaust emissions, NOx and SOx levels were within the limits set by the respective provincial Environmental Protection Agency (EPA) requirements and applicable Environmental Quality Standards (EQS). MPCL confirms that it complies with all statutory regulations related to emissions monitoring.

	2024*	2023
GHG Emissions CO_2 equivalent, MT (Scope I)	1,607,504	817,576
GHG Emissions CO_2 equivalent, MT (Scope II)	988	1,017
GHG Emissions intensity (MT CO_2 equivalent/ KBOE)	42.72	22.38
No biogenic emission of CO_2e at MPCL		

Energy Consumption

The energy consumption and energy intensity increased because we included the full year's data from the SGPC production facility and rigs. The energy intensity figures include only energy consumption within the organization. Solar panels are installed at multiple locations to use renewable energy, but their contribution to the overall energy mix is currently insignificant. MPCL production facilities have different Gross Calorific Values (GCV) based on methane, ethane, and higher hydrocarbon composition varying from 1,754 BTU/CF to 770 BTU/CF. Each site's energy is calculated separately and then cumulated for the year. The conversion factors were used from EnggCyclopedia and Engineering software. Electricity consumption is calculated from electricity bills and converted into energy using 3.6 GJ/MW sourced from the B.L. Theraja Electrical handbook.

MPCL does not report energy consumption outside the organization because it does not have a mechanism for recording this information.

	2024	2023
Total Energy consumption with the organization in GJ	3,890,383	2,127,705
Energy intensity GJ/KBOE	96.68	58.17

*Footnote:

- The CO_2e equivalent emissions are calculated for ten production facilities (where MPCL is operator), four rig operations and four offices, including all categories of gases, i.e., process, flaring, and hot and cold vents.
- Measurement and computation methodology for HC vents, leakages and fugitive emissions are currently being worked out and are not part of GHG calculations.
- GHG emissions don't include emissions from the Mari Seismic Unit.
- No base year for GHG emissions is selected as the complete GHG emission inventory for Scope I, and Scope II is under development and expected to be completed by 2025.
- The GHG emissions included complete year emissions monitoring from the SGPC production facility. Last year, only half a year's emissions were included in the inventory due to the half-year operations of the SGPC production facility.
- Emission factors were sourced from IPCC assessment reports based on a 100-year timeframe. At the same time, the compendium of greenhouse gas emissions methodologies for the oil and natural gas industry by Energy American Petroleum Institute and IOGP environmental performance indicators—2021 data was also consulted. 2,778, 2,421 and 1,726 grams of Carbon content per USG Diesel, USG Petrol, and Liter LPG at 0.55 Kg/L, Carbon Oxidation Factor for NG 99.5% & for Diesel/Petrol 99% were used during the calculation. Stoichiometric conversions based on carbon contents were also considered during the calculation.

Protecting Biodiversity

Material Topics: Biodiversity

Ensuring the preservation of natural ecosystems and biodiversity by implementing effective measures to mitigate the impact on biodiversity at operational sites.

We are committed to positively impacting biodiversity by managing our activities to create a net positive impact, constantly seeking new methods to assess our impact, and improving biodiversity management at and around our operational sites.

Our company's HSE policy and environmental stewardship procedures regulate biodiversity management at MPCL. These policies apply to all our operational sites particularly near biodiversity-rich or protected areas. We are actively involved in activities to minimize our negative impacts on biodiversity through a mitigation hierarchy based on the environmental assessment studies conducted at each operational site.

Our recently implemented ESG Policy sets out our goal to make a positive impact by conserving, preserving, and enhancing biodiversity in the regions where we operate. Before commencing any operations, we conduct Initial Environmental Examinations (IEE), Environmental Impact Assessments (EIA), and environmental risk assessments. These procedures involve engaging with relevant stakeholders to communicate our strategies for reducing and managing impact, while fully complying with applicable regulatory requirements. No benefit and access-sharing regulations apply at our operational site. However, we ensure that our actions do not affect the communities' right to access and benefit from the resources around operational sites.

The project owner at each operational site is responsible for managing the impacts on biodiversity. We conduct compliance audits, submit monthly environmental monitoring reports to the respective EPA and conduct management audits to identify and address any negative consequences. In addition to minimizing adverse effects, our approach positively impacts biodiversity. Our plantation drives create habitats for birds and bees, offer protection against pests and environmental hazards, improve water and air quality, and prevent soil erosion. As a result, species such as birds and wild mammals thrive in the area. We are committed to preserving nature and the ecological habitat in and around our operational areas and prioritize implementing measures that minimize our environmental impact.

We carefully monitor and evaluate efforts to restore biodiversity through reports of on-site restoration, especially in areas sensitive to biodiversity, as well as through plantation projects and other relevant initiatives. The HSE department oversees restoration activities to ensure compliance with project-specific Environmental Management Plans (EMPs). As of the end of 2024, no activities are ongoing, and no restoration interventions are currently taking place.

Seven of the MPCL blocks partially lie in protected or high-valued biodiversity areas located in districts Rawalpindi, Jehlum, Nowshera, Jamshoro, Sujawal, Thatta, Duki, Ziarat, Harnai and Sukkur.

Block	Status 2024
Ghauri Block The Ghauri Block is located in a blend of ecological habitats encompassing various protected areas notified under the laws and regulations. These include the famous Diljabba Domeli Game Reserve, Tilla Game Reserve and Lehri Nature Reserve. In addition, there are several Reserve Forests (RF), including Nili RF, Ban Ismail RF, Sagar RF, Lehri and Jindi RFs (part of Lehri Nature Reserve), Tilla RF, Garat RF and Paniala RF.	Exploratory drilling of Ghauri East-1 is expected in January 2025.
Peshawar East Block Peshawar East Block also partially consists of fragile ecological environments. Several protected areas under the provincial wildlife or forest protection acts include Manglot Wildlife Park, Maroba Wildlife Sanctuary, Nizampur Wildlife Park, Cherat Wildlife Park, Khwara Reserve Forest, and Zira Reserve Forest.	A geophysical investigation survey, including G&M and seismic, commenced in Peshawar East in May 2024.
Taung Block Taung Block is located in Kirthar National Park (KNP) and its protected buffer. KNP is a wildlife-protected area under the UN's list of National Parks (1975) worldwide and under the Sindh Wildlife Protection Act, 2020. KNP is home to various faunal species of global significance, including Sindh Ibex, Urial, Chinkara, Indian pangolin, and striped hyena.	The first well drilling operation is expected in February 2025.
Sujawal Block Sujawal Block is also a complex of wildlife and forest-protected areas. Wildlife protected areas include Mirpur Sakro (Game Reserve), Cut Munarki, Bijora Chach, Gullel Kohri, Munarki, and Sadnani (Wildlife Sanctuaries) in and surrounding the jurisdiction of Sujawal Block. In addition, some protected forests are situate ed along the mighty Indus River, which flows across the Sujawal Block from north to south and is almost at the centre of the block.	No exploration activities were performed.
Nareli Block Nareli Block overlaps with several protected reserved forests. These reserved forests (RFs) include Sarangzai RF, Sinjawi Juniper RF, Tomagh RF, Pan RF, Siali RF, and Udilkana RF, which entirely or partially fall within the geographical jurisdiction of Nareli Block. It is pertinent to mention that out of the total covered area of the Nareli Block, only approximately 6.5% of the block area is protected, whereas approximately 93.5% is non-protected.	2D seismic data acquisition was completed in 2024.
Sukkur Block Sukkur Block lies within the geographical jurisdiction of Sindh province. Twelve reserve forests, one wildlife protected area, Mando Dero Game Reserve (MDGR), and partly one Ramsar site, Indus Dolphin Reserve (IDR), fall within the entire stretch of Sukkur Block, which is a recognized Ramsar site under the Ramsar Convention 1971. IDR is home to the Endangered Indus blind dolphin.	No exploration activities were performed.
Harnai Block Harnai Block partially overlaps Ziarat Juniper Forest, which was declared a Biosphere Reserve in 2013 and, in 2016, nominated as a World Heritage Site by the Government of Pakistan. Ziarat Juniper Forest is also home to various protected species, particularly avian.	No exploration activities were performed.

IUCN Red List species and National Conservation List species with habitats in areas affected by operations.

Critically Endangered	Endangered	Vulnerable	Near Threatened	Least Concern
	• Indus dolphin • Indian pangolin	• Greater spotted Eagle • Imperial eagle • Fishing cat Smooth • Coated otter • Sindh ibex • Urial	• Long-tailed grass warbler • Pallid harrier • Striped hyena	• Common starling • Glossy ibis • Long tailed shrike • Spotted little owl • Barn swallow • Bimaculated lark • Brown dipper • Green backed tit • Isabelline shrike • Red billed chough • Streak throated swallow • Small Indian civet • Caracal

Future Actions

Develop a Biodiversity management plan aligned with the 2050 Goals and 2030 Targets outlined in the Kunming-Montreal Global Biodiversity Framework.

Closure and Rehabilitation

Closure of operations requires careful planning to restore the site to its original or alternative suitable purpose and promote biodiversity in the area. MPCL abandons wells by properly plugging them to prevent fluids or gases from migrating. This restoration process may involve removing equipment, addressing soil contamination, and implementing erosion control measures.

An environmental impact assessment evaluates the potential environmental impacts of well abandonment and site restoration activities. This includes identifying any possible risks and implementing appropriate mitigation measures. The well abandonment and site restoration activities comply with relevant health and safety regulations, HSE policy, and drilling procedures to protect workers and the surrounding environment. The responsibility for managing site closure and restoration lies with the Director of Well Engineering for well plugging and abandonment and with the Director of Operations for site restoration and production facility decommissioning.

Well Closure and Restoration

The wellhead remains in place, but all other equipment and materials, such as empty drums, used and unused chemicals, fuels, and lubricants, are removed from the well site through approved suppliers. After each well evaluation, a decision is made on whether to abandon the well or continue with further development. If the well is abandoned or restored, the site is returned to its original condition as much as possible. Any waste products, solid or liquid, are disposed of according to the requirements of the EIA/IEE. Access roads are left intact for local people to use, and where structures are no longer needed, the land is restored and returned to its original use.

Camps Closure and Restoration

Once construction and testing operations are finished, the construction camps are dismantled and removed from the site. Approved suppliers take away all equipment and materials from the camps. The area is levelled and restored as much as possible. All waste products, both solid and liquid, are disposed of in compliance with the requirements of the EIA/IEE.

Impact Mitigation

The negative environmental impacts of closure are managed according to MPCL policies, the project-specific Environmental Management Plan, and the EPA Guidelines to mitigate environmental concerns. Social impacts are managed through CSR programs, coordination with the district administration, and stakeholder consultation. Legal complaints by stakeholders are addressed through the judiciary system. Policies and procedures are periodically evaluated for effectiveness and updated as needed.

During the year, MPCL closed one operational site and has closure and rehabilitation plans in place for two operational sites.

Closure and rehabilitation plans in place for operational sites	Well Ghauri X-1 Well Aqeeq-1
Operational sites closed	Well Mari-42
Operational sites are in the process of being closed	-

Plans are underway to decommission one operational site in 2025, contingent upon well performance. MPCL has allocated $2.74 million for the decommissioning and rehabilitation of operational sites in 2025.

Conserving Water Resources

Material Topics: Water and Effluents

Protecting natural ecosystems is crucial. We manage water withdrawals and prevent water and soil pollution to ensure a sustainable environment for future generations.

MPCL withdraws groundwater and purchases third-party water for day-to-day operations and domestic use at its operational facilities and head office. The water is also utilized in the exploration and production facilities. Produced water and grey water are collected in designated pits while black water in septic tanks. Runoff water does not have a significant impact, and all runoff water accumulates in rainwater pits through open drain channels. A resource conservation plan is developed and implemented to improve water quality by reducing pollution, eliminating dumping, and minimizing the release of hazardous chemicals and materials.

Resource conservation procedures, corporate guidelines on water conservation, efficient use, and waste procedures govern the management of water-related impacts at MPCL.

The personnel in-charge at each operational site are responsible for managing water-related impacts. Compliance and progress are monitored through monthly environmental reports. MPCL continuously interacts with governments, partners, local communities, and other stakeholders to address water resource concerns in our operations. Equipment and pipelines are regularly checked for maintenance to reduce leaks and drips. Hazardous substances are stored in areas with impermeable foundations to prevent leaks and spills from contaminating the soil and groundwater.

The camps' and oily wastewater undergo proper treatment before being disposed of. Furthermore, to ensure compliance with the prescribed limits, annual assessments are performed on utility, produced, and grey water at laboratories approved by the respective Environmental Protection Agencies (EPA). The treated water meets respective provincial EQS limits and is handled by an EPA-approved wastewater disposal service provider. We also hold regular compliance assurance meetings with the wastewater disposal service provider. Wastewater is treated in septic tanks before disposal, and produced water is either injected into injection wells or used for hydro testing pipelines, equipment, tanks, well-killing, or mud preparation for drilling. Rig wash is disposed of in lined reserve pits, and produced water is disposed of in High-Density Polyethylene (HDPE) lined evaporation ponds.

	2024		2023*	
Water withdrawal by source in ML/year	All areas	Areas with Water stress	All areas	Areas with Water stress
Surface water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Ground water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	590	15	459	20
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Produced water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	338	84	219	52
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Third-party water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	187	187	57	57
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Total water withdrawal	**1,115**	**286**	**736**	**129**

	2024		2023*	
Water consumption in ML/year	**All areas**	**Areas with Water stress**	**All areas**	**Areas with Water stress**
Total water consumption	728	120	525	52

	2024		2023*	
Water discharge by destination in ML/year	All areas	Areas with Water stress	All areas	Areas with Water stress
Surface water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	189	105	160	56
Ground Water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	144	43	45	17
Third party water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	53	18	6	4
Total water discharged	**386**	**166**	**211**	**77**

* The water data for the year 2023 have undergone recalculation and revision due to a modification in data collection methods. The water footprint increased due to the inclusion of MSD rig operations.

Circularity and Waste

Material Topics: Waste

Ensuring the preservation of natural ecosystems by properly managing waste and preventing water, air, and soil pollution.

MPCL's operations include exploration, processing, construction, maintenance, laboratory work, and office functions. These operations invariably involve using various equipment, chemicals, and supplies, thereby generating waste materials characterised by their biodegradable and non-biodegradable nature, single-use disposables, composite or mixed compositions, and toxic or hazardous components. Waste is categorised as hazardous or non-hazardous.

MPCL is dedicated to minimizing waste-related impacts through its "Environmental Stewardship" procedures, which are implemented across all locations. The instructions in the Site-specific Waste Management System guide how to handle and dispose of waste at operational sites. MPCL consistently conducts waste management and housekeeping training sessions to raise awareness among the relevant staff.

Waste tracking sheets record the waste's source, composition, quantity, and final disposition at all locations. The locations also develop a waste inventory for their respective sites monthly. The categorisation, segregation, storage, handling, and disposal of waste comply with applicable laws, regulations, and MPCL "Environmental Stewardship" procedures.

This information is used for regulatory compliance, risk assessment, and setting reduction targets. Waste pits are inspected weekly, and Management Walk-arounds are conducted regularly to ensure on-field execution and compliance with the waste management procedures.

EPA-approved waste contractors with valid NOCs are hired to collect, transport, and dispose of waste. The contractors share activity reports and disposal certificates with details of waste quantity and disposal method. MPCL HSE teams conduct surprise visits at vendor sites to ensure compliance assurance.

MPCL prevents and mitigates potential waste impacts through project-specific environmental monitoring plans and waste management campaigns. Site Management at each operational site is responsible for managing effects. The waste management procedures are reviewed through internal audits and performance against objectives. The findings, result in the revision of the MPCL waste management procedure and the development of site-specific procedures.

Waste Segregation Campaign, Zarghun South Gas Field - Balochistan

Waste by Composition, in Metric Tons (t)

	2024			2023		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	115	-	115	1	-	1
Non-hazardous	554	38	516	352	-	352
Total waste	669	38	631	353	-	353

Waste Diverted to Disposal-by-Disposal Operation in Metric Tons (t)

	2024			2023		
	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	89	89	-	1	1
Landfill	-	26	26	-	-	-
Other disposal operations	-	-	-	-	-	-
Total	**-**	**115**	**115**	**-**	**1**	**1**
Non-hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	10	10
Landfill	-	516	516	-	332	332
Other disposal operations	-	38	38	-	10	10
Total	**-**	**554**	**554**	**-**	**352**	**352**

The waste figures now include waste generated and disposed of at rigs, which were not included last year. Other waste disposal operations involve selling waste to handlers for reuse and recycling.

The waste generated includes biomass, metals, used oil, paper, chemicals such as paints and mercury, food residuals, packaging material, textiles, construction debris, and charcoal. The waste data is compiled from daily HSE reports and monthly Resource Conservation Reports from all field locations.

Improving Lives

In this chapter

- Our Approach
- Nurturing Talent
- Diversity, Inclusion, and Work-life Balance
- Health, Safety, and Security
- Respecting Human Rights

Our Approach

Our personnel are crucial for our capability to create value and contribute to the nation's food and energy security. We are committed to attracting top talent and fostering their skills through unwavering support and development, ensuring both their success and the success of MPCL.

Our operations positively impact employees by providing employment opportunities, health benefits, and opportunities for skill development and inclusivity. However, due to the transition to a low-carbon economy, there are potential negative impacts, such as health issues and job insecurity. We are dedicated to building and retaining a talented team of employees to address challenges and prepare for adaptation and transition. Additionally, we are committed to ensuring fair treatment and equal opportunities for all employees with non-discrimination and harassment policies. We believe that a diverse workforce fosters innovation and stimulates growth.

The challenging operating environment in the E&P sector and the socioeconomic and cultural context around our operational sites pose significant obstacles to achieving gender equity. However, at MPCL, we are unwavering in promoting gender equity practices. This commitment is evident in our compensation philosophy, which is based on principles of fairness and equity. We also demonstrate our dedication to gender equality through our recruitment and selection processes and leave policies, ensuring that all employees have equal opportunities for employment, fair compensation, and meaningful participation in management.

We have established comprehensive policies and procedures to manage our invaluable human capital effectively. These include the Recruitment and Selection Policy, Learning and Development Policy, Education Enhancement Program, Remuneration and Benefits Policy, Medical Benefits Policy, Redress of Grievances and Disciplinary Matters Policy, Workplace Harassment Policy, and Competency Management System. MPCL is dedicated to employee wellness. Recently, the rotation policy has been revised to align with industry practices.

MPCL has set objectives and annual targets, along with various procedures and controls, to ensure the effective implementation of policies. All employees are required to sign the Code of Conduct, Harassment Policy, and confidentiality agreement. The risk register includes relevant risks related to employment and labor practices. Periodic reviews and progress reports help ensure compliance with guidelines.

The Chief Human Resource Officer oversees various aspects of employment and labor practices within MPCL. This includes managing the development of the company's workforce, improving retention strategies, creating a positive work environment, and increasing employee engagement. The effectiveness of the human resources management systems is evaluated through Score Card, mid-year, and annual performance reviews, with key findings presented to the Board for discussion and comparison against corporate goals. Our policies undergo regular assessments to ensure they align with industry best practices. Updates to these policies and procedures are based on the results of management reviews and grievances submitted through our complaint mechanisms, ensuring that our practices meet the highest industry standards.

Nurturing Talent

Material Topics: Employment practices

Promote fair employment, support a diverse and inclusive work environment, and empower employees to unleash their potential.

Talent Acquisition

MPCL is committed to recruiting and cultivating a highly skilled workforce to substantiate business triumph. Employees are selected based on their qualifications, experience, and aptitude for the job, devoid of discriminatory practices. Furthermore, MPCL emphasizes internal hiring, enhancing employee engagement and streamlining recruitment.

Nonetheless, as a testament to our allegiance to local communities, we accord precedence to the recruitment and enrichment of local talent. We ensure that the job opportunities on offer harmonize with the proficiencies and expertise of local individuals, thereby fostering their professional advancement and empowerment. Senior management positions are selected based on specialized qualifications and expertise, which sometimes necessitates sourcing candidates from outside the local community. The intricacies of the E&P industry often render the talent pool inaccessible in the remote areas where our operations are situated. MPCL employs outsourced workers to carry out various technical and non-technical duties. These workers are brought on board through vendors on one-year contracts, which are renewed annually based on operational needs. The number of outsourced workers typically varies between 3,000 and 3,500, depending on the projects undertaken.
We also offer internship and management trainee programs in technical and commercial areas to develop talented individuals.

Summer Internship Programs

We offer summer internships for university graduates, providing hands-on experience in the oil and gas industry. These programs are designed to develop essential skills and pave the way for successful future careers.

Management Trainee Programs

We offer a comprehensive trainee program designed for recent graduates. The program exposes participants to best industry practices, provides cross-functional insight, and equips them with the necessary skills and expertise. It equips them better to understand their roles in the business value chain and grow professionally.

We establish partnerships with universities to expand the talent pool and share our technical expertise with emerging professionals. Our engagement endeavours to counter the negative perception of the E&P industry for climate change by diligently assessing the nation's capabilities and needs. We aim to foster sustainable development while judiciously addressing necessary trade-offs.

MPCL Summer Internship Program, Head Office - Islamabad

Workforce on June 30, 2024

2024	1,653
2023	1,618
2022	1,559

Employees by Employment Type broken by Gender

Employment Type	2024		2023	
	Male	Female	Male	Female
Full time	1,569	84	1,544	74
Part-time	-	-	-	-
Total	**1,569**	**84**	**1,544**	**74**

Employees by Employment Contract broken by Gender

Employment Contract	2024		2023	
	Male	Female	Male	Female
Permanent	815	70	775	53
Temporary	754	14	769	21
Total	**1,569**	**84**	**1,544**	**74**

Employees by Employment Type broken by Region

Location	2024			2023		
	Permanent	Temporary	Total	Permanent	Temporary	Total
AJK	14	17	31	12	18	30
Balochistan	25	22	47	19	21	40
FATA	8	14	22	1	9	10
Federal	60	19	79	50	30	80
Gilgit Baltistan	4	10	14	5	9	14
KPK	125	126	251	111	124	235
Punjab	433	378	811	415	402	817
Sindh	216	182	398	215	177	392
Total	**885**	**768**	**1,653**	**828**	**790**	**1,618**

Hiring and Attrition

Hiring by age group			Hiring by gender			Hiring by region		
<30	35%	90	Male	91%	232	Federal	38%	93
30-50	55%	141	Female	9%	24	Sindh	46%	116
>50	10%	25				Punjab	0%	1
						KPK	8%	21
						Balochistan	10%	25
Total		**256**	**Total**		**256**	**Total**		**256**

Attrition by age group			Attrition by age group			Attrition by region		
<30	8%	8	Male	6%	6	Federal	38%	39
30-50	83%	85	Female	94%	96	Sindh	45%	46
>50	9%	9				Punjab	2%	2
						KPK	5%	5
						Balochistan	10%	10
Total		**102**	**Total**		**102**	**Total**		**102**

The hiring and attrition rates were 15.48 % and 6.17%, compared to 11.25% and 4.63% in 2023.

Performance Management and Career Development

We have implemented comprehensive career development paths delineating the requisite expertise and skillsets for specific roles. MPCL conducts annual performance reviews to assess all eligible employees' performance to predefined goals and targets. These appraisals, based on company objectives, departmental targets, and individual goals, are the basis for determining annual salary increases and bonuses. All employees undergo a yearly performance appraisal.

Remuneration and Benefits

Our commitment is to provide competitive compensation and benefits to our employees following the prevailing industry standards. At MPCL, we offer position-based salaries and benefits without any gender discrimination. The ratio of basic salaries and benefits for women to men in all job categories is 1:1. We conduct annual surveys to ensure that our compensation packages remain relevant and competitive in the market, helping us attract highly qualified talent for our operations. However, the existing problem of skilled individuals leaving Pakistan due to economic challenges presents a significant challenge for the E&P sector.

MPCL provides trustee-administered gratuity schemes for both management and non-management staff. These schemes, funded entirely by the company, cover all financial obligations. Eligible employees meeting service tenure criteria are entitled to these benefits. Contributions to the gratuity funds are regularly assessed through actuarial evaluations. In addition, MPCL offers unfunded plans supporting employees, including post-retirement and earned leaves. The defined contributory provident fund, applicable to all eligible employees, involves MPCL contributions equivalent to 10% of the basic salary, with employees also contributing 10%. We consistently monitor benefit plan obligations for relevance, compliance, cost-effectiveness, and stability. In FY 2023-2024, we spent Rs. 88 million on defined benefit plan obligations, compared to Rs. 23 million in FY 2022-2023.

MPCL provides parental leave to all eligible employees in compliance with relevant laws and regulations. In 2024, 4% (two) female and 2% (thirty) male employees availed parental leave compared to 16% of female and 3% of male employees who availed parental leave in 2023. Impressively, 100% of employees who took parental leave successfully returned to work compared with 97% of employees who took parental leave and returned to work in 2023. Moreover, all female and twenty-eight out of thirty male employees who resumed work after parental leave remained employed for more than 12 months, demonstrating the effectiveness of MPCL's workforce support policies. The return to work and retention rates were 100% and 93%, respectively.

At all of our operating locations, we adhere to minimum wage regulations, ensuring that the standard entry-level wage for male and female employees is equivalent to or exceeds the minimum wage. This approach promotes gender equality and provides equal opportunities for females. Additionally, we review the standardized entry-level salaries on an annual basis. Our employee compensation package comprises fixed and variable financial and non-financial components, with overtime pay for extra work and a security premium allowance for employees working in security-sensitive areas.

Training on Oilfield Manager (OFM) - Islamabad

Benefits Provided to Full-Time Employees

Benefits
Provident fund
Gratuity
Variable pay
Life insurance
Medical coverage
Parental and sick leaves in addition to earned leaves

Training and Development

Retention and talent development are crucial to meet short-term and long-term objectives. We are committed to facilitating continuous learning and growth through dedicated programs to enhance current and prospective leaders' knowledge, skills, and leadership capabilities. Employees are offered opportunities to participate in relevant international conferences and training programs, both online and in-person, to enhance their respective roles.

MPCL's Competency Management System identifies, assesses, and develops essential skills and knowledge for various organizational roles. The training needs assessment guides annual training for employee upskilling and reskilling. The training requirements encompass both technical and leadership skills.

Technical Skill Development

Our technical skills training is designed to maintain a skilled and competent workforce. We work with prominent industry partners to benchmark technical skills internationally using a comprehensive competency library. Our development interventions ensure business needs drive development plans and provide employees with managerial and technical career paths.

Leadership Development Interventions

Our leadership training courses assist employees in developing essential leadership skills tailored to their current roles and career aspirations. Additionally, we have established a leadership development framework to enhance leadership capabilities at all organizational levels. Within this framework, high-potential professionals are identified and developed in various leadership themes through collaboration with local and international partners, following a customized curriculum. We also conduct training sessions on MPCL policies, health and safety procedures, the Code of Conduct, and compliance requirements.

During the year, two projects related to employee development (both technical and leadership) were completed, and development interventions were planned and executed according to industry best practices. A framework was developed to incorporate globally benchmarked assessment tools, ensuring a robust succession plan.

Training feedback helps evaluate training effectiveness and implement necessary improvements to training programs.

Annual Training Hours Per Employee

	2024	2023
Training hours	88,544	42,909
Number of employees	1,653	1,618
Training per employee per year	54	27

Annual Training Hours by Gender

	Male		Female	
	2024	2023	2024	2023
Training per employee per year	64	26	56	38

Annual Training Hours by Employee Category

	Management		Staff	
	2024	2023	2024	2023
Training per employee per year	72	44	39	09

During the reporting year, MPCL organized the following major training courses.

Major Training Courses during 2024

1. Leadership Development Program
2. Psychological Safety Session
3. Customized technical development programs conducted by international faculty.

Strengthening Our Core Values

This year, we have introduced our "Redefined Core Values" initiative, which underscores our unwavering commitment to Integrity, Unity, and Excellence. These values represent fundamental principles and guiding behaviours that significantly impact our corporate culture and direct our daily operations. Through the integration of these values into every facet of our work, we strive to cultivate an environment in which ethical conduct, collaboration, and high-performance stand at the forefront.

Diversity, Inclusion and Work-Life Balance

A diverse and inclusive workforce leads to creativity, broader knowledge, different perspectives, and solutions contributing to our growth and success. We are committed to ensuring a productive, safe workplace where diverse ideas are embraced and respected. Our inclusive work culture supports all forms of diversity and provides equal opportunities for employees to showcase their talents.

Our commitment to advancing gender diversity and inclusion is reflected in our hiring practices, career progression, and development. Gender diversity is a crucial strategic priority for us, and we strive to incorporate it at all levels of our organization. To ensure accountability, gender diversity ratios are now included in the departmental scorecards. Moreover, we have established a solid framework to attract and employ individuals with disabilities (IWDs), ensuring equal opportunities and their integration into society.

The Chief Human Resources Officer manages diversity and inclusion practices at MPCL. Our Code of Conduct and human resources policies promote ethical practices and prohibit discrimination based on gender, age, marital status, religion, ethnicity, caste, creed, colour, political affiliation, disability, socioeconomic status, or race. However, in technical jobs that require specific criteria, disability is considered when onboarding employees. We provide employment opportunities to disabled people to integrate them into the mainstream and actively work for the betterment of differently abled children through our CSR program. Refer to pages 215-221 for more information.

No discrimination incidents were reported at MPCL during the year. A grievance mechanism exists for lodging complaints, which are investigated and resolved following MPCL policies and procedures.

Employees by Gender, Age, and Minority Group

	Minority Group		Age Group		
	Muslim	Minority	<30	30-50	>50
Male	99.7%	0.3%	9.7%	70.5%	19.8%
Female	97.4%	2.6%	19.5%	63.6%	16.9%

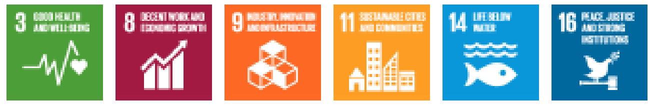
Employees by Employment Category, Gender, Age, and Minority Group

	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Minority	<30	30-50	>50
Management	91.3%	8.7%	99.8%	0.2%	10.3%	71.4%	18.3%
Staff	99.2%	0.8%	99.4%	0.6%	10.1%	68.9%	21.1%

Individuals in Governance Bodies by Gender, Age, and Minority Group

	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Board of Directors	91%	9%	100%	0%	0%	9%	91%

Health, Safety and Security



Material Topics: Health and Safety and Digitalization and Cybersecurity

Minimizing health, safety, and security risks for MPCL employees and third parties, mitigating business disruptions from infrastructure and asset failures, and promoting digitalization and cybersecurity for safe operations and business continuity.

MPCL has a health and safety management system that complies with regulatory requirements and international guidelines, including sectoral and cross-sectoral policies. The policies include the HSE Policy, ESG Policy, IMS Policy, Stop Work Policy, Safe Driving Policy, No Smoking Policy, Drugs and Alcohol Policy, MPCL Life Saving Rules, and Process Safety Fundamentals. They cover all operational locations, activities, and employees, including management, non-management, outsourced, and contractual staff.

MPCL's health and safety system provides safety guidelines to ensure customer safety while delivering services. MPCL products are supplied to midstream and downstream customers within the country, and all products' health and safety impacts are assessed per applicable laws, regulations, and best practices.

In addition to policies and work practices, MPCL has the following health and safety procedures to identify, prevent, and mitigate the health and safety impacts.

- Unsafe Acts/Unsafe Conditions
- Emergency Response Plan
- Medical Evacuation (MEDEVAC) Plan
- Incident Reporting and Investigation Procedure
- Incident, Crisis, and Emergency Management Procedures

Responsibility for HSE Impacts

The HSE Director manages health, safety and environmental risks. HSE performance against set KPIs is monitored every month. Various meetings and assessments are conducted to evaluate HSE performance, including HSE Performance Review Meetings, Weekly HSE Meetings, Monthly HSE Committee meetings, Management Audits, and Inspections. Interdepartmental teams are involved in risk assessment and are encouraged to provide feedback in an open forum. Any health and safety concerns are addressed directly with HSE Management.

Hazard Identification and Workers' Participation

We ensure safe work practices before starting any task or job to prevent or reduce potential negative impacts. These practices include Pre-Start-up Safety Reviews, Job Hazard Analysis, Process Hazard Analysis, HAZOP, HAZID, Task Risk Assessments, Permit to Work System, Risk Assessments, Management of Change, and Lockout Tag-out system. HSE advisors are assigned to identify, mitigate, and eliminate occupational health hazards across all our locations. To reinforce our commitment to HSE compliance, we have implemented a Reward and Recognition Program, highlighting outstanding HSE initiatives to boost employee morale and motivation.

MPCL has established several platforms and policies to encourage employees to actively contribute to improving our HSE culture. These initiatives include hazard hunts, risk assessments, workshops, training sessions, HSE days, and promoting innovative ideas. We also assign a 10% weightage to HSE goals for employees in their annual objectives, highlighting our comprehensive approach to promoting a culture of health, safety, and environmental responsibility.

Incident Investigation and Performance Review

The company promotes a learning culture by thoroughly analyzing incidents and near misses to identify improvement opportunities. Incidents are investigated according to Incident Investigation Protocols and Incident Management procedures. MPCL prioritizes the health and safety of contractors and subcontractor workers by implementing Contractor HSE Management procedures. Lessons learned from review audits and incident investigations are shared throughout MPCL using HSE Spotlight. This tool is a daily safety moment and is presented to senior management in monthly HSE Committee Meetings. The HSE dashboard, accessible to all employees, provides complete incident details such as Root Cause Analysis, Control Measures, and HSE KPIs and statistics. All HSE data is sourced from SAP and SharePoint.

The following indicators inform the management and evaluate occupational health and safety performance at MPCL.

Leading KPIs

- Corporate Objective Targets
- HSE Departmental Objective Targets
- HSE Annual Plan for MPCL Locations
- HSE Annual Training Matrix
- Number of:
  - UA / UC Reported
  - Emergency Drills
  - HSE Management Walkarounds
  - In-house Training
  - 3rd party Training
  - HSE Inspections
  - HSE Campaigns
  - HSE Compliance Audits
- Contractor HSE Management Audit Compliance (%age)

All KPIs mentioned above are measured as per HSE Annual Plan

Lagging KPIs include

- Fatal Accident Rate (FAR)
- Total Recordable Injuries Rate (TRIR)
- Lost Time Injuries Rate (LTIR)
- Motor Vehicle Crash Rate (MVCR)
- Process Safety Tier I
- Process Safety Tier II

(Benchmarked against IOGP member companies)

The Operational, Technical, and Financial Committee meetings with our joint venture partners are held quarterly to discuss health and safety issues in operational fields. MPCL works proactively with the Supply Chain Department to manage health and safety impacts in the supply chain. For reference, please see pages 181-182.

Promoting Worker Health

Pre-employment medical examination and job-specific health risk assessments are carried out for all employees following the MPCL Fitness to Work procedure. Annual medical screening and health surveillance audits are conducted to prevent or mitigate adverse impacts on health. In addition, weekly hygiene inspections, monthly health awareness sessions, stress management programs, and regular fumigation for mosquitoes, pests and mice control are ensured throughout MPCL locations.

Medical facilities at all locations provide routine health services to employees. Moreover, medical awareness sessions are organized for employees to ensure a healthy workforce. MPCL also supports workers in availing of multiple medical treatments and health counselling based on medical results. The employees' medical records are confidential and maintained through "Cloud Clinic" software, accessible only to Field and Head Office Medical Officers.

Health and Safety Training

MPCL's annual HSE training matrix focuses on continual improvement and capacity building of employees at all MPCL locations through in-house and third-party HSE Training.

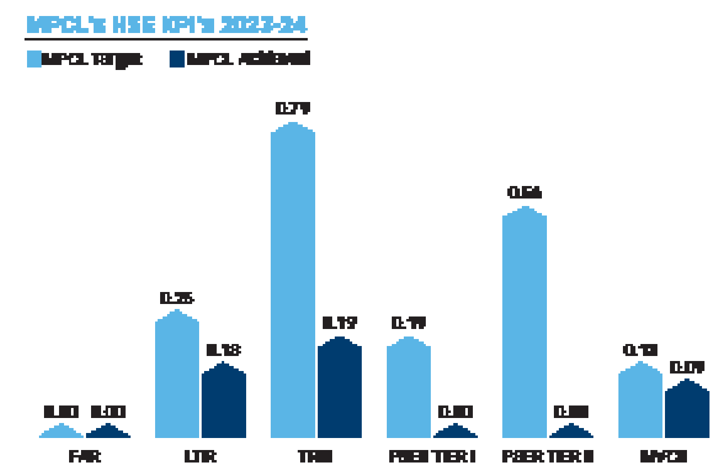
The following significant trainings have been conducted during 2024:

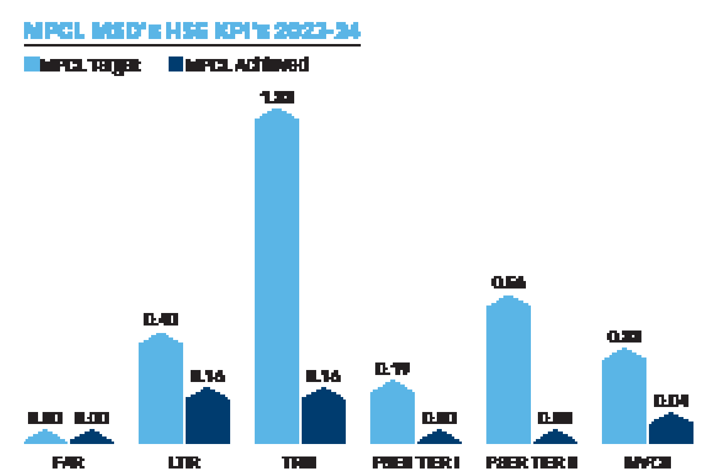
1. Electrical Safety NFPA 70 E
2. IOSH Managing Safely
3. HAZOP/PHA Leadership
4. Process Safety Management
5. Environmental, Social, and Governance Training Course
6. Hazards 33 - Process Safety Conference – UK
7. Executive Certificate in Management and Leadership
8. Mobilization & Demobilization Safety
9. IADC Rig Pass
10. Defensive Driving
11. Incident, Crisis and Emergency Management
12. Safer MPCL Life-Saving Rules
13. NEBOSH IGC
14. NEBOSH PSM
15. ASP, CSP
16. Advanced Firefighting

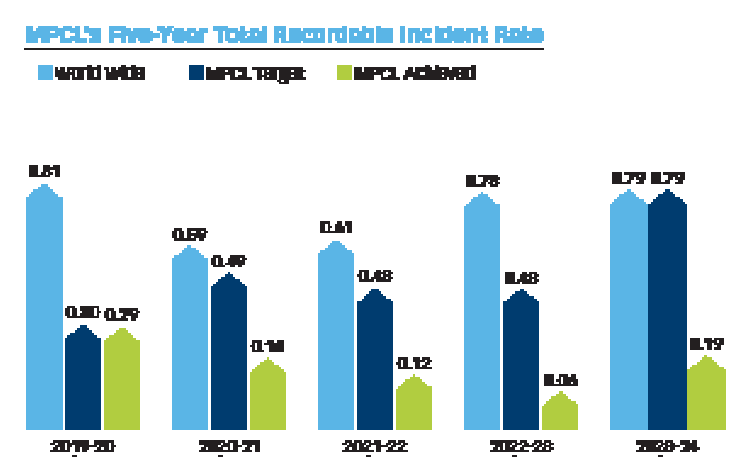
MPCL demonstrates its commitment to safety culture through various initiatives. These include the Hearts and Minds toolkit, the Safety Felt Leadership Program, frontline engagement, contractor HSE workshops, monthly HSE awards, and training. The Hearts & Minds toolkit guides safety practices at all organizational levels. At the same time, the Safety Felt Leadership Program emphasizes visible safety leadership and encourages meaningful interactions between managers and frontline employees. Cross-functional visits to operational sites promote collaboration and shared responsibility, while contractor HSE workshops raise safety awareness among contractors. Monthly HSE awards recognize outstanding efforts and inspire continuous improvement.

HSE Performance Review

Regular internal audits, Management Safety Audits, and external audits against compliance with ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 are conducted to review performance and plan corrective actions. These practices also result in adjusting our policies and procedures to manage the adverse impacts better.







Work-Related Injury

	2024		2023	
	MPCL	Contractor	MPCL	Contractor
Total Recordable Injury rate	0.19		0.06	
Fatality	Nil	Nil	Nil	Nil
High-consequence work-related injuries	1	1	1	Nil
Recordable work-related injuries	2	1	1	Nil
Hours worked	17.32 million		17.53 million	
High-potential work-related incidents	Nil	3	1	6
Close calls	7	5	19	9

In 2024, the primary type of injury was lost time injury during lifting operations when an employee sustained a back injury. In 2023, there was a restricted work case in which the employee could not recognize "Flying Debris Hazard."
The Recordable Injury Rate remained at 0.19 compared to the targeted threshold of 0.79.

MPCL records work-related injuries for employees, contractors, and subcontractors. One lost-time injury was reported during the reporting period, and there were no cases of ill health due to occupational work.

Asset Integrity and Critical Incident Management

MPCL's asset integrity processes ensure that all operational sites, facilities, and plants are designed, constructed, operated, and decommissioned with suitable materials to manage risks appropriately and guarantee reliability and safety for people and the environment.

The Maintenance & Asset Integrity (M&AI) department manages an ageing asset base and ensures safe operations. The department completed an initial self-assessment based on the ISO 55000 standard recommendations, focusing on operational integrity last year. Defined objectives for gradual improvement were established and supported by ongoing audits. Furthermore, the inaugural establishment of an Asset Integrity Management (AIM) policy marked a significant milestone, exemplifying the management's unwavering commitment to achieving business objectives across all stages of the asset lifecycle and safeguarding the well-being of its employees, assets, and the environment. A five-year Asset Integrity Management plan has been established for the Mari Field—Daharki.

The drilling superintendent, Wellsite Leader at the well site, and tool pusher implement the barrier policies for rigs. Performance data is updated regularly using SAP and seamlessly integrated with the Qlik environment. Furthermore, daily monitoring is conducted through dashboards.

Internal and external audits are regularly conducted across all MPCL locations to ensure compliance with and effectiveness of the procedures. New developments and initiatives are reviewed and evaluated in biannual business review meetings.

Oil Spills Clean-up and Remediation

Following the "Oil/Chemical Spill Emergency Handling & Planning Guide", we manage oil spills to prevent soil and groundwater contamination. We conduct regular emergency drills and implement remediation measures according to HSE guidelines and regulations to restore the land for its intended use. We record spill incidents, analyse root causes, and make mitigation measures accessible to all employees through the HSE Dashboard.

In 2024, seven spills were reported at MPCL sites, an increase from the four spills recorded in 2023. Among these, a moderate spill occurred due to the rollover of a crude oil tanker near Bolan Field while returning to the customer. The remaining six incidents were minor spills, with volumes ranging from 0 to 50 liters at various locations.

MPCL records process safety incidents using leading and lagging Key Performance Indicators (KPIs). The KPIs include the loss of primary containment and are categorized into Process Safety Tier I and Process Safety Tier II. These KPIs are compared against those of IOGP member companies.

In 2024, zero "Tier I incidents" were reported at production facilities, compared to two "Tier I incidents" reported at production facilities, one at Mari Field and the other at SGPC in 2023.

Conflict & Security

MPCL is dedicated to ensuring the resilience and security of its staff and facilities in unstable security environments, enabling continued operations in conflict-affected areas.

Policies and commitments

MPCL has a Corporate Security Policy with detailed plans and procedures that comply with the requirements of ISO standards and national regulations. The policy emphasizes respecting human rights and aims to protect assets and staff from security threats.

MPCL operates across Pakistan, with operational areas categorized based on threat levels. Security measures are in place to ensure a safe working environment, and activities aligned with local norms. The company takes a proactive approach to security management, identifying and addressing potential threats immediately and through periodic reviews. A thorough assessment of security threats and implementing preventive measures help mitigate and manage risks, ensuring preparedness to handle security challenges. MPCL has an Incident, Crisis, and Emergency Management procedure for emergencies, with response teams following policy guidelines.

MPCL conducts regular security drills and conferences to keep security staff updated. It has a system for daily reporting on security matters from all field locations. Security services are mainly outsourced to law enforcement agencies and ex-military guards hired by Fauji Foundation's group-owned security companies, which operate according to applicable laws and regulations.

Law enforcement agencies (LEAs) and a Quick Response Force are deployed in security-sensitive areas. Permanent security posts equipped with electronic gadgets, such as CCTV with thermal imaging cameras and drones, are established to counter various emergencies. Individual responsibilities are assigned at the field level to ensure maximum security according to company instructions and different threat levels reported by LEAs.

MPCL's security and community engagement strategies are combined to promote human rights, mutual respect, transparency, and value creation and sharing with local stakeholders. It ensures minimal interaction of third-party security personnel with the local population and contacts local authorities to address grievances.

The Director of Security manages security at the main office and all field locations through Security Officers in each field. The security department frequently collaborates with law enforcement officials to stay updated on emerging security threats, maintain uninterrupted operations, and develop appropriate mitigation strategies. Regular coordination with security companies is also maintained to ensure compliance with the security policy.

The Security and Safety Review Committee at the head office discusses matters related to security and safety and provides necessary instructions to ensure security and safety. The committee is led by the Director of Security for security matters and the Director of HSE for safety matters.

All employees receive regular training to improve their ability to respond to threats and to prevent and minimize security risks and physical and psychological impacts while working in high-threat areas. Employees in very high or high-threat areas also receive Hostile Environment Acclimatization training (HEAT). 88% of security personnel have received training on specific procedures and their security applications. The company did not provide specific training on human rights policies during the year. Instead, third-party contractors were responsible for ensuring that their security personnel received training emphasising the importance of respecting fundamental human rights.

Performance Review

MPCL ensures the effectiveness of the security management system through internal and third-party audits. Findings are shared company-wide and presented to senior management during monthly HSE committee meetings. Based on feedback, administrative and security procedures are updated. All incident details and HSE statistics are accessible to all employees via the HSE dashboard.

Digitalization and Cybersecurity

Digitalisation and cybersecurity play pivotal roles in MPCL's business strategy. They drive value creation for all stakeholders and safeguard against potential cybersecurity risks to ensure the uninterrupted continuity of MPCL's business operations.

MPCL has established an information security policy along with IMS and MPCL Operational Integrity Management Policies to prevent, detect, and respond to cybersecurity and data privacy risks. The IMS is built on ISO standards and is certified with external monitoring and recertification processes conducted annually. The potential risks are documented in the information technology risk register, and security controls are implemented to mitigate these risks. To manage these risks effectively, the company has mechanisms for incident response, data backup, disaster recovery, and disciplinary actions.

The company organises regular training sessions for employees to keep them updated on information security risks and the latest developments in information technology. The Head of Information Technology manages MPCL's digitalisation and cybersecurity initiatives.

Information technology policies and actions are continuously evaluated through management reviews and internal and external audits. This is done to ensure compliance and enhance capabilities to thwart cyberattacks. The performance of security controls is monitored through technical measures such as using monitoring tools, reviewing firewall logs, managing system performance, conducting penetration testing, etc., as well as administrative measures such as creating user awareness and ensuring the physical security of IT assets.

MPCL actively engages with diverse stakeholders for consultations and feedback on digitization and cybersecurity initiatives. Our continuous involvement with stakeholders strengthens the efficacy of our digitalization and cybersecurity approach, ensuring the company remains adaptable to emerging trends and threats by implementing reliable digital solutions.

Key performance indicators for cyber security are defined and used for performance evaluation. The findings are then presented to senior management for discussion and performance review against corporate IT control goals. The policies and actions are updated based on the outcomes of the review and discussion.

Actions 2024

MPCL has significantly bolstered its capacity for innovation. It has implemented predictive maintenance systems, utilizing artificial intelligence (AI) and machine learning (ML) for better insights into operational efficiencies and using cloud computing to deploy advanced solutions for establishing a scalable and adaptable IT infrastructure. These deliberate measures improve operational efficiencies, reduce expenses, and set MPCL apart from its competitors, providing a significant competitive advantage in the marketplace.

Respecting Human Rights

Material Topics: Human Rights

Respecting, protecting, and promoting the human rights and fundamental rights of our employees and business partners concerning our operations and business activities. Respecting the land and resource rights of local communities.

MPCL is dedicated to advancing responsible business practices throughout its operations and supply chain. Our ESG policy underscores our commitment to ensuring that we are not complicit in any human rights abuses, as defined by applicable laws and conventions. At MPCL, we strive to establish fair labor practices, empower employees, and foster a respectful work environment. Our human rights practices are aligned with international frameworks such as the UNCRC and ILO conventions, supporting children's rights and labor standards.

We regularly collaborate with the Collective Bargaining Agent (CBA) and encourage negotiations for the Union Agreement, which is reviewed and renewed every two years to promote worker participation and healthy relationships. As mentioned in the agreement, workers are provided a minimum 4-week notice period for any operational changes that could substantially affect them. Out of 1653, 9.62% (159) of our regular non-management employees fall under the CBA agreement, which was renegotiated during the year. Other employees' working conditions and terms are determined according to the law.

We support eradicating child labor and promoting education, social development, and community empowerment. We partner with educational institutions, NGOs, and local communities to enhance children's access to quality education, offering scholarships, infrastructure support, and educational resources. See pages 215-221 for details.

Our supply chain manual prohibits suppliers from engaging in child labor and forced and compulsory labor practices while encouraging them to adopt ethical practices. We work closely with suppliers to promote responsible sourcing practices. Refer to pages 181-182 for detailed information. There have been no reported incidents of child labor or forced and compulsory labor at MPCL and its suppliers. We have not identified suppliers where freedom of association and collective bargaining were at risk.

We investigate and take immediate action in cases of child labor, forced labor, and violations of freedom of association. We engage with workers, unions, and stakeholders to address these violations and promptly resolve any negative impacts while respecting workers' rights. We encourage employee involvement through transparent communication, feedback channels, and complaint procedures. When MPCL operations have led to negative impacts, we work closely with government agencies, NGOs, and local communities to ensure effective remediation through partnerships.

The Chief Human Resources Officer and line management are responsible for managing the impacts of child labor, forced and compulsory labor, freedom of association, and collective bargaining.

We have internal audits and regular reporting mechanisms to ensure compliance with policies and procedures. These processes help us take practical actions to manage our impacts and show our commitment to labor rights and responsible business practices. The information we gather from these mechanisms is used to regularly review policies to strengthen and align them with emerging best practices.

Respecting Land and Resources Rights

Our exploration, development, or production activities impact the land and communities. We engage with the relevant stakeholders to obtain permission to use the land, compensate them fairly and transparently and take appropriate actions to minimize our impacts. The applicable laws, regulations, and management system procedures guide our land and resource rights activities. We either acquire land by involving the district administration or by resettling the landowners as per their demand on an actual basis. MPCL Land Purchasing Committee ensures transparency in land acquisition and resettlement. In disputes, the first option is to resolve amicably with mutual consensus, and in case of failure, the matters are resolved through the judicial system.

Engagement with the relevant stakeholders is carried out through the involvement of district administration to conduct public consultations before entering any conflicting area. Gender equity is actively managed, and the participation of female stakeholders is ensured where they don't have male representation that is in line with cultural norms in operational areas.

We are committed to minimising our adverse impacts through our interventions and improving the lives of affected people and communities around our operational site through our CSR program. These programs include job provisions, stipends, ration distribution, and involving locals in executing local projects. See pages 215-221 for further details.

The procedures, objectives, and land management goals align with the MPCL business plan. The outcomes of land management activities are reviewed, and progress reports are shared with management. Relevant stakeholders are engaged to inform and evaluate our processes and make necessary updates to them. Due to our operational activities, no resettlement occurred in 2024.

Medical Camp, Mari Field, Daharki - Sindh

Empowering Communities

In this chapter

- Our Approach
- CSR Focus Areas
- Clean and Green Initiatives
- Sustainable Communities: Advancing Together

Our Approach

Material Topics: Local communities

Minimising the negative impact of our operations and business activities while positively impacting communities through various social investment programs, creating long-term shared value, and building enduring relationships with communities.

Our company's long-term success depends on our relationships with local communities. Our business activities directly affect the people living near our operations and vice versa. We are committed to engaging with the community, building trust, and creating shared value through responsible business operations and becoming the preferred neighbours in the area.

Our broad-based social development programs are crucial in maintaining cordial relationships with communities and addressing socio-economic challenges. Such initiatives nurture sustainable livelihood opportunities for communities, especially for women, to enable them to achieve financial independence in a fair and equitable society.

MPCL's community-driven social investment programs create direct and indirect impacts beyond immediate benefits. These impacts include creating an enabling environment through access to quality healthcare facilities, provision of clean drinking water, education for all, and other basic social needs. The programs significantly reduce inequalities and enable human capital development through youth programs such as scholarship schemes, skill development, and vocational training.
Social interventions may result in unintended adverse effects, including social exclusion, dependency syndrome, stigmatisation, lack of community ownership, and issues of relevance. We employ an inclusive and participatory approach to social development to address potential negative impacts.

Our Corporate Social Responsibility (CSR) strategy is the foundation for all CSR projects. Our considerations for this strategy include but are not limited to, local demographic factors, the security situation, the community's needs, and the company's business continuity in operational areas.

We prioritize setting the pace for sustainable development, creating long-term social impact, and ensuring a progressive future for communities. Our approach is based on making positive impacts, creating shared value, and preserving nature.

Our Corporate Social Responsibility (CSR) plans are holistic and action-oriented, incorporating implementation methodology, budget allocation, completion timelines, KPIs, and implementation partner details.

The CSR team at the Head Office closely supervised and monitored the action plans after the approval of senior management and joint venture partners. Additionally, CSR officers at fields and regional offices ensure timely project execution.

CSR initiatives are implemented through partners, including social enterprises, NGOs/INGOs, and private sector companies. MPCL's obligatory CSR projects are undertaken as per the Social Welfare Guidelines under Petroleum Policy 2012, and the voluntary CSR or Over and Above initiatives are based upon the company's social development goals in alignment with UN SDGs 2030. Our social endeavours help to create an enabling environment for our business operations and gain community support for long-term presence, making MPCL a neighbour of choice.

Our CSR department consults with all relevant stakeholders, both internal and external while developing an annual CSR strategy. We ensure that our plan aligns with our stakeholders' expectations.

In 2023, we developed a new Sustainability Strategy that encompasses all aspects of sustainability throughout our business value chain.

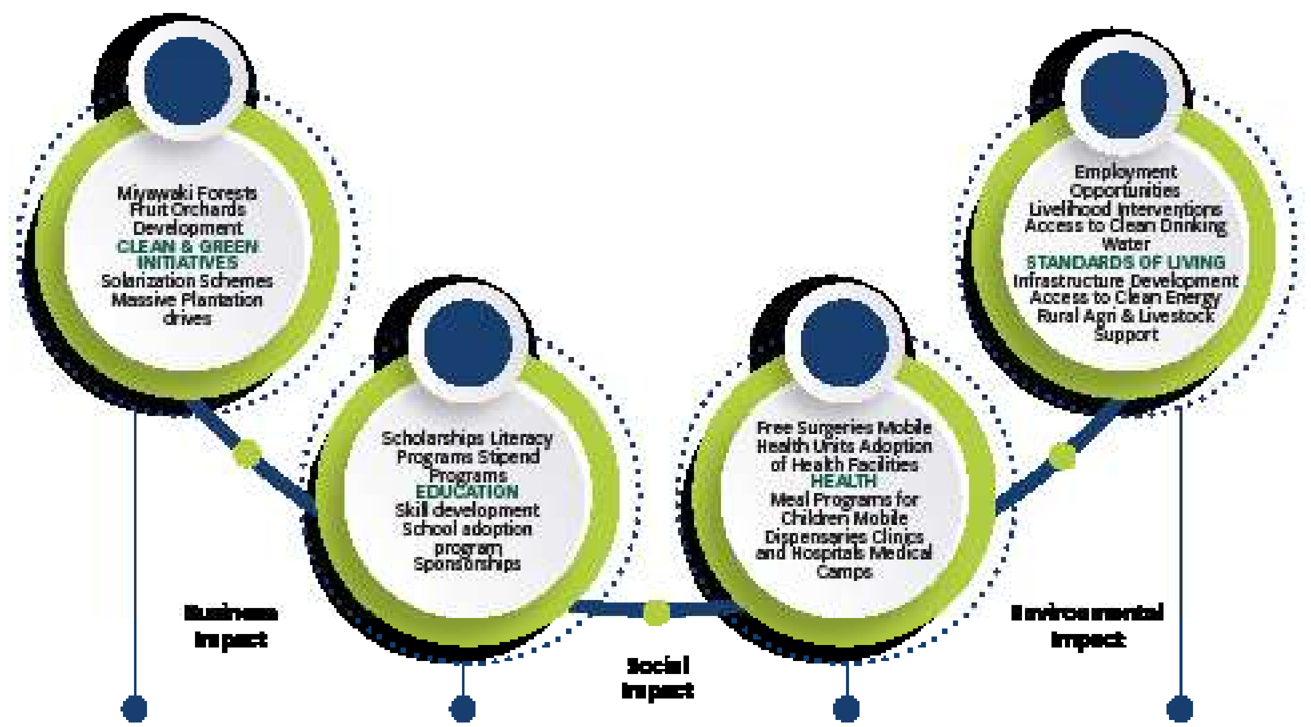
Our robust monitoring and evaluation system involves regular reporting and validation visits by field and Head office teams. Our teams remain engaged with stakeholders throughout the implementation to attain defined objectives.

The internal audit department meticulously reviews compliance with established procedures. The findings from the field reviews and oversight from the internal audit department facilitate realigning our social investment programs and applying corrective measures if required.

In 2024, seventeen reported grievances in Waziristan were filed with MPCL, and all of the grievances were addressed through remediation carried out through local jirgas only.

Social Welfare Obligations (PKR in million)		
Province	**2024**	**2023**
Balochistan	28	29
KPK	10	10
Punjab	22	22
Sindh	169	176
Total	**229**	**237**

CSR Focus Areas



- Miyawaki Forest 1
- No. of Plants 15,000
- Mari Garden – Green on Wheels No. of Plants 21,000
- Rain Harvesting Unit (Water Saved in Ltrs) 12,000
- Installation of Weather Stations 6

- Scholarships for Schools Children 3 Beneficiaries 400
- IBA Scholarships Beneficiaries 30
- School Adoption Program Beneficiaries 777
- Skills Development Program 3 Beneficiaries 300
- MMHS Beneficiaries 776
- NSSES Beneficiaries 176
- Field Schools Beneficiaries 150

- Mari Sehat Umeed – Free Surgeries Beneficiaries 235
- Adoption of Hospitals 2 Beneficiaries 81,000
- Mobile Health Units 4 Beneficiaries 32,000
- Mobile Dispensaries 7 Beneficiaries 71,033
- Asthma Clinic 1 Beneficiaries 9,182
- Mother Child Centre Beneficiaries 9,350
- Eye Camps 1 Beneficiaries 3,000

- Kissan Dost Program (MFD 1,000) – Rural Agri Support Beneficiaries 1,310
- Water Supply Schemes 43 Beneficiaries 117,957
- RO Plants 14 Beneficiaries 48,000
- Employment Opportunities 20 Beneficiaries 200
- Roshan Ahed schemes (solar) 3 Beneficiaries 19,682
- Infrastructure Project schemes 80 Beneficiaries 1,145,667
- Meal Program 3 Beneficiaries 481
- CSR Special Initiatives: 10 Beneficiaries 127,279

See pages 96 - 99 for further details.

Conducted a comprehensive baseline of the host community in MPCL's areas of operation in Waziristan. 3009 households, including 13,983 people, were surveyed. The survey encapsulated income sources, healthcare services, education status, income-generating status and aspirations.

Clean and Green Initiatives

Roshan Ahed - Solarization - Clean Energy Program

MPCL's commitment to delivering clean and affordable energy to host communities is a cornerstone of its flagship program. By installing solar panels in key public spaces such as mosques, madrassas, health facilities, and schools, MPCL has fostered trust and goodwill within the community. The positive response from residents has strengthened MPCL's ties with locals and ensured its operations' sustainability. Furthermore, this initiative has enabled community members to explore new socio-economic opportunities, enhancing their quality of life in their hometown and nearby areas. MPCL has undertaken three projects with an estimated 19,682 beneficiaries.

Inclusive Education

Noor-e-Sehar Special Education School in Daharki, District Ghotki, Sindh, offers free education to children with various disabilities. It is the only state-of-the-art institution of its kind in Daharki. The school provides academic education and supports children with physiotherapy, psychotherapy, and speech therapy services. Additionally, the school offers vocational training, equipping students with income-generating skills. This initiative empowers children, promotes social integration and acceptance, and fosters the development of inclusive societies. The project supports 176 children with diverse disabilities.

Sarbuland - Sustainable Livelihood

It is an ongoing economic empowerment initiative that finances community members' becoming self-reliant through various livelihood ventures. It is poised to catalyze employment opportunities, alleviate poverty, and foster holistic socioeconomic development within the target community. The program is in its third year with 240 beneficiaries.

Mari Kissan Dost Program

Mari Kissan Dost Program is another initiative aimed at benefiting local farmers. In collaboration with Ba Khabar Kissan (BKK), MPCL has launched this program to help farmers make smart decisions, boost productivity, and achieve their agricultural goals. Through BKK services, farmers receive advisories via SMS, VMS, IVR, and local weather updates, enabling them to make informed decisions about their farming activities. The program currently has 1000 beneficiaries, contributing to Reducing Inequalities. Mari Mobile Dastarkhawan has continued providing 600 meals to the underprivileged population (laborers, daily wage workers) of Islamabad every day for the past three years, helping the poor segments of society and workers reduce their meal expenses. The program serves 600 cooked meals daily, with approximately 210,000 total meals yearly.

Health Initiatives

MPCL is committed to improving healthcare in its operational areas. In Daharki, it has provided free, quality healthcare to two million people through a mother-and-child centre, TB/asthma clinics, mobile dispensaries, and medical camps. In Waziristan, MPCL has equipped two hospitals with modern facilities, treating over 80,000 patients with free healthcare and medicines. Additionally, four mobile health units with diagnostic services and qualified doctors bring care directly to communities. The Sehat Umeed program also offers medical-surgical support to Waziristan locals in top hospitals in Peshawar and Islamabad.

School Meal Program – Girls Education & Women Empowerment

In Waziristan, the school meals program has been expanded to three schools to curb the low attendance and dropout of girls from primary schools. The program engaged 50 women in preparing and packing the children's food, earning over PKR 25,000 per month. The community highly appreciates the initiative, especially the widows who have started earning livelihoods within their homes. The program provides meals to 431 students.

Infrastructure Development

In collaboration with the District Government of Ghotki, MPCL is implementing a large-scale infrastructure program. This initiative includes constructing and rehabilitating schools, health facilities, roads, drainage systems, and bridges. The program aims to significantly improve the region's infrastructure, ensuring better accessibility and quality of life for residents. Enhanced educational facilities will provide a conducive learning environment, while upgraded health centres will offer improved medical services. The development of roads and bridges will facilitate smoother transportation, boosting economic activities and connectivity in the area. During the year, MPCL completed 60 km of road projects in Daharki, and 86.47 km of projects are planned for the future.

Technical and Vocational Skills Training

The program aims to enhance and sustain the livelihoods and well-being of poor and vulnerable communities in the MPCL's operational areas. Over 300 individuals, including 25 women, have received technical and vocational training in HRDC Peshawar, NLC-ATIN Mandra, and Dina. All participants have been provided tools to start businesses and earn livelihoods.

Clean Drinking Water

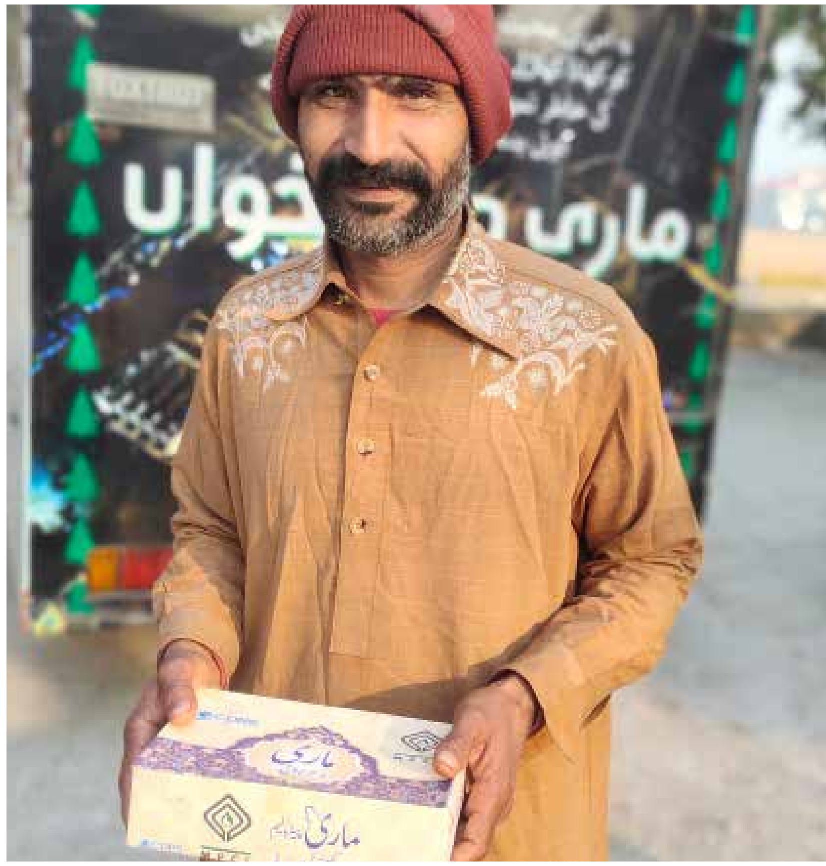
MPCL launched clean drinking water initiatives in Daharki and Waziristan after PCSIR water quality tests. RO plants were installed to tackle chemical contamination, ensuring clean water for local communities. In Sindh, where brackish water is common and causes diseases, MPCL provides safe drinking water through new RO plants, hand pumps, and water delivery to households. These efforts help improve public health by reducing waterborne diseases. Overall, MPCL has completed 59 projects, benefiting an estimated 165,957 people.

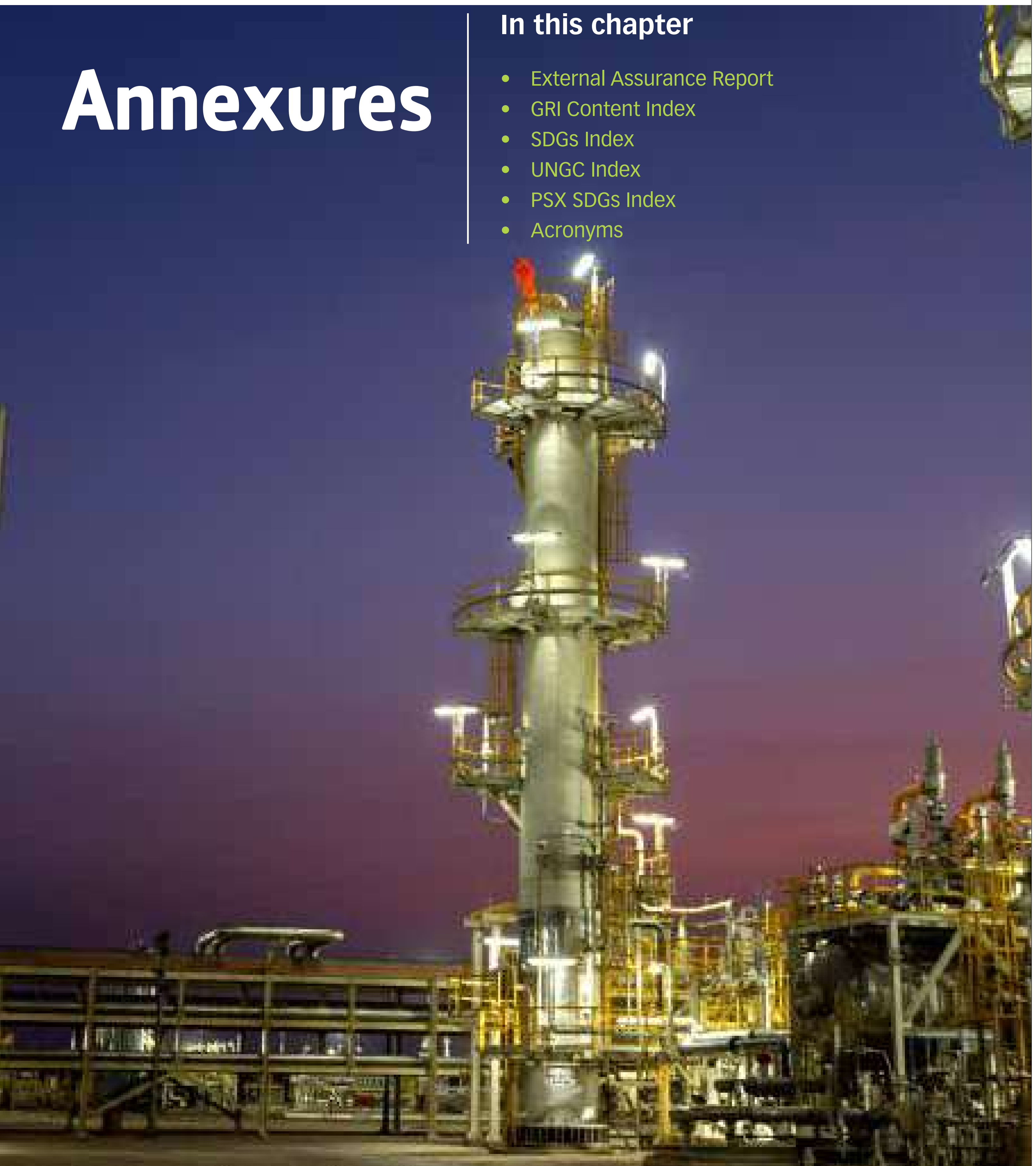
Sports

MPCL established its professional hockey team to revive and promote Pakistan's national sport, serving as a talent pool for the Pakistan National Hockey Team. The team has won national tournaments, including 1st place in the All Pakistan Sona Hockey Cup and Commissioner Gujranwala Hockey Gold Cup, and ranked 4th in the MPCL 1st Azadi Cup. Six to eight MPCL players have represented Pakistan in the Junior World Cup, Commonwealth Games, and more. MPCL also sponsors major sports events, such as the Azadi Hockey Tournament, the Mega Balochistan Squash League, the Tribal Cricket League, and the Pakistan WUSHU Federation.

Sustainable Communities: Advancing Together

Education	Provision of quality education to foster socio economic growth, equipping the youth with knowledge, skills, and values essential for long term progress in the areas we operate.	
Health	Access to quality healthcare facilities to ensure timely diagnosis, treatment, and management of illnesses and diseases, leading to better health outcomes.	
Standards of Living	**Clean Drinking Water**	Access to clean water as a basic human right to promote social justice and equity within communities in MPCL's operational areas, ensuring that everyone has the same opportunities for health and well-being. Reliable availability of clean water shall empower community development and residents would better focus on essential aspects of life, such as education, agriculture, and business ventures.
	Livelihood Interventions	Offering exciting livelihood opportunities to communities through multiple interventions like enhancement of agriculture yield / quality, provision of healthy livestock facilitating dairy business, direct / employment in CSR projects, awarding contracts and enabling the youth through technical training programs for early startups.
Clean and Green Initiatives	Investing in Green Fund to execute many green and clean projects in local communities to improve overall quality of life for local residents.	





Annexures

In this chapter

External Assurance Report

Ferso

Independent Assurance Statement

For the Mari Petroleum Company Limited Sustainability Report 2024

FERSO ESG performed an independent review of the Mari Petroleum Company Limited (MPCL) Sustainability Report 2024 (the report), referring to the period from July 1, 2023, to June 30, 2024. The report was prepared in accordance with Global Reporting Initiative's (GRI) Standards 2021 and the GRI 11 Oil and Gas Sector Standard 2021. Furthermore, the report considered guidance from Sustainability Accounting Standards Board (SASB) Standard for Oil and Gas – Exploration and Production industry and the "Sustainability reporting guidance for the oil and gas industry" developed by Ipieca, API, and IOGP. The Report also meets the requirements of the UNGC's COP and is demonstrating links with the United Nation's Sustainable Development Goals (SDGs) guided by the Business Reporting on SDGs, developed by GRI and UNGC. The objective of the critical review is to provide MPCL's stakeholders with an independent opinion about the quality of the report and the adherence to the AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact and corroborate in accordance with the GRI Standards.

Independence

We work independently and ensure that none of FERSO ESG staff members maintained or maintains business ties with MPCL.

Our Qualification

FERSO ESG is a firm specialized in sustainability advisory and report assurance and is licensed as assurance provider by AccountAbility under license number 000-845. The review process was conducted by a professional with experience in independent assurance and sustainability reporting.

Responsibilities of MPCL and FERSO ESG

The management of MPCL has prepared the Sustainability Report 2024 and is responsible for all its content. FERSO ESG was responsible for the independent review and expressed an independent conclusion on the Sustainability Report. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance placed on the report by any third party is entirely at its own risk.

Scope of Assurance

The scope of our work covers all information included in the MPCL Sustainability Report 2024, referring to the period from July 1, 2023, through June 30, 2024, and considered the requirements of the International Standard on Assurance Engagement (ISAE) 3000-Revised (Assurance Engagements other than audits or reviews of historical financial information), being co-reviewed by Nadeem Safdar and Co., Chartered Accountants.

FERSO ESG was asked to express an opinion in relation to the review scope, which includes the following aspects:

- *Review of qualitative and quantitative information reported and referenced in the report.*
- *Evaluation of the disclosed information in the report to check adherence to the GRI 2021 Standards and the GRI 11 Oil and Gas Sector Standard 2021 and ability to respond to requirements of IFRS S1 and S2 standards.*
- *Adherence to the GRI principles for sustainability reporting, laid out in the GRI1 standard.*
- *Adherence to the AA1000APS principles of Inclusivity, Materiality and Responsiveness and Impact.*

External Assurance Report

- *Adherence of the review process to the International Standard on Assurance Engagement (ISAE) 3000 (Revised), "Assurance Engagements other than audits or reviews of historical financial information" to provide limited assurance on performance data within the Sustainability Report.*
- *Review of the Sustainable Development Goals (SDGs) linkage with GRI Standards reported in the SDG Index.*

Methodology

The methodology applied was a desk review of the report drafts as well as the final report and review of provided evidence for selected data items. The following procedures were developed during the review process:

- *Critical review of the MPCL Sustainability Report 2024 final draft versions and the respective Content Index to check consistency with the provided content.*
- *Evaluation of the adherence of the MPCL Sustainability Report 2024 to the GRI Standards 2021 and the GRI 11 Oil and Gas Sector Standard 2021*
- *Collection of sample evidence and interview to verify selected data points.*
- *Analysis of the report content against AccountAbility's Principles of Inclusivity, Materiality, Responsiveness and Impact.*
-
- *Adjustments reports and final review of the report.*
- *Elaboration of the Independent Review Statement.*

The work was planned and carried out to provide a level of limited assurance and we believe that the review process of the MPCL Sustainability Report 2024 completed by FERSO ESG provides an appropriate basis for our conclusions.

Statement of Conclusions

Use of Disclosure Standards

MPCL declares the report to be in accordance with the GRI Standards 2021. FERSO ESG reviewed the use of the GRI Standards GRI1, 2 and 3 as well as the GRI11 Oil and Gas Sector Standard 2021. Based on the analysis, minor recommendations to adjust the content have been made. The company has integrated all of our recommendations, and we can confirm that the report is in accordance with the requirements of the GRI Standards 2021 and in reference to the requirements of IFRS standards S1 and S2. The latter standard demands establishment of clear sector and science-referenced climate-related targets which MPCL is encouraged to set now on the basis of its first full GHG inventory.

Main Conclusions

Based on the analysis of evidence and the interview carried out to verify selected indicators, we briefly present the following main conclusions:

- *Regarding compliance with the GRI standards adopted in the 2024 Sustainability Report, MPCL chose to prepare a report based on the GRI 2021 standards and presented the standards used in the Content Index at the end of the report. In this assurance cycle, items that were not the subject of previous cycle were assured, which allowed the verification of a aggregate number of items related to MPCL's sustainability management.*

- *FERSO ESG solicitated evidence for and verified the following selected items: GRI 302-1, GRI 304-2, GRI 305-1, GRI 306-3, GRI 403-9, GRI 407-1, GRI 413-1 as well as management items related to the material topics Health and Safety, Employment Practices, Supply Chain and Waste.*
- *Reviewing the provided evidence, we found that the information related to these indicators and topics was collected consistently within the organization and corresponding to the requirements of the relevant standards. Additional evidence, if necessary to corroborate data, was timely provided by the company.*
- *FERSO ESG requested adjustments to avoid data inconsistencies in the report, which were implemented by the reporting company, as well as all textual adjustments requested during the finalization of the report. These adjustments were mainly intended to provide more transparency, for example to explanations of the significant increases in performance data such as energy consumption and emissions, which have increased as the full year data has been consolidated in this report for the first time.*
- *In the reporting period, the company continued contributing to a series of SDGs through its sustainability strategy and implemented initiatives to tackle its material issues. But, with the first full year report in hand, we recommend MPCL to re-set clear long-term targets which allow constant monitoring of the company's achievements in mitigating negative impacts and leverage its opportunities.*

Limitation and exclusions

The verification of financial figures and sustainability performance data was not object of FERSO ESG's work and the review of the Annual Report, which is referenced in the Sustainability Report 2024, was not in the scope of the engagement.

Final Considerations

MPCL has delivered its Sustainability Report 2024 in compliance with GRI Standard 2021 GRI1, the sector specific standard GRI 11and in reference to IFRS S1 and S2. Based on the scope of our work and the review procedures we performed using the ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", we conclude that nothing has come to our attention that causes us to believe that the information in MPCL's Sustainability Report 2024 is not fairly stated in all material aspects.

São Paulo, August 23rd, 2024

Beat Grüninger
Assurance Provider
FERSO ESG

AA1000
Licensed Assurance Provider
000-845

Islamabad, August 27th, 2024

Nadeem Safdar,
Managing Partner, Nadeem Safdar & Co
Chartered Accountants
ICAP Membership No: 2396

GRI Content Index

Statement of use	MPCL has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 11: Oil and Gas 2021

GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 2: General Disclosures 2021	**The organization and its reporting practices**		
	2-1 Organizational details	162	
	2-2 Entities included in the organization's sustainability reporting	157	
	2-3 Reporting period, frequency and contact point	157	
	2-4 Restatements of information	157	
	2-5 External assurance	157, 223	
	Activities and workers		
	2-6 Activities, value chain and other business relationships	162	
	2-7 Employees	203	
	2-8 Workers who are not employees	202	
	Governance		
	2-9 Governance structure and composition	175	
	2-10 Nomination and selection of the highest governance body	175	
	2-11 Chair of the highest governance body	175	
	2-12 Role of the highest governance body in overseeing the management of impacts	175, 176	
	2-13 Delegation of responsibility for managing impacts	175	
	2-14 Role of the highest governance body in sustainability reporting	175, 177	
	2-15 Conflicts of interest	178	
	2-16 Communication of critical concerns	178	
	2-17 Collective knowledge of the highest governance body	176	
	2-18 Evaluation of the performance of the highest governance body	178	
	2-19 Remuneration policies	178	
	2-20 Process to determine remuneration	178	
	2-21 Annual total compensation ratio	N/A	2-21 a, b Confidentiality constraint – Sensitive information
	Strategy, policies, and practices		
	2-22 Statement on sustainable development strategy	158-159, 168	
	2-23 Policy commitments	179	
	2-24 Embedding policy commitments	179	
	2-25 Processes to remediate negative impacts	179	
	2-26 Mechanisms for seeking advice and raising concerns	178	
	2-27 Compliance with laws and regulations	180	
	2-28 Membership associations	179	
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	169	
	2-30 Collective bargaining agreements	212	

Management of Material Topics

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 3: Material Topics 2021	3-1 Process to determine material topics	170	
	3-2 List of material topics	171-172	
	3-3 Management of material topics	Throughout the report in relevant sections	

Material Topics

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
GHG & AIR EMISSIONS				
11.1 GHG emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	189-190		11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	192	(b) - The information is not available as per GRI requirement.	11.1.2
	302-2 Energy consumption outside of the organization	192	a-c - The information is not available as per GRI requirement.	11.1.3
	302-3 Energy intensity	192		11.1.4
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	191		11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	191		11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	191	a-g - The information is not available as per GRI requirement.	11.1.7
	305-4 GHG emissions intensity	191		11.1.8
11.3 Air emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	189-190		11.3.1
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	191	a-e. The information not available as per GRI requirement.	11.3.2
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	207		11.3.3
CLIMATE ADAPTATION, RESILIENCE AND TRANSITION				
11.2 Climate adaptation, resilience, and transition				
GRI 3: Material Topics 2021	3-3 Management of material topics	189-190		11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	186-187		11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	191	a-e –Information not available as per GRI requirement.	11.2.3
Additional sector disclosure	Public policy development and lobbying on climate change	181, 190-191		11.2.4

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
BIODIVERSITY				
11.4 Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	189, 193		11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	194		11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	193		11.4.3
	304-3 Habitats protected or restored	193		11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	195		11.4.5
11.7 Closure and rehabilitation				
GRI 3: Material Topics 2021	3-3 Management of material topics	189, 193, 195		11.7.1
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	212		11.7.2
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	205		11.7.3
Additional sector disclosures	List the operational sites with closure plans, closed and in process	195		11.7.4
	Decommissioned structures left in place and rationale for leaving	195		11.7.5
	Total monetary value of financial provisions for closure and rehabilitation	195		11.7.6
WASTE				
11.5 Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	189, 198		11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	198		11.5.2
	306-2 Management of significant waste-related impacts	198		11.5.3
	306-3 Waste generated	199		11.5.4
	306-4 Waste diverted from disposal	199		11.5.5
	306-5 Waste directed to disposal	199		11.5.6

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
WATER AND EFFLUENTS				
11.6 Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	189, 196		11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	196		11.6.2
	303-2 Management of water discharge-related impacts	196		11.6.3
	303-3 Water withdrawal	197		11.6.4
	303-4 Water discharge	197		11.6.5
	303-5 Water consumption	197		11.6.6
HEALTH AND SAFETY				
11.9 Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	207-209		11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	207		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	207		11.9.3
	403-3 Occupational health services	208		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	207-208		11.9.5
	403-5 Worker training on occupational health and safety	208		11.9.6
	403-6 Promotion of worker health	208		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	207-208		11.9.8
	403-8 Workers covered by an occupational health and safety management system	207		11.9.9
	403-9 Work-related injuries	209		11.9.10
	403-10 Work-related ill health	209		11.9.11
11.8 Asset integrity and critical incident management				
GRI 3: Material Topics 2021	3-3 Management of material topics	209-210		11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	210		11.8.2
Additional sector disclosures	Total number of Tier I and Tier II process safety events by business activity	209		11.8.3
	Additional sector disclosures are for organizations with oil sands mining operations	N/A	Not applicable MPCL has no oil sands mining operations	11.8.4

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
EMPLOYMENT PRACTICES				
11.10 Employment practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	202		11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	203		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	204		11.10.3
	401-3 Parental leave	204		11.10.4
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	212		11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	205		11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	205		11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	182		11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	182	b, d and e - Information not available/Incomplete	11.10.9
11.13 Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	212		11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	212		11.13.2
DIVERSITY & INCLUSION AND WORK LIFE BALANCE				
GRI 3: Material Topics 2021	3-3 Management of material topics	202, 206		-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	206		11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	204		11.11.6
HUMAN RIGHTS				
11.11 Non-discrimination and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	202, 212		11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	202		11.11.2
GRI 401: Employment 2016	401-3 Parental leave	204		11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	205		11.11.4

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	206		11.11.5
	405-2 Ratio of basic salary and remuneration	204		11.11.6
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	206		11.11.7
11.12 Forced labor and modern slavery				
GRI 3: Material Topics 2021	3-3 Management of material topics	204, 212		11.12.1
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	212		11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	182		11.12.3
CHILD LABOUR				
GRI 3: Material Topics 2021	3-3 Management of material topics	204, 212		-
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	212		-
11.16 Land and resource rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	212-213		11.16.1
Additional sector disclosures	Locations of operations that caused or contributed to involuntary resettlement	213		11.16.2
11.18 Conflict and security				
GRI 3: Material Topics 2021	3-3 Management of material topics	207, 212		11.18.1
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	211		11.18.2
ECONOMIC IMPACTS				
11.14 Economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	185, 186		11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	147		11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	202		11.14.3
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	215-221		11.14.4
	203-2 Significant indirect economic impacts	215		11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	182		11.14.6

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
LOCAL COMMUNITIES				
11.15 Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	215		11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	215-221		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	215	a (i) (ii) - Information not available/incomplete	11.15.3
Additional sector disclosures	Number and type of grievances from local communities	216		11.15.4
ETHICS AND TRANSPARENCY				
11.19 Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	180		11.19.1
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	180		11.19.2
11.20 Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	180		11.20.1
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	180		11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	180		11.20.3
	205-3 Confirmed incidents of corruption and actions taken	180		11.20.4
Additional sector disclosures	Approach to contract transparency	180		11.20.5
	List of beneficial owners	150-153		11.20.6
11. 21 Payments to governments				
GRI 3: Material Topics 2021	3-3 Management of material topics	180-181		11.21.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	147		11.21.2
	201-4 Financial assistance received from government	181		11.21.3
GRI 207: Tax 2019	207-1 Approach to tax	181-182		11.21.4
	207-2 Tax governance, control, and risk management	182		11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	182		11.21.6
	207-4 Country-by-country reporting	10		11.21.7

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	GRI Sector Standard Ref. No.
Additional sector disclosures	Details of oil and gas purchased from the state	N/A	MPCL does not purchase oil and gas from government.	11.21.8
11.22 Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics	181-182		11.22.1
GRI 415: Public Policy 2016	415-1 Political contributions	182		11.22.2
SUPPLY CHAIN IMPACTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	181, 183		-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	182		-
	308-2 Negative environmental impacts in the supply chain and actions taken	182	b, d and e - Information not available/Incomplete	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	182		11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	182	b, d and e - Information not available/Incomplete	11.10.9
DIGITALIZATION AND CYBER SECURITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	211		-
TOPICS FROM SECTOR STANDARD NOT REPORTED				
Rights of indigenous peoples			No indigenous people exist nearby MPCL operational sites.	-

SDGs Index

	SDGs	Page No.	GRI Standards Disclosure
1	End poverty in all its forms everywhere	215-221	202-1, 203-2, 413-2, 11.15.4
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	147, 215-221	201-1, 203-1, 203-2, 413-2
3	Ensure healthy lives and promote well-being for all at all ages	191, 198, 199, 207, 209, 215	203-2, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10
4	Ensure inclusive and quality education for all and promote lifelong learning	176, 205	2-17, 404-1
5	Achieve gender equality and empower all women and girls	147, 175, 182, 203, 204, 205, 206, 215-221	2-9, 2-10, 201-1, 202-1, 203-1, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2
6	Ensure access to water and sanitation for all	197, 198, 199	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5
7	Ensure access to affordable, reliable, sustainable, and modern energy for all	147, 192, 215-221	201-1, 203-1, 302-1, 302-2, 302-3
8	Promote inclusive and sustainable economic growth, employment, and decent work for all	147, 182, 191, 192, 202, 203, 204, 205, 206, 207, 209, 212, 215,	2-7, 2-8, 2-30, 201-1, 202-1, 202-2, 203-2, 301-1, 301-2, 301-3 302-1, 302-2, 303-5, 401-1, 401-2, 401-3, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 407-1, 408-1, 409-1, 414-1, 414-2
9	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	147, 215-221	201-1, 203-1
10	Reduce inequality within and among countries	204, 215	203-2, 405-2
11	Make cities inclusive, safe, resilient, and sustainable	215-221	203-1
12	Ensure sustainable consumption and production patterns	182, 191, 192, 198, 199	204-1, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4
13	Take urgent action to combat climate change and its impacts	186-187, 191, 192,	201-2, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4
14	Conserve and sustainably use the oceans, seas, and marine resources	191, 198, 199	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
15	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	191, 198, 199	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
16	Promote just, peaceful, and inclusive societies	175, 176, 178, 179, 180, 182, 206, 212	2-9, 2-10, ,2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable

Annexures

Principle	Statement	Page No.	GRI Standards Disclosure
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	215-221	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	182, 215-221	413-1, 414-1, 414-2
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	212	2-30, 402-1, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	212	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	212	408-1
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	202, 203, 204, 205, 206	2-7, 2-8, 401-1, 401-3, 404-1, 405-2, 406-1,
Principle 7	Businesses should support a precautionary approach to environmental challenges.	186-187, 191, 192, 197	201-2, 302-1, 303-3, 305-1, 305-2, 305-3, 305-7
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	180, 182, 191, 192, 197, 198, 199	2-27, 302-1, 302-2, 302-3, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1, 308-2
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	191	305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	178, 179, 180	2-23, 2-26, 205-1, 205-2

PSX SDGs Index

Our activities and related material topics affect almost all SDGs. The SDGs report meets the requirements of PSX minimum SDGs for listed companies. Our governance systems guide the alignment of our strategy and actions supporting SDGs. The approach to managing the impact of our activities on SDGs is being discussed in relevant sections of our report, which also show our performance and contribution to SDGs. This section contains specific information against PSX minimum SDGs. Detailed information about policies, practices and performance details are available on referred pages in relevant sections of the report.

Refer to pages 167-168 and 180-215 for alignment with material topics, governance, and management approach for SDGs.

SDG and Target	Company Performance Target	Performance Indicator	Status (2024)	Status (2023)	Status (2022)	Business Action	Future Business Action
Target 5.1 End all forms of discrimination against women and girls everywhere	-	Existence of policies to promote, enforce and monitor equality and non-	MPCL has policies to promote, enforce, and monitor non-discrimination on the basis of gender. Refer to pages 202-204 and page 206 to read details about the management approach and performance.			Promote, enforce, and monitor non-discrimination.	Promote, enforce, and monitor non-discrimination.
Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	-	Existence of sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical, and psychological violence	Sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical, and psychological violence exist			Enforce policies and grievances solving mechanism relevant to prevent sexual, physical, and psychological violence	Enforce policies and grievance solving mechanisms relevant to prevent sexual, physical, and psychological violence
		Proportion of female employees at your company aged 15 years and older subjected to physical, sexual, or psychological violence	MPCL does not employ young female workers aged 15 years. No complaint of physical, sexual, or psychological violence was filed.			Prevent sexual, physical, and psychological violence by enforcing policies and grievances mechanism	Prevent sexual, physical, and psychological violence by enforcing policies and grievances mechanism.
		violence	Refer to pages 202-204 and 206 to read details about the management approach and performance				
Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity		Total water withdrawal by source ML per KBOE	Fresh water consumption 0.007	Fresh water consumption 0.005	Fresh water consumption 0.006	Increasing water-use efficiency and recycling to reduce water withdrawal and related impacts.	Increasing water-use efficiency and recycling to reduce water withdrawal and related impacts.
Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	-	Renewable energy share in the total final energy consumption	-	-	-	MPCL is exploring renewable energy to include renewable energy in the total energy mix and diversify the business.	MPCL is exploring different renewable energy options to include renewable energy in total energy mix and diversify the business

SDG and Target	Company Performance Target	Performance Indicator	Status (2024)	Status (2023)	Status (2022)	Business Action	Future Business Action
Target 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries and small island developing states	-	Value of investment to enhance energy efficiency at company in PKR	-	-	-	Investment in new technologies to improve energy efficiency	Investment in new technologies to improve energy efficiency, reduce costs and environmental footprint.
Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization of growth micro/small/medium size enterprises including access to financial services	-	Proportion of informal (contract, casual and daily wage) employment in non-agriculture areas at company	MPCL strictly complies with applicable laws governing employment practices and adheres to international conventions. No informal employment practices exist. Refer to page 202-204 to read details about the management approach and performance			Compliance with applicable laws and adherence to international charters.	Compliance with applicable laws and adherence to international charters.
Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	-	Average hourly earnings of managerial and non-managerial employees, by gender (Based on Average Basic Pay Scale) M = Management NM = Non-management	2024 Male / Female M: 766 / 78 NM: 803 / 6	2023 Male / Female M: 2,308 / 2,308 NM: 652 / 652	2022 Male / Female M: 2,116 / 2,116 NM: 512 / 512	Compliance with applicable laws.	Compliance with applicable laws.
		Average hourly earnings of managerial and non-managerial employees with disabilities, by gender M = Management S = Staff	2024 33,093	2023 33,767	2022 25,000	Compliance with applicable laws.	Compliance with applicable laws.
		Minimum wage of employees	2024 33,767	2023 25,000	2022	Compliance with applicable laws.	Compliance with applicable laws.
		Number of net new jobs created at your company, by gender and persons with disabilities	MPCL is an equal opportunity employer. All qualified persons can apply for open positions. However, persons with disabilities are not considered for field jobs due to the difficult nature of exploration, development, and production jobs. Refer to page 203 to read details about hiring and attrition details.				
		Proportion of your employees with disabilities	-	-	-		
Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment		Frequency rates of fatal and non-fatal occupational injuries at your company, by gender and migrant status	Refer to pages 209 to read details about performance			Promote health and safety and ensure secure working conditions for all workers.	Promote health and safety and ensure secure working conditions for all workers.
		Compliance with labor rights based on national and provincial legislation	MPCL is compliant with labor rights based on national and provincial legislation as well as international charters			Ensure compliance of applicable laws and commitments.	Ensure compliance of applicable laws and commitments.

SDG and Target	Company Performance Target	Performance Indicator	Status	Status	Status	Business Action	Future Business Action
			2024	2023	2022		
Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities		MeT CO_2e emissions per KBOE	42.72	22.38	-	Upgradation of existing facilities and adoption of cleaner technologies to reduce the environmental footprint.	Upgradation of existing facilities and adoption of cleaner technologies to reduce the environmental footprint.
Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all waste throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in-order to minimize their adverse impacts on human health and environment	-	Quantity of hazardous waste generated and treated Does MPCL treat its hazardous waste in accordance with the international multilateral agreements signed by the Government of Pakistan?	Refer to pages 58-59 to read details about our management approach and waste data.			Ensure compliance with applicable laws for handling and treatment of hazardous waste.	Ensure compliance with applicable laws for handling and treatment of hazardous waste.
Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	-	Quantity of waste material generated and recycled	Refer to page 199 to read details about waste data.			Reduce waste generation through prevention, recycling, and reuse.	Reduce waste generation through prevention, recycling, and reuse
Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability reporting in their reporting cycle	-	1. Does MPCL publish a sustainability report? 2. Does MPCL report on SDG?	MPCL publishes an annual sustainability report The report also contains details about MPCL's impact on SDGs.			Embrace sustainability practices to manage and report the impacts.	Embrace sustainability practices to manage and report the impacts.

Acronyms

API	American Petroleum Institute
BSCF	Billion Standard Feet
CCS	Carbon Capture Storage
CCUS	Carbon Capture Utilization and Storage
COP	Communication on Progress
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
FCM	Financial Committee Meeting
GHG	Greenhouse Gases
HAZOP	Hazard and Operability
HAZID	Hazard Identification
IEE	Initial Environmental Examination
IOGP	The International Association of Oil & Gas Producers
Ipieca	International Petroleum Industry Environmental Conservation Association
ILO	International Labor Organization
KBOE	Kilo Barrels of Oil Equivalent
LEA	Law Enforcement Agency
ML	Mega Liters
MT	Metric Ton
NDC	Nationally Determined Contribution
NEQS	National Environmental Quality Standards
OCM	Operational Committee Meeting
OGDC	Oil and Gas Decarbonization Charter
PICG	Pakistan Institute of Corporate Governance
PPEPCA	Pakistan Petroleum Exploration & Production Companies Association
SDGs	Sustainable Development Goals
TCM	Technical Committee meeting
TOE	Tonnes of Oil Equivalent
UNCRC	UN Convention on the Rights of the Child
UNGC	United Nations Global Compact
WEF	World Economic Forum

Directors' Report

MPCL Board of Directors

The Directors of Mari Petroleum Company Limited (MPCL) are pleased to present their Report along with Audited Financial Statements of the company for the year ended June 30, 2024, together with the Auditor's Report thereon.

Executive Summary

In continuation of its transformation program which started in 2020, the company continued its journey towards its long-term vision and growth strategy with three key imperatives 1) strengthening the core business 2) diversifying business beyond oil & gas, and 3) becoming a national ESG leader.

FY24 has truly demonstrated company's strength and resilience as it has outperformed against any of its own previous key performance indicators, which can also be compared with any best in class regional or international similar size E&P company:

OPERATIONAL KPI'S COMPARED TO FY23

KPI	Achievement relative to FY 23
Hydrocarbon production	39 MMBOE (up by 7%)
Reserves Replacement Ratio (RRR)	423% (up by 3.7 times)
Reserves to Production Ratio R/P (2P)	17 years (up by 14%)
Finding cost	0.7 USD/BOE, (i.e. 66% reduction)

FINANCIAL PERFORMANCE COMPARED TO FY23

KPI	Achievement relative to FY 23
Net sales	PKR 181.8 billion, up by 25%
Profit after tax (PAT)	PKR 77.3 billion, up by 38% (without super tax PKR 87.5 billion)
Earnings per share (EPS)	PKR 579.36, up by 38% YoY
Cash generated from operations	PKR 100 billion, up by 79%

KEY ACHIEVEMENTS

Mari Field, Daharki - Sindh

- Health, Safety, and Environmental (HSE) key performance indicators consistently met the targets, which are aligned with international benchmarks, despite working 16.75 million recorded man-hours in challenging areas of the country.
- MPCL endorsed the "Oil & Gas Decarbonization Charter" at COP28 held in UAE, to support initiatives for minimizing overall emissions and took necessary steps to become a strong national leader in ESG.
- During the year, MPCL's market cap crossed the US$ 1 billion mark on December 11, 2023, which then reached to US$ 1.3 billion on 30 June 2024, making MPCL the third largest company by market capitalization listed on Pakistan Stock Exchange.
- PKR 84 billion has been contributed to the government exchequer and over USD 2.7 billion foreign exchange saved for the country with energy import substitution.
- A five-year extension of Mari D&P lease was approved by the Government, extending the company's rights on the lease until November 2029 with an additional payment of 15% wellhead value. Additionally, with the latest amendments in the Petroleum Policy 2012, the company now has the right to extend the lease until the field production remains commercially viable, thus ensuring optimum investment levels can be maintained to maximize production and reserves recovery.
- The company has executed the supplemental gas sales and purchase agreements with Fauji Fertilizer Company Limited and Fatima Fertilizer Company Limited for sale of HRL gas until the end of current lease extension i.e. 10th Nov 2029.
- The construction of early production facilities (EPF) in Waziristan Block and SNGPL gas transmission pipeline have been completed. Currently, pipeline hydro testing is in progress after which production startup is anticipated. Shewa-2 well has also been hooked up with the EPF in addition to Shewa-1 and expected production from the 2 wells is about 70 MMSCFD.
- 4 Ghazij appraisal wells were successfully drilled, completed and put on extended well testing (EWT). These four plus the discovery well are currently producing 30 MMSCFD of gas which is being sold to SNGPL as part of EWT. The field has been declared commercial and its field development plan is under preparation.
- Development wells MD-20 in Goru-B and HRL-124H in HRL reservoirs were also completed and put on production.
- Hydrocarbon discoveries have been made at Shawal-1 (oil discovery in Mari Field), Shewa-2 (Kawagarh), Maiwand X-1 and Jhim East X-1 exploratory wells.
- The company secured 44% working interest in Kalchas South block as a JV partner. The company also signed agreements for acquisition of Spud Energy's working interest in Zarghun South Development & Production Lease (40%) and Nareli Block (27.55%), which are pending regulatory approvals. The Company's portfolio now consists of 35 blocks in Pakistan and one offshore block in Abu Dhabi, spread over 68,695 sq.km area.
- Mari Mining Company (MMC) has been awarded two additional mining licences in Chaghi district in Balochistan taking the total acreage to 1,500 sq. km. Regional and licence specific studies, field visits and sampling has been completed so that a robust exploration plan can be developed and execution can start at a fast pace. Further, the work on organizational/capacity building and prospective joint ventures with local and international mining companies is in progress.
- Mari Services Division completed a 3rd party 2D seismic acquisition project in PPL-operated Musakhel Block. Additionally, procurement and commissioning of a new 750 HP i.e. Rig Mari-6 has been achieved and it has successfully

drilled its first well in the Mari field. The timely procurement of this rig will go a long way to support development of Ghazij and other shallow reservoirs of Mari field and wider company's portfolio.

- A significant contribution of PKR 3.8 billion have been made towards the communities through company's robust and targeted CSR initiatives which is way above its mandatory obligations under the PCAs.

Operational Environment and Key Challenges

The socio-economic situation coupled with the deteriorating security situation has created most of the challenges faced by the company.

- Deteriorating security situation has affected operations, delaying production startup in Waziristan Block and seismic/drilling operations across Balochistan and KP. The security incident in Nareli block resulted in taking further concrete steps both on company and LEA's side to further improve the security of our staff. The company is continuously working with law enforcement agencies to enhance security measures and ensure a conducive environment to the extent possible so that the projects of national strategic importance (PNI's) can progress.
- Trade debts attributable to circular debt have reached Rs 73 billion and present a considerable challenge. The company is actively engaged with relevant authorities to find solutions for circular debt management.
- Excess RLNG due to its diversion away from the power plants is negatively impacting the sales volume of the company. Curtailment in supply resulted in a production deferment of about 0.8 MMBOE for the company, impacting both sales volume and revenue.
- The company is taking every step possible to address the talent flight to ensure retention of existing staff, attracting new talent locally and internationally. It is also developing a young workforce through initiatives like the SEED program under which about 60 talented graduates have been trained and absorbed in the organization. Additionally, various technical training courses have been conducted by internationally renowned consultant so that the technical teams can remain up to date with technological advancements. Leadership programs of MIT and LUMS are also underway to develop future workforce and leaders for the company.

The company has taken a proactive approach in tackling both internal and external challenges by raising these at appropriate fora and engaging with relevant stakeholders to mitigate its exposure and has built agility in its planning to adjust quickly as the situation dictates.

ESG remains an integral part of our operations, reflecting our commitment to sustainable practices. This integrated report not only provides a comprehensive overview of our business performance but also includes detailed data from our second sustainability report, highlighting our commitment to transparency and accountability in all aspects of our operations.

Detailed Report

Health, Safety and Environmental Performance

In 2023-24, the company excelled in HSE performance, achieving all HSE KPIs by implementing safe work practices through a comprehensive HSE Management System. ISO Management System certifications were successfully retained after going through rigorous surveillance audits by certification body. The company focused on improved reporting culture by enabling psychological safety, applying risk-based approach, improving process safety management practices, having conducted post commissioning HAZOP study for SGPC and preparing for PSM gap assessment through Dupont.

To foster safety culture, annual safety days for the company and a special one for Mari Services Division were conducted. During the year, six environmental approvals related to mining, seismic and drilling operations were obtained. Over 103,800 training man-hours were dedicated to 2,620 HSE sessions, with 646 drills. Moreover, 68 management walk-around were carried out to enhance safety leadership.

SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES

The company's ESG journey has gained impetus over the past year, with the introduction of ESG policy, followed by the establishment of the ESG Committee of the Board to steer and advise on ESG-related issues and performance. The company undertook a comprehensive materiality assessment to identify the sustainability-related risks associated with its business. This structured process involved consultations with stakeholders and a third-party expert review to identify material topics. In the materiality assessment, important factors were considered such as stakeholders' interests, key sustainability issues for the oil and gas industry at both global and local levels, potential topics as per the GRI 11 Oil and Gas 2021 Standard, external environmental risks and opportunities, and significant environmental, economic, and social impacts of MPCL's activities.

Guided by the GRI 3 Material Topics 2021, all topics were prioritized based on the significance of their impact, considering the severity and likelihood of negative impacts, as well as the scale, scope, and likelihood of positive impacts. Disclosures were made according to the GRI index and published in MPCL's first-ever Sustainability Report for FY 2023. This report serves as a baseline, setting a benchmark for best practices and leading efforts to catalyze the socio-economic development of the country through responsible exploration and production of hydrocarbons.

Company's HSE performance and related achievements are a testament of its commitment towards high standards in safety, environmental stewardship, and regulatory compliance across its operations.

Hydrocarbon Sales

The hydrocarbon sales for the year are summarized below:

	Year ended June 30				Increase / (decrease) Cumulative
	2024		2023		
	Cumulative	Per day	Cumulative	Per day	
Gas (MMSCF)					
Mari Field	286,487	783	268,117	735	7%
Other Fields	5,769	16	7,097	19	(19%)
	292,256	**799**	**275,214**	**754**	**6%**
Crude oil (barrels)					
Mari Field	52,963	144	40,871	112	30%
Other Fields	383,837	1,049	346,585	950	11%
	436,800	**1,193**	**387,456**	**1,062**	**13%**
Total Net Sales in BOEs	**39.01 million**	**106,595**	**36.35 million**	**99,600**	**7%**

The company minimized the impact of delay of production start-up from Shewa and curtailment due to LNG diversion by expediting new production from Ghazij wells so that loss in sales volume could be minimized. The company achieved incentive benchmarks from HRL and Goru-B for most of the year through effective production planning and customer coordination. The company also continued to implement efficient production strategies to sustain optimum production from smaller fields.

SGPC - Mari Field, Daharki - Sindh

Financial Performance

Description	Year ended June 30		Increase
	2024	2023	
	(Rs. in million)		
Net Sales	181,829	145,770	25%
Profit Before Tax	110,363	85,847	29%
Income Tax	(33,075)	(29,718)	11%
Net Profit	**77,288**	**56,129**	**38%**
EPS (Rs. Per Share)	**579.36**	**420.75**	**38%**

The company has demonstrated a strong financial performance during the year as a result of enhanced hydrocarbon sales volumes applicable for incentive prices and higher oil price, partially offset by higher operating and administrative expenses associated with expanded operations and inflation.

The company successfully generated over PKR 100 billion from its operations, which is an evidence of disciplined capital management and operational performance improvements. Robust cash flow from operations has led to the achievement of highest ever cash and cash equivalent balance of PKR 74.886 billion.

PROFIT APPROPRIATION (YEAR ENDED JUNE 30, 2024)	(Rs. in Million)
Unappropriated profit brought forward	149,870
Total comprehensive income for the year	77,322
	227,192
Distribution to shareholders:	
Final cash dividend for the year ended June 30, 2023 @ Rs 58.00 per share	(7,737)
Interim cash dividend for the year ended June 30, 2024 @ Rs 98.00 per share	(13,074)
Unappropriated profit carried forward	206,381

Exploration, Development and Operational Activities

DISCOVERIES DURING THE YEAR

Maiwand X-1 well in Block-28 was spud on June 12, 2023, and successfully drilled down to 2,516 meters. Multiple promising zones were tested and discovery was made in Dunghan, Ranikot, Pab and Mughalkot formations. This discovery is significant for future exploration as it has revealed valuable information about working petroleum system and good quality of gas in the area.

Shewa-2 (appraisal cum exploratory well) was spudded-in on June 2, 2023, and successfully drilled down to a depth of 4,577 meters in Lockhart formation. The Lockhart and Hangu reservoirs were successfully appraised while a gas discovery was made in Kawagarh formation, which is being evaluated for its potential in and around the area of interest.

Shawal-1 well in Mari D&PL was spudded-in on January 27, 2024, and successfully drilled down to a total depth of 1,136 meters into Ghazij formation. During testing, an oil & gas discovery was made in the Ghazij formation. This is the first-ever oil discovery in the Mari field, which has been producing natural gas since 1967. It has opened new possibilities within mature fields like Mari, and the plan is to appraise the discovery on priority to evaluate its development options.

Jhim East X-1 exploratory well in PPL-operated Shah Bandar Block was spud on October 8, 2023, and drilled down to 2,545 meters in Lower Goru formation. A gas discovery was made in Upper sands of Lower Goru formation.

DRILLING ACTIVITIES DURING THE YEAR

Exploratory and Appraisal Wells

In total, twelve (nine in operated blocks, three in JV blocks) exploratory and appraisal wells were drilled/spudded during the year 2023-24, which resulted in addition of ~174 MMBOE net MPCL resources.

S.No	Well Name	Operator	Spud in	Status
Operated Blocks				
1	Shewa-2 Appraisal cum exploratory (Waziristan Block)	MPCL	2022-23	Gas discovery
2	Maiwand X-1 – Exploratory (Block 28)	MPCL	2022-23	Gas discovery
3	Mari Ghazij-2 – Appraisal (Mari D&PL)	MPCL	2023-24	Gas producer
4	Mari Ghazij-3 – Appraisal (Mari D&PL)	MPCL	2023-24	Gas producer
5	Mari Ghazij-4 – Appraisal (Mari D&PL)	MPCL	2023-24	Gas producer
6	Mari Ghazij-5 – Appraisal (Mari D&PL)	MPCL	2023-24	Gas producer
7	Shawal-1 – Exploratory (Mari D&PL)	MPCL	2023-24	Oil & Gas discovery
8	Bolan West-1 – Exploratory (Ziarat Block)	MPCL	2023-24	Temporarily Suspended
9	Spinwam-1 – Exploratory (Waziristan Block)	MPCL	2023-24	Drilling ongoing
Non-operated Blocks				
10	Jhim East-1 – Exploratory (Shah Bandar Block)	PPL	2023-24	Gas & Condensate discovery
11	Maarab X1 – Exploratory (Hala Block)	PPL	2023-24	Plugged & Abandoned
12	BD-0003 – Appraisal (Offshore Block-5) Abu Dhabi	PPL	2023-24	Temporarily Suspended
13	BE-0002 – Appraisal (Offshore Block-5) Abu Dhabi	PPL	2023-24	Temporarily Suspended

Development Wells:

- **Adam-2** development well in the PPL-operated Hala block was drilled down to a depth of 3,623 meters and rigless testing was carried out. The well flowed 6.3 MMSCFD gas and 470 BPD of condensate with WHFP of 737 PSI at 32/64-inch choke size. Tie-in activities have been completed to connect the well with Hala Gas Processing Facility and commissioned the well on June 11, 2024. The well is contributing ~05 MMscfd raw gas.

- **Togh-2** development well in the OGDCL-operated Kohat block was drilled down to a depth of 2,600 meters and rigless testing has been carried out. The well flowed 8.2 MMSCFD gas and 100 BPD of condensate with WHFP of 1,680 Psi at 32/64-inch choke size. The Operator completed the tie-in activities to connect the well with Togh Gas Processing Facility and the well was commissioned on May 08, 2024. Currently, it is contributing ~10 MMscfd raw gas.

- Third horizontal well **Mari 124H** in HRL formation of Mari Field was drilled and tested. The well flowed ~20 MMSCFD gas at a WHFP of 550 Psi and is currently on production.

- The first deviated well **MD-20** targeting Goru-B reservoir was tested at 19 MMSCFD gas and 8.3 BPD condensate with a WHFP of 2,448 Psi at 40/64" choke size. It has been successfully commissioned.

- **Halini-2** development well in Karak Block has been plugged & abandoned due to unprecedented mud losses encountered in the shallow section. A replacement well is being planned.

- Drilling of development well **Zarghun South-5** in Zarghun South field is expected to start in mid of July 2024.

- A water disposal well **WDW-3** was drilled and completed to dispose of produced water from Mari Deep reservoir.

- A rig workover was successfully completed on the **Hilal-1** well, resulting in the addition of SML formation production and an increase in the well's gas rate from 3 MMscfd to 5.3 MMSCFD.

RESERVES REPLACEMENT AND RESOURCES ADDITION

During the year, the proved and probable (2P) reserves increased by 168 MMBOE from various fields, which translates into an exceptional Reserve Replacement Ratio (RRR) of 423%. This increase in reserves primarily includes successful appraisal of well Shewa-2, initiation of gas sales via EWT from Ghazij gas discovery in Mari D&PL, improved performance of Sui Main Limestone/Sui Upper Limestone Reservoirs of Mari D&PL, Jhim East discovery in Shah Bandar Block and tie-in to MPCL Sujawal Gas Processing facility for gas sales.

In addition, the company's net contingent resources (2C) also increased by 174 MMBOE during the year, primary contributors are successful appraisal program of Ghazij field, Shawal oil discovery in Mari D&PL, Maiwand gas discovery in Block-28, Abu Dhabi offshore Block 5 and Mari Field (HRL Reservoir). 168 MMBOE have progressed to reserves, resulting in net addition of 6 MMBOE.

Total estimated reserves and resources (2P+2C) as of 30 June 2024 stand at 816 MMBOE.

SEISMIC AND G&M PROJECTS

S.No	Seismic/G&M Projects	Operator	Initiated in	Status
1	Wali West - G&M	MPCL	2022-23	Completed
2	Peshawar East - G&M	MPCL	2023-24	Completed
3	Nareli - 2D Seismic	MPCL	2022-23	Completed
4	Peshawar East - 2D Seismic	MPCL	2023-24	Ongoing
5	Sharan - 2D Seismic	MPCL	2023-24	Ongoing
6	Killa Saifullah - G&M	OGDCL	2023-24	Ongoing
7	Kalat West	PPL	2023-24	Ongoing
8	Wali West - 2D Seismic	MPCL	2022-23	Ongoing

3rd Party Seismic Data Acquisition: MPCL's seismic crew has completed acquisition of 616-line km 2D data in PPL-operated Musakhel Block as third-party business.

SIGNIFICANT DEVELOPMENT PROJECTS

With its focus on exploratory efforts, due weightage is placed on early monetarization of new discoveries and enhancing production and carrying out activities to increase reserves and resources from existing fields. MPCL is committed to maximizing production from its existing producing fields and new discoveries to meet Pakistan's increasing energy requirements from indigenous resources, thus reducing the foreign exchange burden.

Sachal Gas Processing Complex (SGPC)

Efforts to increase gas sales from SGPC have been achieved and record-high sales volume of 108 MMSCFD achieved on February 16, 2024. The company has improved SGPC's energy efficiency by conducting a thorough processing performance analysis using established KPIs, with plans to apply the same methodology to all MPCL-operated processing assets.

Early Production Facilities (EPF) at Waziristan Block (Formerly, Bannu West Block)

The construction of EPF in Waziristan Block and SNGPL gas transmission pipeline have been completed. Currently, pipeline hydro testing is in progress after which production startup is anticipated. Both Shewa-1 and Shewa-2 wells have been hooked up with the EPF and around 70 MMSCFD gas production is expected from these two wells. The Company has finalized the Declaration of Commerciality for the Shewa discovery for submission to the Government.

Maintenance & Asset Integrity

Multiple Asset Integrity improvement initiatives were carried out including developing and revising "As-Built Drawings" for the Mari Field and conducting Risk-Based Inspection studies for SGPC. MPCL also implemented a Dead Legs Integrity Management Plan at various locations, performed Motor Current Signature Analysis, and conducted AGA/API compliant inspections, among other comprehensive surveys, all aimed at ensuring robust asset integrity management. Notably, static equipment inspections at SGPC were conducted during ATA.

At the same time, significant advancements were achieved in Maintenance & Asset Integrity within the SAP Enterprise Asset Management Module during the financial year 2023-24. Key accomplishments included the successful implementation of SAP EAM and the GO Live training at the Bolan Oil Field and the training and development of maintenance professionals at all fields to enhance their capabilities.

Further, MPCL has been actively delving into the domain of Artificial Intelligence (AI) and dashboard development using Business Intelligence (BI) tools. This involves leveraging AI for predictive

Operations and Engineering, Development and Projects (EDP) Team

maintenance strategies, enhancing operational efficiency and utilizing BI tools to create dynamic dashboards for real-time monitoring and decision-making.

HRL Pressure Enhancement Facilities (PEF) Project
MPCL is working jointly with its fertilizer customers on the Pressure Enhancement Facilities (PEF) project in the Mari Field involving the debottlenecking of surface pipeline infrastructure and installation of compression facilities at multiple locations to manage the declining pressure and to extend the production plateau of HRL Reservoir. Currently, pipeline debottlenecking is underway, whereas the compression project is under a detailed design and procurement phase.

The subsurface evaluation of HRL reservoir has been completed and the company has successfully drilled another horizontal well Mari-124H in HRL reservoir. This well was drilled and completed in underbalance mode resulting in excellent deliverability. Pre-acid wellhead flowing pressure is more than 50% higher than previously drilled horizontal wells. Two more horizontal wells 125H and 126H are planned during FY 2024-25 as part of pressure enhancement project. In addition, four workovers have been completed, improving gas flow rates and wellhead flowing pressures.

The company has also submitted Declaration of Commerciality (DoC) of Ghazij discovery to DGPC while Ghazij Field Development Plan is under preparation.

Offshore Block-5 (UAE)

Pakistan International Oil Limited (PIOL) has completed the drilling of the appraisal wells (BD-0003) and (BE-0002) at the Bu Dana and Al Bateen pre-existing discoveries respectively as part of its ongoing appraisal and exploratory drilling program. The results of these wells matched the expectations. Both wells have been temporarily suspended to be accessible for future requirements. PIOL is continuing with its drilling plan, which includes drilling of appraisal and exploratory wells.

Oil & Gas Decarbonization Charter Participation in COP-28

MPCL, along with other national and international oil companies from 30 countries representing more than 40% of global oil production, has signed the “Oil & Gas Decarbonization Charter” during 28th annual United Nations climate meeting (COP 28).

The Charter’s aim is to bring together and motivate the oil and gas industry to collaborate and work together towards decarbonization initiatives for minimizing overall emissions.

Revision of Gas Sale Price for the Fertilizer Customers

The delay in the revision of the gas sale prices was resulting in a build-up of negative price differential. With significant efforts of the management and the Petroleum Division, the gas sale prices for the fertilizer customers from the Mari field were revised in October 2023 and notified, which has addressed the issue of negative differential margin satisfactorily.

Changes in Petroleum related Regulations and Policies

AMENDMENTS IN PETROLEUM POLICY 2012
The Government has approved the applicability of Zone-1(F) incentives to the existing exploration licences and development and production leases in the security sensitive areas, which would apply on discoveries post the approval. Accordingly, the company has submitted the application to adopt the aforementioned incentive for its eligible blocks.

In addition, extending petroleum rights after the expiry of lease period is an encouraging incentive for E&P companies. This initiative provides a pathway for uninterrupted operations with long term clarity by allowing the renewal of the lease term till the commercial viability of the fields.

The Government has also increased the threshold from 10% to 35% for sale of natural gas by E&P companies to third parties for unallocated gas volumes that is under final approval.

TIGHT GAS POLICY 2024
The announcement of Tight Gas (Exploration & Production) Policy of 2024 by the Government of Pakistan is a right step towards exploration and production of unconventional hydrocarbons, particularly tight gas. By offering a 40% premium on the respective zonal price under the 2012 Petroleum Policy, the exploration & production of tight gas resources are likely to be accelerated in the Country. The requirement for certification of each well is also to be substituted with two stage certification process.

Considering this change, the company has enhanced its focus on its tight gas resources which are under detailed evaluation.

Exploration Portfolio Expansion

EXPANSION
During the year 2023-24, the company secured 44% working interest in Kalchas South block as a JV partner. The company also signed agreements for acquisition of Spud Energy's working interest in Zarghun South Development & Production Lease (40%) and Nareli Block (27.55%), which are pending regulatory approvals.

To open the new frontier for exploration activities, MPCL is carrying out detail geological and geophysical studies to understand the prospectivity of Indus Offshore to properly assess its risks and opportunities for informed decision making and possible acquisition of acreage in the upcoming bid round.

The Company’s portfolio now consists of 35 blocks in Pakistan plus one offshore block in Abu Dhabi, spread over 68,695 sq. km area.

DIVERSIFICATION
To foster a resilient and diverse revenue stream while effectively managing risks, the company is dedicated to diversification and strategic investments across multiple sectors. Currently, we are assessing various projects through rigorous due diligence to identify the most promising ventures. These opportunities are within the oil and gas sector, renewables and green hydrogen to name a few for which local and international consultants have been engaged to assess potential prospects.

MPCL has established Mari Mining Company (Private) Limited (MMC) as its wholly owned subsidiary. MMC has been granted two new licences. These new licences and existing license EL-186 are for exploration of Gold, Copper, Lead, Zinc, Silver and Platinum Group Metals in District Chagai, Balochistan. The company plans to undertake field work including geophysical & ground magnetic surveys and geochemical sampling. The company is also in discussions with various international mining companies for potential collaboration on mining projects in the Country.

The MPCL Board in its meeting held on August 08, 2024, approved formation of a subsidiary with focus on Cloud Computing and Artificial Intelligence. The formation of a dedicated company will help tap the rising demand for cloud computing and artificial intelligence. It will support digital transformation across industries and will act as an enabler for MPCL’s core E&P and mining businesses.

Corporate Social Responsibility (CSR)

Living up to its tradition, the company has demonstrated a proactive commitment to social responsibility by voluntarily implementing a range of impactful programs aimed at uplifting communities and preserving the environment. Notably, the company spent Rs 3.8 billion towards CSR initiatives nationwide during

FY 2023-24. A summary of the major projects is as follows:

Green Pakistan Initiative: The Green Pakistan Initiative, led by the Special Investment Facilitation Council (SIFC), aims to boost the private sector-driven development of the ‘cattle herd sector’ with government support. To enhance the quality of dairy and beef production, the company is supporting the import of high-quality animals with genetic pedigrees from Brazil. Additionally, a Genetic Centre for milk and beef breeds funded by MPCL is under construction in Khanewal.

Green On Wheels Program - CDA Tree Plantation Drive: The company has donated 25,000 trees to CDA to develop ‘Mari Garden’ in F-9 Park Islamabad. Moreover, a rainwater harvesting project has also been completed in F-9 Park to ensure storage of rainwater and its utilization in hot and dry weather.

Waziristan CSR Program: The Company's CSR initiatives have created a substantial impact on the local communities of Waziristan. Various interventions considering the themes of heath, provision of clean water and electricity, provision of food with livelihood creation, education and women empowerment have been rolled out that are having significant impact on the standard of living of the local population.

Mari Field Daharki CSR Program: Over 300 projects are under execution in Daharki, including solarized RO plants, infrastructure development, provision of medical equipment and camps. These initiatives contributed to improving healthcare access, water quality and promoting renewable energy for a healthier & sustainable community.

Mari Kissan Dost Program, launched in collaboration with Bakhabar Kissan, is an Agri-tech CSR initiative dedicated towards empowering the farmer community of Daharki. Through this Program, farmers gain access to contemporary agricultural training and resources through a specialized advisory service, paving the way for increased productivity and sustainability.

Balochistan CSR Program: The Company distributed 1,500 Ration Bags in Maiwand and Kohlu to address food security challenges in these areas, and thus supporting vulnerable communities. Under the MPCL Gharonda Program, the company has planned to reconstruct ~45 houses in Abegum, Mach which were destroyed by unprecedented rainfall and floods. Out of the planned, 20 houses have been completed, while execution works on the remaining are underway.

She Made It Awards: The Company conducted "She Made It" CSR Awards for Women's Day held on March 8, 2024, to recognize a total of 11 exceptional females from Daharki and Waziristan for their remarkable contributions in the company's social development programs. These women and young girls are catalysts to bring positive change and progressive mindset among their communities by participating in MPCL's journey towards sustainable development and women empowerment.

Recent Awards & Recognitions

- The company was awarded the "Compliant Taxpayer Award" by the Prime Minister during the ceremony arranged by the FBR at the Prime Minister's House on March 26, 2024.
- The company's Annual Report 2022 won the Certificate of Merit "SAARC Anniversary Award for Corporate Governance", awarded by the South Asian Federation of Accountants (SAFA), on December 22, 2023, in India.
- The company's Annual Report 2022 won the 1st Position in the Fuel & Energy Category and overall 3rd Position at the Best Corporate and Sustainability Report Awards, held on October 12, 2023, by the Joint Committee of ICAP-ICMAP.
- The company was ranked at No. 13 amongst the Top 25 Companies on the Pakistan Stock Exchange for the Year 2022 (moved up 7 places from 20th in 2021). The notification was issued by PSX on October 10, 2023.
- For the 7th consecutive year, the company won 1st Prize for the "Best Management Practices" in Oil & Gas Sector, at the 38th Corporate Excellence Awards Ceremony arranged by the Management Association of Pakistan, on October 04, 2023.
- The company won three prestigious awards for Environmental Management, Emergency Response, and Health & Safety Risk Assessment & Control, at the 9th International Awards on Environment, Health and Safety held on August 30, 2023.
- MPCL's Hockey Team won the 67th AWT National Senior Championship 2023 held at Lt Gen Ishfaq Nadeem Hockey Stadium, Ayub Park, Rawalpindi, on October 23, 2023.

Internal Control System

The Board of Directors ensures that the company has an effective internal control system. Management designs, maintains and implements these controls to ensure reliable financial reporting and timely preparation of financial and management information. These controls are crucial to achieve compliance with laws, optimal resource utilization, and protection of the company's assets and stakeholders' interests.

All major policies of the company are approved and periodically reviewed by the Board. The company uses Management System Procedures for effective control over operations. The SAP ERP solution coupled with other decision support systems provides enhanced control through built-in authorization controls. Additionally, a comprehensive Whistleblowing Policy addresses workplace fraud and misconduct.

The Board of Directors has set up an Internal Audit function with suitably qualified and experienced staff and headed by Chief Internal Audit who functionally reports to Audit Committee of the Board of Directors.

Based on the work performed by the internal and external auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the company's internal controls including controls over financial reporting are sound in design and were effectively implemented and monitored during financial year 2023-24.

Enterprise Risk Management

Effective management of risks is essential for navigating through uncertainties. The company has adopted an enterprise-wide risk management methodology, in line with ISO 31000:2018, to ensure a proactive, adequate and holistic approach to risk management with focus on:

- Developing a link between risk, strategy and business performance
- Building a stronger control environment
- Integration of risk management activities within the company's decision-making processes
- Complying with all laws and regulations in the jurisdictions in which MPCL operates; and
- Developing and maintaining a culture of risk awareness, facilitating financial and operational performance and efficiency

The Board of Directors oversees risk governance at MPCL, setting the risk appetite, tolerance levels, and establishing risk management policies. The Board Audit Committee ensures the adequacy and effectiveness of these policies and processes within the risk governance framework.

The ERM department coordinates and oversees risk management activities, ensuring the smooth adoption of practices and providing risk-related guidance and support across the organization to safeguard operations and assets. Supported by Risk Champions in each department, the ERM department leverages their expertise to assist risk and control owners and promote risk initiatives within their respective areas.

PRINCIPAL RISKS AND UNCERTAINTIES

E&P industry is an inherently high-risk sector facing strategic, operational, financial, compliance, regulatory, reputational, environmental and security risks etc. Like in the rest of the world, the oil & gas sector in Pakistan is highly regulated, making MPCL's business prone to changes in government regulations and policies. Principal risks and uncertainties in the recent times have emanated primarily from the challenging security and macro-economic situation of the country.

MPCL is exposed to significant risks to its personnel, assets and timely & efficient execution of work program owing to presence of its high prospectivity blocks in security sensitive locations. MPCL has placed robust controls to safeguard the safety and integrity of MPCL's personnel and assets, in collaboration with law enforcement agencies (LEAs) and security partners. Detailed forward planning and systematic scheduling of operations requiring security coverage have enhanced coordination with LEAs, striving for uninterrupted operations.

Macro-economic situation of the country also affects the company's business. The effects of these

Mari Field, Daharki - Sindh

challenges range from imposition of new taxes that affect the bottom line and lower margins for the company, to administrative controls on forex flow that indirectly affect our ability to timely procure equipment and services. The company is proactively monitoring these exposures and taking appropriate measures, where required, to mitigate the effects of the risks.

Additionally, substantial delays in payments from publicly owned gas distribution companies have been increasing the overdue receivables. Situation has however started to get better since the latest increase in the consumer gas prices. This can lead to cash flow and liquidity issues, potentially creating challenges for the company's ongoing and planned exploration and development activities.

There was gas offtake curtailment by Sui companies from local E&P companies due to high line pressure (caused by injection of imported RLNG) even in summers which was unprecedented. This is a new risk and will persist in foreseeable future affecting production of local E&P companies.

The global rebound in the oil & gas industry has intensified demand for skilled professionals, resulting in a significant brain drain from the local E&P sector. The situation is further compounded by the country's economic challenges, compelling local talent to seek opportunities abroad. This trend poses an emerging risk to the sector's sustainability and growth.

Industrial Relations and Human Resources

We prioritize cultivating a workplace culture that fosters enthusiasm and commitment while fulfilling our societal and legal responsibilities and upholding rigorous HSE standards at all our sites. Our aim is to cultivate a supportive environment that enhances staff well-being and promotes productivity and collaboration. These commitments drives value creation for both the company and its employees.

This includes our continued focus towards enhancing our employees' skill set by benchmarking said skills with international standards through competency mapping for job roles and bridging the gap with state-of-the-art development interventions.

Furthermore, we recently launched our redefined Core Values and associated behaviors. These values will serve as a catalyst to foster an enabling culture where diverse strengths converge for greater outcomes, redefining industry benchmarks and maintaining ethical standards.

DIVERSITY AND INCLUSION

We are committed to advancing gender diversity and inclusion in our hiring practices, career progression, and development. Gender diversity is a key strategic priority, aimed at integrating it across all levels of our organization. To ensure accountability, gender diversity ratios are now integral to the departmental scorecards.

Additionally, we have established a robust framework to attract and hire differently abled persons, ensuring equal opportunities and their integration as a productive segment of the society.

SUCCESSION PLANNING

We have developed a comprehensive succession plan to ensure business continuity. This plan identifies critical positions, develops high-potential employees and facilitates knowledge transfer. By fostering a strong leadership pipeline, we minimize disruption and ensure long-term strategic continuity.

EMPLOYEE RETENTION

Employee retention remains a critical focus for our organization, reflecting our commitment to nurturing and retaining top talent. By fostering a supportive and inclusive work environment, we aim to enhance employee satisfaction and engagement. Our comprehensive retention strategies include competitive compensation packages, continuous professional development opportunities, and a robust recognition program. These efforts are designed to not only reward exceptional performance but also to cultivate long-term career growth within the company.

ENHANCING EMPLOYEE EXPERIENCE

Continuing the commitment to enhancing employee satisfaction and experience, essential HR services have been revamped into the 'Employee Services Portal'. This platform features specialized sections for "Employee Services" and "Employee Benefits", aiming to optimize operations, reduce paper usage, and save time through the automation of routine HR requests.

Our primary focus is on implementing leading HR strategies aimed at boosting operational efficiency, optimizing employee retention rates, and nurturing a collaborative culture driving excellence among our workforce.

Information Technology

The company leverages cutting-edge technologies to increase efficiency and effectiveness, enhance transparency, reporting, and governance.

The company utilizes industry-leading G&G interpretation and reservoir modeling software, enabling geophysicists and geologists to achieve superior geological insights and well placement decisions through advanced collaborative workflows. Moreover, the Mari Seismic Data Processing Center (MSPC), with its scalable infrastructure, provides high-fidelity 2D and 3D seismic data processing. Recently upgraded from 96 to 1,024 cores, MSPC can now handle the parallel processing of time, depth, and other seismic data streams, significantly speeding up the turnaround time for high-quality reservoir characterization. This infrastructure supports company's expanding exploration and development activities, ensuring the application of advanced geophysical technologies across all seismic imaging and reservoir characterization tasks.

The company has implemented an integrated E&P data management system to ensure standardized data workflows across different disciplines. To support demanding geoscience applications, company's IT team has developed a Virtual Desktop Infrastructure (VDI) solution. This innovation allows users to securely access a centralized high-performance computing environment from any location, optimizing remote work efficiency without the need for costly individual workstations.

The company has enhanced its SAP ERP system with custom reports and digitalization efforts. The company is advancing its Enterprise Data Management and Analytics project to support data-driven decision-making across all organizational levels, including the development of Business Intelligence (BI) dashboards for real-time insights.

Keeping up with the latest technologies, the company in previous years had embarked on the journey of implementing Machine Learning (ML) and Business Intelligence (BI) to support its operations.

CYBER SECURITY MEASURES

The company gives precedence to data security using industry-leading software for secure financial data recording, transmission and accurate reporting. The company utilizes Microsoft SharePoint for secure collaboration, access control and document management. It also employs multi-layered security measures, including role-based access, data encryption, and regular vulnerability assessments, to safeguard its most critical assets i.e. information.

The company has fortified its cybersecurity with a comprehensive Fortinet security suite featuring a next-generation firewall using Deep Packet Inspection for thorough network traffic analysis. Integrated Intrusion Detection/Prevention Systems proactively identify and block malicious attacks. Advanced web filtering controls regulate internet access, complemented by a Web Application Firewall safeguarding critical applications. A flows/logs analyzer provides detailed security reports, while a network manager ensures centralized configuration and policy enforcement across all Fortinet devices, maintaining robust network security.

The company takes a proactive approach to cybersecurity risk management. Departmental risk registers are regularly updated and reviewed that contribute to identifying potential security threats early. Continuous vulnerability assessments and penetration testing (VAPT) to address infrastructure weaknesses preemptively are conducted.

The company utilizes an interactive online training platform to raise cybersecurity awareness among employees, equipping them to identify and mitigate cyber threats. Regular awareness campaigns and simulated phishing attacks further promote a culture of security awareness across the organization.

IT GOVERNANCE FRAMEWORK

The company's IT governance framework, overseen by a steering committee led by the Managing Director, aligns IT strategy with business goals. This framework includes policies, standards, and processes, ensuring information security and compliance with ISO/IEC 27001. Quarterly assessments and continuous improvement initiatives optimize technology investments, supporting strategic objectives and regulatory compliance.

Corporate Governance

BOARD STRUCTURE

The company has a proactive Board, comprising directors having an appropriate mix of core competencies and diversity of backgrounds, skills, knowledge and experience. The total number of directors on the Board is fixed at eleven, comprising seven elected directors and four nominee directors (two each representing Government of Pakistan and OGDCL).

Current composition of the Board is as follows:

S.No.	Director	Category
	Representing Fauji Foundation	
1.	Lt Gen Anwar Ali Hyder, HI (M), (Retd)	Non-executive director
2.	Syed Bakhtiyar Kazmi	Non-executive director
3.	Maj Gen Tariq Qaddus, HI (M), (Retd)	Non-executive director
4.	Mr. Faheem Haider	Executive director
	Representing Government of Pakistan	
5.	Mr. Momin Agha	Non-executive director
6.	Mr. Zafar Abbas*	Non-executive director
	Representing OGDCL	
7.	Mr. Ahmed Hayat Lak	Non-executive director
8.	Mr. Muhammad Aamir Salim	Non-executive director
	Representing General Public	
9.	Mr. Adnan Afridi	Independent, non-executive director
10.	Mr. Abid Niaz Hasan	Independent, non-executive director
11.	Ms. Seema Adil	Independent, non-executive director

** Appointed on Board w.e.f August 08, 2024, in place of Mr. Hassan Mehmood Yousufzai*

Male Directors: **10**
Female Director: **01**

Positions of Chairman of the Board and CEO are held by two different individuals

Lt Gen Anwar Ali Hyder, HI (M), (Retd) is the Chairman of the Board, while Mr. Faheem Haider is the Managing Director/CEO of the company.

The names of the persons who, at any time during the financial year, were directors of the company

- Mr. Waqar Ahmed Malik (SI)
- Dr. Nadeem Inayat
- Maj Gen Ahmad Mahmood Hayat, HI (M), (Retd)
- Mr. Abdul Rasheed Jokhio
- Mr. Mohammad Hassan Iqbal
- Capt. (Retd) Muhammad Mahmood
- Mr. Hassan Mehmood Yousufzai *(nomination withdrawn by the Government subsequent to the year-end)*

COMMITTEES OF THE BOARD OF DIRECTORS

MPCL Board has constituted five committees to assist the Board in its operations and oversight of different functions. These committees thoroughly consider important matters relating to their respective domains and present their recommendations to the Board for consideration and final decision.

Audit Committee*:

Audit Committee of the Board currently comprises of the following directors:

Director	Designation
Mr. Abid Niaz Hasan	Chairman (independent, non-executive director)
Syed Bakhtiyar Kazmi	Member
Mr. Momin Agha	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

** The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its TORs.*

HR and Remuneration Committee:

Human Resource and Remuneration Committee of the Board currently comprises of the following directors:

Director	Designation
Mr. Adnan Afridi	Chairman (independent, non-executive director)
Maj Gen Tariq Qaddus, HI (M), (Retd)	Member
Mr. Zafar Abbas	Member
Mr. Ahmed Hayat Lak	Member
Mr. Abid Niaz Hasan	Member

Technical Committee:

Technical Committee of the Board currently comprises of the following directors:

Director	Designation
Maj Gen Tariq Qaddus, HI (M), (Retd)	Chairman
Mr. Zafar Abbas	Member
Mr. Ahmed Hayat Lak	Member
Mr. Muhammad Aamir Salim	Member
Ms. Seema Adil	Member

Investment Committee:

Investment Committee of the Board currently comprises of the following directors:

Director	Designation
Syed Bakhtiyar Kazmi	Chairman
Maj Gen Tariq Qaddus, HI (M), (Retd)	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

ESG Committee:

ESG Committee of the Board currently comprises of the following directors:

Director	Designation
Mr. Abid Niaz Hasan	Chairman
Mr. Momin Agha	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, BOARD'S COMMITTEES AND INDIVIDUAL DIRECTORS

Evaluation for FY 2022-23

The evaluation for FY 2022-23 was in progress at the time of the printing of Annual Report 2023. Therefore, a summary of the evaluation results is provided as under:

Board Evaluation: MPCL's Board's Strategic Performance Index (BSPI) on the basis of Directors' responses was 92% compared with 90% in the previous year. This indicates that the overall effectiveness of the Board has increased compared with the last year.

Committees' Evaluation: The average aggregate score of each Committee was as under:

Audit Committee 94% (2022: 93%), Technical Committee 93% (2022: 91%), HR&R Committee 92% (2022: 90%), and Investment Committee 92% (2022: 90%). The score of each Committee was higher than the score in the last year, again indicating improved performance.

Individual Directors: The scores for each director ranged between 85-95% (2022: 80-96%). These scores are considered very good, indicating that each director is adding significant value to the Board operations and processes.

Evaluation for FY 2023-24

The Board has decided to hire the services of the Institute of Business Administration (IBA) as an external evaluator to conduct the performance assessment of the Board as a whole, Board Committees, and Individual Directors.

Methodology: IBA's evaluation process is based on a questionnaire designed to meet the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, and

SECP S.R.O. 301 (I)/2020. If required, the questionnaire is followed by structured interviews of the board members. The questionnaire is electronically completed by the Directors and the results are collated anonymously. The evaluation report will be presented to the Board's HR&R Committee for submission to the Board along with its recommendations.

Directors' Remuneration Policy

In compliance with Clause 16 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal Directors' Remuneration Policy is in place. Salient features of the policy are as under:

Executive Director: The Managing Director/CEO is the only executive director on the Board. He is entitled to salary and other benefits as per his employment contract approved by the Board and in line with the company Policies. No fee is paid to the Managing Director to attend Board, Board Committees and general meetings.

Non-Executive and Independent Director's Remuneration: Non-executive directors, including independent directors, are entitled to remuneration for attending Board and Committee meetings as decided by the Board from time to time. The current fee as approved by the Board during its 203rd meeting held on October 21, 2022, is as follows:

Chairman	Rs 600,000 for attending Board meetings
Directors	Rs 400,000 for attending Board and Committee meetings

When on the company's business, all directors are entitled to travel related allowances as per applicable policy of the company.

No fee is paid to the non-executive directors for attending general meetings of the company. Further, they are not entitled to receive any bonuses and post-retirement benefits.

There is no stock option scheme in place for any category of directors.

Details of remuneration paid to executive and non-executive directors during the year are given in Note 37 of the attached financial statements.

Pattern of shareholding

A statement showing the pattern of shareholding as of June 30, 2024, is provided in this report.

Code of Corporate Governance

The Company proactively undertakes to achieve full compliance with *the Listed Companies (Code of Corporate Governance) Regulations, 2019,* issued by the SECP. The statement of compliance is reviewed by the statutory auditors and their review report to the members is included in the annual report every year.

DIRECTORS' COMPLIANCE STATEMENT

The Directors of the Company hereby confirm the following:

a) These financial statements have been prepared in accordance with the following accounting and reporting standards:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) The financial statements present fairly the company's state of affairs, the result of its operations, cash flows and changes in equity.

c) Proper books of accounts of the company have been maintained.

d) There are no significant doubts regarding the company's ability to continue as going concern.

e) Appropriate accounting policies have been consistently applied in preparation of financial statements, except for any changes as detailed in financial statements, and all accounting estimates are based on a reasonable and prudent judgment.

f) Directors are responsible and have adequately ensured that the system of internal controls, including financial controls, is sound in design and has been effectively implemented and monitored.

g) All related party transactions were reviewed by the Audit Committee prior to approval by the Board.

h) There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

i) Key operating and financial data of the last ten years is provided in the Annual Report.

j) Value of investments including bank deposits and accrued income of various funds as at June 30, 2024, based on their respective audited accounts, is as under:

Contributory provident fund	Rs 2,094 million
Management staff gratuity fund	Rs 3,269 million
Non-management staff gratuity fund	Rs 1,220 million

k) Information regarding outstanding taxes and levies is disclosed in the notes to the financial statements.

Dividend and Bonus Shares

During the year, the Company paid the final cash dividend of Rs. 58 per share (580%) for the year ended June 30, 2023.

The Board of Directors in its meeting held on August 08, 2024, has recommended final cash dividend for the year ended June 30, 2024, of Rs. 134/- per share (1,340%). This is in addition to the interim dividend already paid @ Rs 98 per share i.e. 980%. The recommended final dividend along with the interim dividend amounts to Rs 232/- per share i.e. 2,320%.

In addition, the Board has also recommended bonus shares in the ratio of 8 shares for every one share held (800%).

The final cash dividend and bonus shares will be presented for approval of the shareholders in the upcoming Annual General Meeting.

Future Outlook of the Company

In continuation of its transformation program which started in 2020, the company continued its journey towards its long-term vision and growth targets with three key imperatives 1) strengthening the core business 2) diversifying business beyond oil & gas and 3) becoming a national ESG leader.

The company is fully committed towards its long-term vision and growth strategy and aims to further enhance its role in securing the energy and food security of the country.

The company plans to carry out exploration activities in both current and prospective blocks as a top priority. The aim is to discover more hydrocarbon resources that can be brought on stream quickly by either utilizing the existing infrastructure or new technological initiatives.

In FY 2024-25, several exploratory and appraisal wells are planned in various operated and JV blocks. Additionally, various 2D and 3D seismic data acquisition projects are also planned to evaluate the hydrocarbon potential that will lead to prospect maturation. In addition, many activities for further evaluation of explored and producing fields / blocks are underway to enhance the production, recoverability of reserve and resources along with plateau extension.

The company's priorities in the short to medium term include the following:

- Surface and subsurface activities for Execution of HRL Pressure Enhancement Project (PEF) in Mari field
- Full field development of Ghazij and Shewa
- Completion of ongoing exploration and appraisal activities including Pakistan offshore and Block 5 in Abu Dhabi

External Auditors

The present statutory auditors, M/s A.F. Ferguson & Co., Chartered Accountants, will retire at the conclusion of the upcoming AGM. Being eligible, they have offered themselves for re-appointment as statutory auditors of the company for FY 2024-25.

MMC Board of Directors' Meeting in Progress at Head Office - Islamabad

The Audit Committee in its meeting held on July 30, 2024, considered the appointment of the auditors and recommended M/s A.F. Ferguson & Co., Chartered Accountants as statutory auditors of the company for FY 2024-25. The recommendation of the Audit Committee was endorsed by the Board of Directors in its meeting held on August 08, 2024, and the matter will now be tabled at the upcoming AGM for approval of the shareholders.

Mari Mining Company (Pvt) Limited (MMC)

MMC is the wholly owned subsidiary of MPCL established to undertake mining projects in the Country. This strategic move aims to boost the country's mineral mining sector while providing MPCL with long-term growth and diversified revenue streams.

S.No.	Director	Designation
1.	Lt. Gen. Anwar Ali Hyder, HI(M), (Retd)	Non-Executive Director Chairman of the Board of Directors
2.	Syed Bakhtiyar Kazmi	Non-Executive Director
3.	Mr. Faheem Haider	Executive Director Managing Director/CEO
4.	Mr. Nabeel Rasheed	Non-Executive Director
5.	Mr. Abdul Rauf Khan	Non-Executive Director
6.	Mr. Hassan Mehmood	Non-Executive Director

Two meetings of the MMC Board of Directors and one extraordinary general meeting of the members of the Company were held during the year.

BUSINESS OVERVIEW

Subsequent to June 30, 2024, MMC has been granted two exploration licences EL-322 and EL-323, covering an area of ~500 sq km each. The licences are for exploration of copper, gold, lead, silver, zinc, platinum group metals, molybdenum, iron and base metals in Chagai district of Balochistan.

Deliberations are underway with Balochistan Mineral Resources Limited to finalize the Joint Venture Agreement to fulfill license award conditions.

MMC is actively engaged with international and national companies for strategic collaboration on different mining projects. Discussions are also underway with several international services companies to enhance local capacity for laboratory and drilling services essential to mining operations.

Since the company is in the initial stages of its exploration cycle, there are no recorded revenues and hence the loss per share for the period under review was Rs 5.4 per share. However, with existing and future acreages, we hope MMC will be able to convert some of the exploration licences into development leases resulting in future profitability.

INCREASE IN AUTHORIZED AND PAID-UP SHARE CAPITALS

In view of the future mining activities of the Company, the MMC Board has recommended increasing the authorized share capital from Rs 100 million to Rs 5 billion. The proposal was approved by MMC shareholders in the extraordinary general meeting held on May 9, 2024.

MPCL has decided to increase its investment in MMC by investing up to Rs 2.5 billion by way of equity to help MMC meet its funding requirements. This investment will be made in tranches by subscribing to the right issue by MMC.

Seismic Activities at Waziristan Block - KP

Tribute to Law Enforcement Agencies (LEAs):

We greatly appreciate the commitment and professionalism exhibited by the LEAs in safeguarding our infrastructure, personnel, and operations. Their vigilance and preparedness are indispensable for instilling confidence in our field staff and ensuring the stability of the energy sector.

Acknowledgement

The Board of Directors would like to commend all employees of the company for their dedication and commitment to delivering on various significant projects along with outstanding operational and financial results.

The Board also wishes to express its appreciation for the continued assistance and cooperation received from Federal and Provincial Governments, Local Administrations, and various departments of the Federal Government especially the Ministry of Energy (Petroleum Division), Ministry of Finance, OGRA, DGs of (Petroleum Concessions, Oil and Gas), Fauji Foundation, OGDCL, FBR, suppliers, JV partners and all other stakeholders.

For and on behalf of the Board

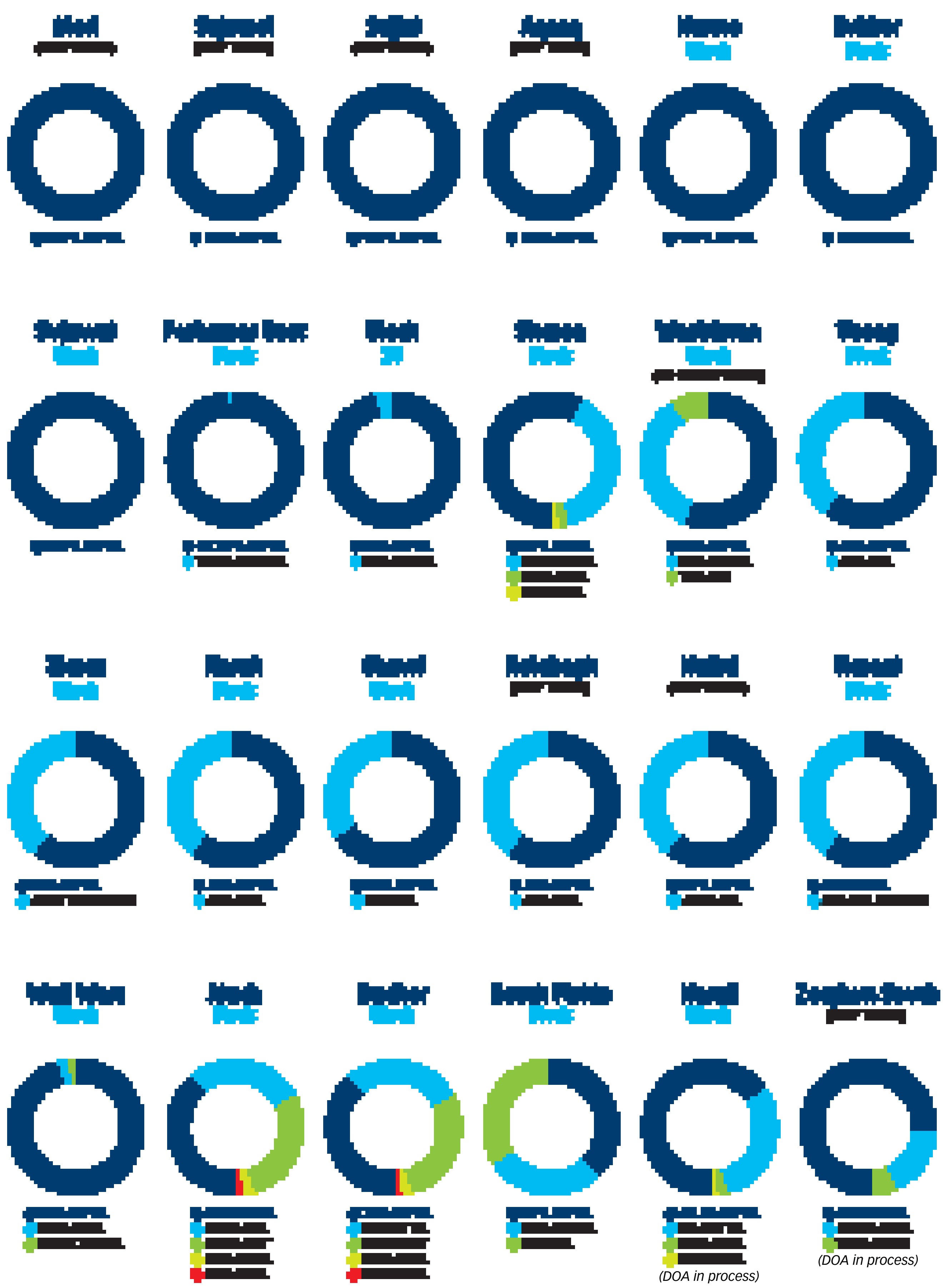
Faheem Haider
Managing Director/CEO

Lt Gen Anwar Ali Hyder, HI (M), (Retd)
Chairman

Islamabad
August 08, 2024

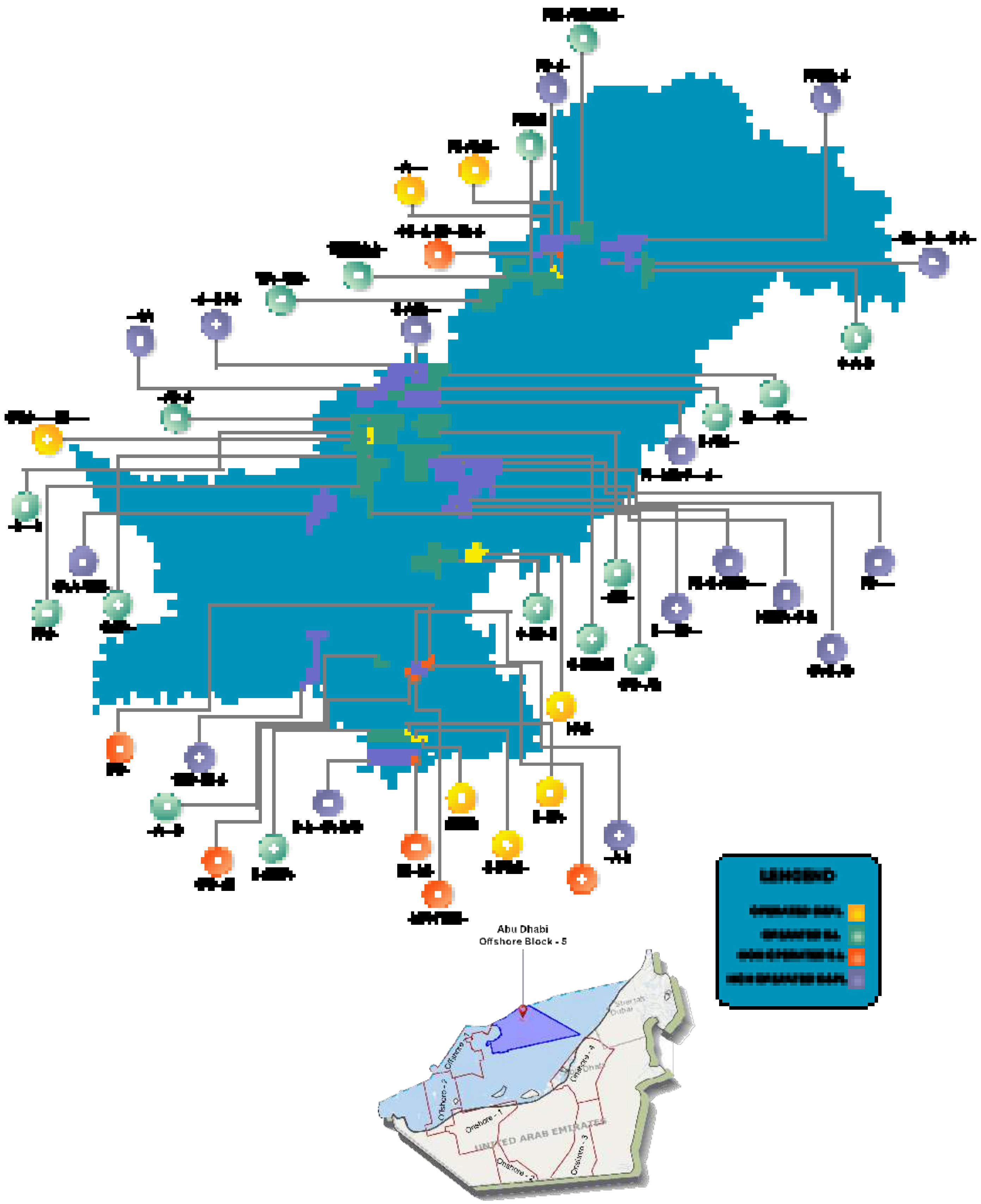
MPCL's Operated Blocks

and Development & Production (D&P) Leases



MPCL's Non-Operated Blocks

and D&P Leases



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MARI PETROLEUM COMPANY LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 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, 2024 in accordance with the requirements of Regulation No. 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, 2024.

Chartered Accountants
Islamabad
Date: August 28, 2024

UDIN: CR202410050kD5Omr0X

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Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Mari Petroleum Company Limited

For the year ended June 30, 2024

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors is eleven as per the following detail:

   a. Male: 10
   b. Female: 01

2. The composition of the Board is as follows:

   As at June 30, 2024:

Category	Names
Independent Directors*	Mr. Adnan Afridi
	Mr. Abid Niaz Hasan
	Ms. Seema Adil
Executive Director	Mr. Faheem Haider
Non-executive Directors	Lt. Gen. Anwar Ali Hyder, HI(M), (Retd)
	Syed Bakhtiyar Kazmi
	Maj Gen Tariq Qaddus, HI (M), (Retd)
	Mr. Momin Agha
	Mr. Hassan Mehmood Yousufzai
	Mr. Ahmed Hayat Lak
	Mr. Muhammad Aamir Salim

** The Company has elected three (03) independent directors, while the fraction of 0.67 was not rounded up as one. The Participation and Shareholders Agreement (PSA) among the principal shareholders and the Articles of Association (AoA) of the Company require that the representation on the Board shall be proportionate to, as closely as possible, the shareholding of the sponsors. Currently, four (04) out of total eleven (11) directors are nominees of the Government of Pakistan and OGDCL and Fauji Foundation has four (4) directors.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including MPCL;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and the decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of 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 remuneration of directors in accordance with the Act and the Regulations;

9. The following Directors were certified under the SECP approved Directors' Training Programs as at June 30, 2024:

S#	Directors
1.	Syed Bakhtiyar Kazmi
2.	Maj Gen Tariq Qaddus, HI (M), (Retd)
3.	Mr. Faheem Haider
4.	Mr. Momin Agha
5.	Mr. Hassan Mehmood Yousufzai
6.	Mr. Ahmed Hayat Lak
7.	Mr. Muhammad Aamir Salim
8.	Mr. Adnan Afridi
9.	Mr. Abid Niaz Hasan
10.	Ms. Seema Adill

The Directors' Training Program for a newly appointed director will be arranged in due course.

Two Director's Training Program from SECP approved institution were arranged during the year, which were attended by the following executives:

1. Mr. Adeel Ahmed – Chief Internal Audit
2. Ms. Anum Rana – Corporate Affairs Officer

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 chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed the following committees comprising of the members given below:

a) Audit Committee

Director	Designation
Mr. Abid Niaz Hasan	Chairman (independent director)
Syed Bakhtiyar Kazmi	Member
Mr. Momin Agha	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

b) HR and Remuneration Committee

Director	Designation
Mr. Adnan Afridi	Chairman (independent director)
Maj Gen Tariq Qaddus, HI (M), (Retd)	Member
Mr. Hassan Mehmood Yousufzai	Member
Mr. Ahmed Hayat Lak	Member
Mr. Abid Niaz Hasan	Member

c) Technical Committee:

Director	Designation
Maj Gen Tariq Qaddus, HI (M), (Retd)	Chairman
Mr. Hassan Mehmood Yousufzai	Member
Mr. Ahmed Hayat Lak	Member
Mr. Muhammad Aamir Salim	Member
Ms. Seema Adil	Member

d) **Investment Committee**

Director	Designation
Syed Bakhtiyar Kazmi	Chairman
Maj Gen Tariq Qaddus, HI (M), (Retd)	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

e) **Environment, Social & Governance Committee**

Director	Designation
Mr. Abid Niaz Hasan	Chairman (independent director)
Mr. Momin Agha	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the committee were as per following:

Committee		Frequency of meeting
1.	Audit Committee:	At least quarterly/required basis
2.	HR and Remuneration Committee:	At least once a year/ required basis
3.	Technical Committee:	Required basis
4.	Investment Committee:	Required basis
5.	Environment, Social & Governance Committee	Required basis

15. The Board has set up an effective internal audit function staffed with personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with 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;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanations pertaining to Regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No	Requirement	Explanation	Reg. No.
i.	Constitution of Nomination Committee	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary.	29
ii.	Constitution of Risk Management Committee	The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its terms of reference. Hence a separate Risk Management Committee is currently not needed.	30

Anwar Ali Hyder

Lt Gen Anwar Ali Hyder, HI (M), (Retd)
Chairman

Faheem Haider
Chief Executive Officer

August 08, 2024

Financial Statements

for the year ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Mari Petroleum Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Mari Petroleum Company Limited (the Company), which comprise the statement of financial position as at June 30, 2024, 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 material accounting policy information 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, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Recognition of Revenue** *(Refer note 3.9 and 23 to the financial statements)* The Company is principally engaged in exploration, production and sale of hydrocarbons. The Company recognized net revenue during the year from the sale of natural gas and crude oil amounting to Rs 174,725 million and Rs 7,104 million respectively. Revenue is recognized when the Company satisfies a performance obligation by transferring of promised product to a customer. The Company principally satisfies its performance obligation at a point in time and recognizes as revenue the amount of transaction price that is allocated to the performance obligation. We considered this as a key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company.	Our audit procedures in relation to the matter, amongst others, included: • Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers; • Checked notifications of Oil and Gas Regulatory Authority for gas prices. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / term sheets; • Assessed sales transactions on either side of the statement of financial position date to assess whether they are recorded in relevant accounting period; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; • Tested journal entries related to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of related disclosures made in the financial statements.

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Information Other than the Financial Statements and Consolidated Financial Statements and Auditor's Reports 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 consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is M. Imtiaz Aslam.

Chartered Accountants
Islamabad
Date: August 28, 2024

UDIN: AR202410050cAkBot2IH

Statement of Financial Position

As at June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	4	1,334,025	1,334,025
Other reserves	5	17,192,508	17,222,067
Unappropriated profit		206,381,187	149,870,248
TOTAL EQUITY		224,907,720	168,426,340
NON CURRENT LIABILITIES			
Long term financing	6	593,369	672,381
Deferred liabilities	7	27,445,015	22,862,894
Deferred income tax liability	8	30,679,757	-
		58,718,141	23,535,275
CURRENT LIABILITIES			
Trade and other payables	9	49,914,065	33,506,735
Current portion of long term financing		149,293	121,007
Unclaimed dividend	10	570,696	417,235
Provision for income tax		12,312,328	28,590,205
		62,946,382	62,635,182
TOTAL LIABILITIES		121,664,523	86,170,457
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		346,572,243	254,596,797

The annexed notes 1 to 41 form an integral part of these financial statements.

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	12	97,355,350	81,736,169
Development and production assets	13	35,118,195	24,992,278
Exploration and evaluation assets	14	25,532,040	15,958,410
Long term investments	15	12,501,087	5,724,782
Long term loans and advances	16	48,967	49,080
Long term deposits and prepayments	17	179,741	99,003
Deferred income tax asset	8	-	2,241,814
		170,735,380	130,801,536
CURRENT ASSETS			
Stores and spares	18	8,620,579	6,989,735
Trade debts	19	81,073,374	61,676,104
Short term loans and advances	20	9,529,056	9,879,116
Short term prepayments		575,233	235,905
Other receivables		751,104	2,649,332
Current portion of long term investments		-	1,041,068
Short term investments	21	22,676,219	9,197,048
Interest accrued		401,229	423,315
Cash and bank balances	22	52,210,069	31,703,638
		175,836,863	123,795,261
TOTAL ASSETS		346,572,243	254,596,797

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Statement of Profit or Loss

for the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Gross sales		204,604,788	163,156,446
General sales tax		(20,608,644)	(15,370,458)
Excise duty		(2,167,523)	(2,016,081)
		(22,776,167)	(17,386,539)
Net sales	23	181,828,621	145,769,907
Royalty		(22,097,614)	(17,548,455)
Operating and administrative expenses	24	(35,903,779)	(27,111,724)
Exploration and prospecting expenditure	25	(12,924,077)	(16,016,913)
Finance cost	26	(2,864,233)	(1,774,826)
Other charges	27	(6,741,704)	(5,793,579)
		(80,531,407)	(68,245,497)
		101,297,214	77,524,410
Other income / (expenses)	28	140,747	(362,655)
Finance income	29	9,209,169	9,075,445
Share of loss in associate	15.1	(284,225)	(390,022)
Profit before taxation		110,362,905	85,847,178
Provision for income tax	30	(33,074,794)	(29,718,467)
Profit for the year		77,288,111	56,128,711
Earnings per share - basic and diluted			
Earnings per ordinary share (Rupees)	31	579.36	420.75

The annexed notes 1 to 41 form an integral part of these financial statements.

Nabeel Rasheed	**Faheem Haider**	**Abid Hasan**	**Lt Gen Anwar Ali Hyder HI(M), (Retd)**
Chief Financial Officer	Managing Director / CEO	Director	Chairman

Statement of Comprehensive Income

for the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Profit for the year		77,288,111	56,128,711
Other comprehensive income:			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement gains of defined benefit plans	33	84,047	191,108
Income tax effect related to remeasurement of defined benefit plans			
- Current tax charge		(33,671)	(127,603)
- Deferred tax (charge) / credit		(16,758)	9,056
		33,618	72,561
Items that will be subsequently reclassified to statement of profit or loss:			
Effect of translation of investment in a foreign associated company	15.1	(29,559)	1,510,079
Other comprehensive income for the year		4,059	1,582,640
Total comprehensive income for the year		77,292,170	57,711,351

The annexed notes 1 to 41 form an integral part of these financial statements.

Nabeel Rasheed	**Faheem Haider**	**Abid Hasan**	**Lt Gen Anwar Ali Hyder HI(M), (Retd)**
Chief Financial Officer	Managing Director / CEO	Director	Chairman

Statement of Changes in Equity
for the year ended June 30, 2024

		Other Reserves				
	Share capital	Capital redemption reserve fund	Self insurance reserve	Foreign currency translation reserve	Unappropriated profit	Total
	(Rupees in thousand)					
Balance as at July 01, 2022	1,334,025	10,590,001	4,600,000	521,987	113,812,754	130,858,767
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	56,128,711	56,128,711
Other comprehensive income	-	-	-	1,510,079	72,561	1,582,640
	-	-	-	1,510,079	56,201,272	57,711,351
Final cash dividend for the year ended June 30, 2022 @ Rs 62.00 per share *	-	-	-	-	(8,270,955)	(8,270,955)
Interim cash dividend for the year ended June 30, 2023 @ Rs 89.00 per share *	-	-	-	-	(11,872,823)	(11,872,823)
Balance as at June 30, 2023	1,334,025	10,590,001	4,600,000	2,032,066	149,870,248	168,426,340
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	77,288,111	77,288,111
Other comprehensive income	-	-	-	(29,559)	33,618	4,059
	-	-	-	(29,559)	77,321,729	77,292,170
Final cash dividend for the year ended June 30, 2023 @ Rs 58.00 per share *	-	-	-	-	(7,737,345)	(7,737,345)
Interim cash dividend for the year ended June 30, 2024 @ Rs 98.00 per share *	-	-	-	-	(13,073,445)	(13,073,445)
Balance as at June 30, 2024	1,334,025	10,590,001	4,600,000	2,002,507	206,381,187	224,907,720

* Distribution to owners - recorded directly in equity

The annexed notes 1 to 41 form an integral part of these financial statements.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Statement of Cash Flows
for the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash receipts from customers		205,884,591	142,024,429
Cash paid to the Government for Government levies		(67,677,628)	(52,853,714)
Cash paid to suppliers, employees and others - net		(21,282,816)	(18,124,977)
Income tax paid		(16,481,529)	(14,850,395)
Cash generated from operating activities		100,442,618	56,195,343
Cash flows from investing activities			
Property, plant and equipment		(22,014,418)	(23,644,159)
Development and production assets		(13,803,617)	(6,514,086)
Exploration and evaluation assets		(12,835,816)	(12,087,624)
Proceeds from disposal of property, plant and equipment		8,788	16,766
Investment in associate	15.1	(7,089,800)	(2,225,000)
Investment in wholly owned subsidiary		(100)	-
Proceeds from divestment in associate		-	64,790
Investment in Term Finance Certificates		-	(200,000)
Proceeds from the maturity of Term Finance Certificates		1,000,000	-
Dividend from mutual funds		2,328,472	1,397,036
Interest received		7,469,923	2,734,403
Cash utilized in investing activities		(44,936,568)	(40,457,874)
Cash flows from financing activities			
Repayment of long term financing		(93,750)	-
Redemption of preference shares		(88)	(7,066)
Finance cost paid		(50,985)	(39,837)
Dividend paid		(20,657,329)	(19,992,535)
Cash utilized in financing activities		(20,802,152)	(20,039,438)
Increase / (decrease) in cash and cash equivalents		34,703,898	(4,301,969)
Cash and cash equivalents at beginning of year		40,900,686	41,491,125
Effect of exchange rate changes		(718,296)	3,711,530
Cash and cash equivalents at end of year	32	74,886,288	40,900,686

The annexed notes 1 to 41 form an integral part of these financial statements.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2024

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/licenses is as under:

Block/Fields/licenses	Location
Mari Field, Sujawal block, Sukkur block, Taung block, Hala block, Shah Bandar block and Khetwaro block	Sindh
Zarghun South Field, Kohlu block, Ziarat block, Harnai block, Block 28, Bela West block, Killa Saifullah block, Nareli block, Sharan block, Hanna block, Dadhar block, Mach block, Kalat West block, Lugai, Shaigalu, South Pishin Block, Tanishpa and EL-186 (Mining License)	Balochistan
Waziristan block, Kohat block and Wali West block	Khyber Pakhtunkhwa (KPK)
Ghauri block and North Dhurnal block	Punjab
Karak block, Peshawar East block and Zindan block	KPK and Punjab
Meeranpur block, Sui North block, Kalchas block and Kalchas South	Balochistan and Punjab
Margala block	Islamabad

The Company's largest field is Mari Field which is located at Daharki, District Ghotki, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed.

These financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for at cost less accumulated impairment, if any. Consolidated financial statements are prepared separately.

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 thousand of Rupees.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements which are significant to these financial statements:

a) Estimation of oil and gas reserves - note 3.7 and note 13

Oil and gas commercial reserves are an important element in calculation of amortization charge and for impairment testing of development and production assets of the Company. Reserve estimates involve some degree of uncertainty, require the application of judgement and are subject to future revision. Reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. All reserve estimates are subject to revision, either upward or downward, based on new information, such as from development, drilling and production activities or from changes in economic factors, including contract terms or development plans.

b) Exploration and evaluation expenditure - note 3.6 and note 14

The Company’s accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of commercial reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalized amount is charged to the statement of profit or loss in the period when such judgement is made.

c) Development and production expenditure - note 3.7 and note 13

Development and production activities commence after project sanctioning by the appropriate approving authority. Judgement is applied by the management in determining whether a project is economically viable before obtaining project sanction approval. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgement is made that a development and production asset is impaired, the appropriate amount is charged to the statement of profit or loss in the period when such judgement is made.

d) Provision for decommissioning cost - note 3.3 and note 7.1

Provision is recognized for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to changes. Estimates of the amounts of provision are based on current legal and constructive requirements, technology and price levels. Provision is based on best current estimates, however, because actual outflows may differ from estimates due to

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2024

changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provision is reviewed periodically and adjusted to take account of significant changes.

e) **Property, plant and equipment - note 3.5 and note 12**
The Company reviews the appropriateness of useful lives, method of depreciation and residual values of property, plant and equipment at each reporting date. Any change in the estimates may affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, if any.

f) **Employee benefits - note 3.4 and note 33**
Certain actuarial assumptions have been adopted as disclosed in note 33 to the financial statements for determination of present value of defined benefit obligations and fair value of plan assets.

g) **Income taxes - note 3.1, note 8 and note 30**
In making the estimates of income taxes currently payable by the Company, the management takes into account the income tax law applicable to the Company and guidance based on the decisions of appellate authorities in the past. This involves judgement on the future tax treatment of certain transactions. Deferred tax is recognized based on the expectation of the tax treatment of these transactions.

h) **Measurement of the expected credit loss allowance - note 3.14 and note 34**
The measurement of the Expected Credit Loss ("ECL") allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of counter parties defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include various formulas and choice of inputs, macroeconomic scenarios and economic inputs alongwith their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs).

As referred in note 2.6 to these financial statements, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due from the Government of Pakistan (GoP). Accordingly, the Company reviews the recoverability of its financial assets that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

i) **Stores and spares - note 3.8 and note 18**
The Company reviews the stores and spares for possible impairment on a periodic basis, which may affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

j) **Contingencies - note 3.15 and note 11**
The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

k) **Joint arrangements - note 3.10**
The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

2.5 **New and amended standards and interpretations**
There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2023. However, these amendments do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

- Amendment to IAS 1 'Presentation of Financial Statements' to clarify how to classify debt and other liabilities as current or non-current (effective for annual reporting periods beginning on or after January 1, 2024). In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify, i) what is meant by a right to defer settlement; ii) that a right to defer must exist at the end of the reporting period; iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right; iv) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and v) only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements, disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a Company's liabilities, cash flows and exposure to liquidity risk (effective for annual reporting periods beginning on or after January 1, 2024). The amendments are supplement requirements already in IFRS Accounting Standards and require a company to disclose i) the terms and conditions; ii) the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet; iii) ranges of payment due dates; and iv) liquidity risk information.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' - Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after January 1, 2026 with early adoption available). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback (effective for annual reporting periods beginning on or after January 1, 2024). Amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)
- IFRIC 12 (Service concession arrangements)

2.6 Exemption from application of IFRS 9 'Financial Instruments'

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023 has notified that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable for financial years ending on or before December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

Consequently, the Company has not recorded impact of application of ECL model on the financial assets due directly/ultimately from the GoP in these financial statements.

3. ACCOUNTING POLICIES

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2) from July 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

A) MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Income tax

Income tax comprises current and deferred tax and it is recognized in profit or loss except to the extent that it relates to items recognized outside of profit or loss (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside of profit or loss.

Current

Provision for current income tax is based on taxable income at the applicable tax rates after taking into account tax credits and tax rebates, if any.

Deferred

The Company accounts for deferred tax using the 'liability method' in respect of all temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent, it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

3.2 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and significant adjustments are made to reflect the current best estimate.

3.3 Decommissioning cost

The activities of the Company normally give rise to obligations for site restoration, which may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration.

Liabilities for decommissioning cost are recognized when the Company has an obligation for site restoration and a reliable estimate of that liability can be made. The amount recognized is the estimated cost of decommissioning based on current requirements, technology and price levels and is discounted to its present value over the useful economic life of the reserves. The associated decommissioning cost asset is capitalized to the cost of property, plant and equipment, development and production assets and exploration and evaluation assets, as the case may be. The recognized amount of decommissioning cost asset is subsequently amortized/depreciated as part of the capital cost of the development and production assets and property, plant and equipment.

While the provision is based on the best estimates, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2024

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% (2023: 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, 2024. The results of the valuation are summarized in note 33 to these financial statements.

The Company’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the present value of the future benefit that employees have earned in return for their service in the current and prior periods. Past service cost and curtailments are recognized in statement of profit or loss, in the period in which change takes place.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise.

b) The Company has the policy to provide for compensated absences of its employees in accordance with respective entitlement on cessation of service; related expected cost thereof has been recognized in the statement of profit or loss.

ii) Defined contribution provident fund, for which Rs 294,113 thousand (2023: Rs 251,259 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 12 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 Exploration and evaluation assets

The Company applies the “successful efforts” method of accounting for Exploration and Evaluation (E&E) expenditures. Under this method of accounting, all property acquisitions and exploratory/evaluation drilling expenditures are initially capitalized as E&E assets in cost centers by well, field or exploration area, as appropriate, till such time that technical feasibility and commercial viability of extracting gas and oil are demonstrated.

Major costs capitalized include material, chemical, fuel, well services, rig costs, cost of recognizing provisions for future site restoration and decommissioning and any other cost directly attributable to a particular well. All other exploration costs including cost of technical studies, seismic acquisition and processing, geological and geophysical activities are charged against income as exploration and prospecting expenditure. Costs incurred prior to having obtained the legal rights to explore an area are charged directly to the statement of profit or loss as and when incurred.

Tangible assets used in E&E activities including the Company’s vehicles, drilling rigs and other property, plant and equipment used by the Company’s exploration function are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an E&E asset, the amount reflecting that consumption is recorded as part of the cost of the E&E asset. Such costs include directly attributable overheads, together with the cost of other materials consumed during the exploration and evaluation phases.

E&E assets relating to each exploration license/field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value after any impairment loss of the relevant E&E assets is then reclassified as development and production assets. Otherwise, the capitalized costs are written off as dry hole costs. E&E assets are not amortized.

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

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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.

3.7 Development and production assets

Development and production assets represent the cost of developing the discovered commercial reserves, together with the capitalized E&E expenditures transferred from E&E assets as outlined in note 3.6 above. The cost of development and production assets also includes the cost of acquisitions of such assets, directly attributable overheads, production bonus and the cost of recognizing provisions for future site restoration and decommissioning. Development and production assets are amortized on a unit of production basis, which is the ratio of production for the year to the estimated quantities of proved developed reserves at the end of the year plus the production for the year.

Changes in the estimates of commercial reserves are dealt with prospectively. Acquisition cost of leases, where commercial reserves have been discovered, are capitalized and amortized on unit of production basis.

Impairment test of development and production assets is also performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production concession and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against expected recoverable amounts of the oil and gas assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The cash generating unit applied for impairment test purpose is generally field by field basis, except that a number of fields may be grouped as a single cash generating unit where the cash flows of each field are inter-dependent.

Where an impairment loss subsequently reverses, the carrying amount is increased due to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognized in prior years. A reversal of the impairment loss is recognized as income in the statement of profit or loss.

3.8 Stores and spares

These are valued at the lower of cost and net realizable value less allowance for obsolete and slow moving items. Material in transit is valued at cost. Cost is determined on the moving average basis and comprises cost of purchases and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make 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.

3.9 Revenue recognition

Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring of promised good or service to a customer. In case of goods, the Company principally satisfies its performance obligations at a point in time. The transfer of control of hydrocarbons usually coincides with the delivery of the same to customers.

When, or as, a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Amounts billed or received prior to being earned, are deferred and recognized as deferred income. The Company recognizes revenue on take or pay arrangements with the customers only to the extent that it is highly probable that a significant reversal in the amount recognized will not occur when the uncertainty, if any, associated with the revenue is subsequently resolved. The Company considers such uncertainty as resolved when such revenue is received by the Company and customer cannot adjust the unused paid volumes in the future.

3.10 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.

3.11 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting.

Under this method, investment in associates is carried in the statement of financial position at cost as adjusted for post acquisition changes (net of tax) in the Company’s share of net assets of the associate, less any impairment in the value of investment. Dividend distribution by the associate is adjusted against the carrying amount of investment. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of Company's interest in the associate. Losses of an associate in excess of the Company’s interest in that associate (which includes any long term interest that, in substance, form part of the Company’s net investment in the associate) are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The Company’s share of post-acquisition profit or loss is included in statement of profit or loss and its share of post-acquisition other comprehensive income or loss is included in statement of comprehensive income.

At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within ‘Share of loss in associate’ in the statement of profit or loss.

3.12 Investment in subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed or has right to variable returns from its involvement with the entity and has the ability to affect those

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returns through its power over the entity. Investment in subsidiary is initially recognized at cost, which is the fair value of the consideration paid / payable on acquisition of the subsidiary. At subsequent reporting date, investment in subsidiary is stated at cost less accumulated impairment losses, if any. Impairment losses and their reversals are recognized in the statement of profit or loss. However, the reversal of impairment losses is restricted to the extent of initial cost of investment.

The profits and losses of subsidiaries are carried forward in financial statements of subsidiaries and are not dealt within these financial statements except to the extent of dividend declared by the subsidiaries. Gains and losses on disposal of investment is included in statement of profit or loss.

3.13 Leases

Right of use asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. If a contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts are short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments in the measurement of the lease liability comprise the following:

a. fixed payments, including in-substance fixed payments;

b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c. amounts expected to be payable under a residual value guarantee; and

d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.14 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 or it transfers the financial asset that qualifies for derecognition.

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.

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(ii) Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of directly attributable transaction costs.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

c) Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

d) Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each statement of financial position date. Expected credit losses are measured based on the maximum contractual period over which the Company is exposed to credit risk. Since this is typically less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the Company's in-scope financial assets. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the Company expects to receive discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognized in the statement of profit or loss.

A financial asset or group of financial assets classified as measured at amortized cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the Company has no reasonable expectation of recovering amounts due.

In respect of financial assets due directly/ ultimately from the GoP on which ECL model is not applicable as referred to in note 2.6 to these financial statements, the financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have occurred having negative effect on the estimated future cash flows of that asset.

3.15 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.

3.16 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, bank instruments and balances with banks and include short term highly liquid investments that are readily convertible to the known amounts of cash and are subject to an insignificant risk of change in value.

B) OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These polices have been applied consistently for all periods presented, unless otherwise stated.

3.17 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.

3.18 Foreign currencies

Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange prevailing at the statement of financial position date. All exchange differences are taken to the statement of profit or loss.

Foreign operation

The transactions of foreign operation are translated at the rate of exchange prevailing on the date of transaction. All monetary and non-monetary assets and liabilities of foreign operation are translated into Rupees at exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognized in other comprehensive income and accumulated as a separate reserve in equity until the disposal of the foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognised.

3.19 Finance income and finance cost

Interest income on financial assets at amortized cost is calculated using the effective interest method and is recognized in statement of profit or loss as part of finance income. Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets. Dividend income is recognized when the right to receive is established. Foreign currency gains and losses are reported on a net basis. The Company recognizes interest on delayed payments from counter parties on probability of receipt basis.

Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred. Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The Company suspends capitalization of borrowing costs during extended period when active development of a qualifying asset is suspended.

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3.20 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.

3.21 Dividend distribution

Dividend is recognized as a liability in the financial statements in the period in which it is declared.

3.22 Non-current assets classified as held for sale

Non current assets are classified as assets held for sale and carried at the lower of carrying amount and fair value less cost to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use. These assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less cost to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the statement of profit or loss.

3.23 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The benefit provided by the government under a loan arrangement at a below-market rate of interest is treated as a government grant. The loan obtained at below-market rate of interest is recognised and measured in accordance with IFRS 9 ""Financial Instruments"" and the benefit of the below-market rate of interest is government grant, which is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. Government grants related to assets are presented in the statement of financial position as a reduction to the carrying amount of the relevant assets and are recognised as a reduction to depreciation expense in the statement of profit or loss over the same period and in the same proportions as the relevant assets.

3.24 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

	Note	2024 (Rupees in thousand)	2023
4. SHARE CAPITAL			
Authorized capital			
17,000,000,000 (2023: 17,000,000,000)			
ordinary shares of Rs 10 each		170,000,000	170,000,000
Issued, subscribed and paid up capital			
24,850,007 (2023: 24,850,007) ordinary shares of			
Rs 10 each issued for cash		248,500	248,500
11,899,993 (2023: 11,899,993) ordinary shares of			
Rs 10 each issued for consideration other than cash	4.1	119,000	119,000
96,652,500 (2023: 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, 2024 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares (2023: 736,120 bonus shares).

4.3 Major shareholding of the Company is as follows:

	2024 (Percentage)	2023
Fauji Foundation	40.00 *	40.00 *
Oil and Gas Development Company Limited (OGDCL)	20.00 *	20.00 *
Government of Pakistan	19.99	19.99

* Shareholding includes 444,675 and 222,338 bonus shares (2023: 444,675 and 222,338 bonus shares) of Fauji Foundation and OGDCL respectively, which have not been issued as at year end due to pending resolution of issue as referred to in note 4.2 to these financial statements.

Notes to and Forming Part of the Financial Statements
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4.4 Distribution of shareholders

Category	2024 (Number of shares)	2023
Sponsor shareholders	106,704,040	106,704,040
Directors	1,008	1,008
Executives	3,011	3,011
Others	26,694,441	26,694,441
	133,402,500	133,402,500

There are no foreign shareholders including natural persons who hold more than 5% of the shareholding.

4.5 Rights and privileges in the Participation and Shareholders Agreement (PSA)

A Participation and Shareholders Agreement (PSA) was signed among sponsor shareholders i.e. Fauji Foundation, the GoP and OGDCL on June 3, 1985 which contained the rights and privileges of the parties. PSA was later amended through a Supplemental PSA dated July 25, 1992.

Right of First Refusal

If any of the sponsor shareholders desires to sell or transfer its shares in the Company in whole or in part, the remaining sponsor shareholders shall have the first right to purchase such shares, subject to the conditions and in the manner prescribed in the PSA.

Board Selection

The membership of the Board of Directors of the Company shall reflect as closely as possible the proportion in which shares of the Company are held by the sponsor shareholders and others.

Management Right

The management of the affairs and the business of the Company shall vest in and be conducted by Fauji Foundation through a Managing Director exclusively nominated by Fauji Foundation.

	Note	2024 (Rupees in thousand)	2023
5. OTHER RESERVES			
Capital redemption reserve fund	5.1	10,590,001	10,590,001
Self insurance reserve	5.2	4,600,000	4,600,000
Foreign currency translation reserve	5.3	2,002,507	2,032,066
		17,192,508	17,222,067

5.1 This reserve was created for redemption of redeemable preference shares in the form of cash to the preference shareholders.

5.2 The Company has set aside a specific capital reserve for self insurance of assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

5.3 This reserve represents accumulated balance of translation effect of a foreign operation into Rupees as per the Company's accounting policy.

6. LONG TERM FINANCING

Under 'Temporary Economic Relief Facility' (TERF) announced by the State Bank of Pakistan (SBP), the Company secured financing of Rs 1 billion during the year ended June 30, 2022 for installation of stand-alone processing facilities at Mari field for low BTU gas from Tipu, Goru-B and HRL Reservoirs ('Sachal Gas Processing Complex') for enhancement of production from Mari Field. TERF was obtained through a commercial bank with quarterly repayments. Tenor of the facility is 10 years including two years of grace period for principal repayments. The quarterly principal repayment commenced in December 2023. Security under TERF facility is first pari passu hypothecation charge over all present & future fixed assets of the Company (excluding land and building) with 25% margin.

Long term financing has been recognised at amortized cost, which is calculated using effective interest rates on various drawdown dates ranging from 7.90% to 10.43% per annum. The differential mark-up has been recognised as 'deferred government grant' and has been deducted from the carrying value of related asset.

	Note	2024 (Rupees in thousand)	2023
7. DEFERRED LIABILITIES			
Provision for decommissioning cost	7.1	26,016,005	21,557,253
Provision for employee benefits - unfunded	7.2	1,429,010	1,305,641
		27,445,015	22,862,894
7.1 Provision for decommissioning cost			
Balance at beginning of the year		21,557,253	14,525,961
Provision made during the year		2,167,044	2,297,443
Revision due to change in estimates		(449,768)	3,012,972
Cost incurred during the year		(28,748)	(7,032)
Unwinding of discount	26	2,770,224	1,727,909
Balance at end of the year		26,016,005	21,557,253
The above provision is analysed as follows:			
Wells		19,876,320	16,565,112
Production facilities including pipelines		6,139,685	4,992,141
		26,016,005	21,557,253
Wholly owned		20,758,696	16,910,079
Joint operations		5,257,309	4,647,174
		26,016,005	21,557,253

It is expected that cash outflows resulting from decommissioning will occur between 2025 to 2060.

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		Note	2024 (Rupees in thousand)	2023
7.2	**Provision for employee benefits - unfunded**			
	Post retirement leave benefit	33.2	797,335	702,117
	Post retirement medical benefit	33.2	78,296	94,043
	Compensated leave absences		553,379	509,481
			1,429,010	1,305,641
8.	**DEFERRED INCOME TAX LIABILITY / (ASSET)**			
	Balance at beginning of the year		(2,241,814)	(3,057,644)
	Charge / (credit) for the year:			
	Statement of profit or loss	30	32,904,813	824,886
	Statement of comprehensive income		16,758	(9,056)
			32,921,571	815,830
	Balance at end of the year		30,679,757	(2,241,814)

8.1 The balance of deferred income tax liability / (asset) is in respect of following taxable / (deductible) temporary differences:

	Note	2024 (Rupees in thousand)	2023
Exploration and evaluation expenditure		(7,663,200)	(12,270,990)
Accounting and tax depreciation / amortization		36,987,082	8,602,523
Others		1,355,875	1,426,653
		30,679,757	(2,241,814)

		Note	2024	2023
9.	**TRADE AND OTHER PAYABLES**			
	Creditors		2,103,739	1,643,663
	Accrued liabilities		27,349,451	25,077,169
	Joint operating partners		3,510,947	2,938,845
	Retention money and performance bonds payable		1,172,628	714,073
	Gas Development Surcharge (GDS)		2,797,620	-
	General sales tax		6,949	-
	Excise duty		153,037	-
	Royalty		824,533	1,223,379
	Redeemable preference shares and related accrued profit	9.2	110,582	110,670
	Workers' Welfare Fund		550,517	1,254,779
	Deferred income		1,660,173	177,687
	Others	9.3	9,673,889	366,470
			49,914,065	33,506,735

9.1 Gas Development Surcharge (GDS) and Gas Infrastructure Development Cess (GIDC) and their related sales tax amounting to Rs 153,662,149 thousand (2023: Rs 156,228,771 thousand) are not reflected in these financial statements in accordance with the accounting guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) through Circular no.1/2021 dated January 21, 2021, whereby, these are recorded as payables to the extent that they are received from customers and are to be deposited with GoP as per their respective rules and regulations.

On August 13, 2020, the Supreme Court of Pakistan has decided the matter of GIDC, which has restrained the charging of GIDC from August 1, 2020 onwards and ordered gas consumers to pay GIDC arrears due upto July 31, 2020 in installments. The fertilizer companies have obtained stay orders against recovery from the Sindh High Court, where the matter is subjudice.

9.2 5,335,946 (2023: 5,335,946) preference shares have not been issued as at June 30, 2024 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares. Further, 4,741,153 (2023: 4,749,844) preference shares have not been claimed/redeemed by certain minority shareholders as at June 30, 2024.

9.3 This includes Rs 8,903,324 thousand (2023: Nil) received from an end user pursuant to an arrangement under which it has committed to fulfill certain obligations and the amounts so received will be returned to the end user once the said amounts are received from the customer.

		2024 (Rupees in thousand)	2023
10.	**UNCLAIMED DIVIDEND**		
	Fauji Foundation	239,830	170,461
	Oil and Gas Development Company Limited	119,916	85,231
	Others	210,950	161,543
		570,696	417,235

10.1 This includes dividend amounting to Rs 397,019 thousand (2023: Rs 282,183 thousand) due to pending resolution of issue as referred to in note 4.2 to these financial statements.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

a) The Company is currently defending multiple cases in Pakistan relating to its routine business activities. Based on review by legal counsel appointed for each case, it is expected that the outcomes will favor the Company. Consequently, no provisions and/or disclosure have been made in these financial statements.

b) The Company has given corporate guarantees to the GoP under various Petroleum Concession Agreements (PCAs) for the performance of obligations.

c) As part of the arrangement, as disclosed in note 15.2 of these financial statements, each of the consortium companies including MPCL has also provided, joint and several, parent company guarantees to ADNOC and Supreme Council for Financial and Economic Affairs Abu Dhabi, UAE, to guarantee the obligations of Pakistan International Oil Limited (PIOL), a related party.

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

d) The Company has facilitated in arranging guarantee facility for Mari Mining Company (Private) Limited (MMCL) amounting to Rs 50 million from Askari Bank Limited (AKBL), an associated company, which is secured against lien over bank balances of the Company. Out of above, as at June 30, 2024, letter of guarantee of Rs 20 million has been availed.

	2024	2023
	(Rupees in thousand)	
11.2 Commitments		
a) Commitments for capital expenditure:		
Wholly owned	8,856,762	7,850,833
Joint operations	8,396,785	12,620,774
	17,253,547	20,471,607
b) The Company's share in outstanding minimum work commitments, other than capital commitments included in 'a' above, under various PCAs aggregating to US$ 99.83 million (2023: US$ 98.58 million).	27,843,405	27,151,756

c) As part of the Shareholders Agreement with the consortium partners in PIOL, the Company has committed to invest upto US$ 100 million in PIOL during five years from August 31, 2021, out of which US$ 60 million have been invested upto June 30, 2024 (2023: US$ 35 million). The remaining amount of US$ 40 million (equivalent Rs 11,156 million) will be invested in subsequent years.

d) The Board of Directors of MPCL in its meeting held on April 26, 2024, has approved an investment of upto Rs 2,500 million in MMCL by way of equity injection in tranches spread over two years by subscribing to the right issue of MMCL shares.

12. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Roads and bridges	Drilling rig, tools and equipment	Plant and machinery	Computers and allied equipment	Pipelines	Furniture and fixtures	Vehicles - heavy	Vehicles - light	Decommissioning Cost – Production facilities including pipelines – note 3.5	Stores and spares held for capital expenditure	Capital work in progress	Total
	(Rupees in thousand)															
As at July 1, 2022																
Cost	250,177	102,224	1,956,711	894,978	227,417	4,894,065	21,749,031	826,825	9,275,604	281,438	1,674,931	1,136,612	2,003,104	6,447,025	27,709,419	79,429,561
Accumulated depreciation	-	(23,386)	(836,485)	(350,853)	(191,955)	(2,796,118)	(8,269,167)	(651,635)	(3,296,716)	(135,979)	(1,376,220)	(750,953)	(308,667)	-	-	(18,988,134)
Net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
Year ended June 30, 2023																
Opening net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
Additions / transfers from capital work in progress	-	7,687,008	149,158	79,795	283,172	783,520	23,278,100	197,846	1,872,328	55,472	199,782	95,386	1,659,362	-	22,640,131	58,981,060
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038,229	-	1,038,229
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	-	-	-	-	271,952	-	-	271,952
Disposals / transfers																
Cost	-	-	(10,860)	(3,876)	-	(100,064)	(86,855)	44,504	(93,136)	(143)	98,508	(23,747)	-	-	(34,681,567)	(34,857,236)
Accumulated depreciation	-	-	1,348	3,120	-	83,517	94,797	(8,909)	26,225	141	(45,771)	20,399	-	-	-	174,867
	-	-	(9,512)	(756)	-	(16,547)	7,942	35,595	(66,911)	(2)	52,737	(3,348)	-	-	(34,681,567)	(34,682,369)
Depreciation charge	-	(79,133)	(86,081)	(45,280)	(15,341)	(339,142)	(2,115,366)	(145,100)	(940,445)	(23,644)	(179,495)	(157,306)	(187,797)	-	-	(4,314,130)
Net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
As at July 1, 2023																
Cost	250,177	7,789,232	2,095,009	970,897	510,589	5,577,521	44,940,276	1,069,175	11,054,796	336,767	1,973,221	1,208,251	3,934,418	7,485,254	15,667,983	104,863,566
Accumulated depreciation	-	(102,519)	(921,218)	(393,013)	(207,296)	(3,051,743)	(10,289,736)	(805,644)	(4,210,936)	(159,482)	(1,601,486)	(887,860)	(496,464)	-	-	(23,127,397)
Net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
Year ended June 30, 2024																
Opening net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
Additions / transfers from capital work in progress	3,906	-	440,453	334,127	409,063	2,800,059	7,087,737	569,271	2,973,473	78,714	128,053	636,740	582,781	-	12,379,572	28,423,949
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	9,634,846	-	9,634,846
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	(110,138)	-	-	-	(69,954)	-	-	(180,092)
Disposals / transfers																
Cost	-	-	-	-	-	(890)	(127,626)	(17,215)	-	(1,409)	(16,967)	(15,595)	(28,607)	-	(15,461,596)	(15,669,905)
Accumulated depreciation	-	-	-	-	-	783	84,642	16,669	-	1,395	16,967	15,595	28,607	-	-	164,658
	-	-	-	-	-	(107)	(42,984)	(546)	-	(14)	-	-	-	-	(15,461,596)	(15,505,247)
Depreciation charge	-	(233,834)	(107,187)	(51,825)	(46,279)	(517,950)	(3,636,716)	(239,801)	(993,286)	(29,703)	(203,631)	(211,619)	(482,444)	-	-	(6,754,275)
Net book value	254,083	7,452,879	1,507,057	860,186	666,077	4,807,780	38,058,577	592,455	8,713,909	226,282	296,157	745,512	3,468,337	17,120,100	12,585,959	97,355,350
As at June 30, 2024																
Cost	254,083	7,789,232	2,535,462	1,305,024	919,652	8,376,690	51,900,387	1,621,231	13,918,131	414,072	2,084,307	1,829,396	4,418,638	17,120,100	12,585,959	127,072,364
Accumulated depreciation	-	(336,353)	(1,028,405)	(444,838)	(253,575)	(3,568,910)	(13,841,810)	(1,028,776)	(5,204,222)	(187,790)	(1,788,150)	(1,083,884)	(950,301)	-	-	(29,717,014)
Net book value	254,083	7,452,879	1,507,057	860,186	666,077	4,807,780	38,058,577	592,455	8,713,909	226,282	296,157	745,512	3,468,337	17,120,100	12,585,959	97,355,350
Rates of depreciation (%)	-	1-3	5	5	10	5-33.33	6.67-10	33.33	10	10	33.33	20				

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
12.1 Net book value at year end represents:			
Wholly owned		81,336,043	72,624,042
Joint operations	12.2	16,019,307	9,112,127
		97,355,350	81,736,169

12.2 It includes assets having net book value amounting to Rs 1,707,079 thousand (2023: Rs 1,649,389 thousand), being Company's share in joint operations operated by OGDCL, PPL and MOL (assets not in the possession of the Company).

12.3 The depreciation charge has been allocated as follows:

	2024	2023
	(Rupees in thousand)	
Development and production assets	149,923	55,497
Exploration and evaluation assets	252,531	160,763
Operating and administrative expenses	5,443,158	3,112,949
Exploration and prospecting expenditure	315,155	310,597
Other income	593,508	674,324
	6,754,275	4,314,130

12.4 The aggregate net book value of assets disposed off during the year is Rs 43,651 thousand (2023: Rs 802 thousand). Detail of property, plant and equipment disposed off during the year, having net book value of more than Rs 500 thousand is as follows:

Description	Cost	Net book value	Proceeds	Loss	Particulars of purchaser	Mode of disposal
	(Rupees in thousand)					
Plant and machinery	14,677	4,280	4,208	(72)	Afaq Ahmed Scrap Traders	Auction

12.5 Particulars of immovable property (land and buildings) as at June 30, 2024 are as follows:

Description	Location	Approximate Area of Land
Wells, production / processing facilities, residential area, field office and warehouse	Sindh	2,602 acres
Land and head office building	Islamabad	2.45 acres
Warehouse	Balochistan	4.00 acres
Guest house	KPK	0.14 acres
Field area	Punjab	0.16 acres

13. DEVELOPMENT AND PRODUCTION ASSETS

	Development expenditure	Decommissioning cost	Total
	(Rupees in thousand)		
As at July 1, 2022			
Cost	28,530,805	3,775,870	32,306,675
Accumulated amortization	(12,659,577)	(1,713,616)	(14,373,193)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	15,671,228	2,062,254	17,733,482
Year ended June 30, 2023			
Opening net book value	15,671,228	2,062,254	17,733,482
Additions	6,562,551	638,081	7,200,632
Revision due to change in estimates			
of provision for decommissioning cost	-	2,632,451	2,632,451
Disposals			
Cost	(92,578)	(134,382)	(226,960)
Accumulated amortization	92,578	134,382	226,960
	-	-	-
Transferred from exploration and evaluation assets	1,837,267	191,906	2,029,173
Amortization charge	(3,738,744)	(864,716)	(4,603,460)
Closing net book value	20,332,302	4,659,976	24,992,278
As at July 1, 2023			
Cost	36,838,045	7,103,926	43,941,971
Accumulated amortization	(16,305,743)	(2,443,950)	(18,749,693)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	20,332,302	4,659,976	24,992,278
Year ended June 30, 2024			
Opening net book value	20,332,302	4,659,976	24,992,278
Additions	13,924,792	826,508	14,751,300
Revision due to change in estimates			
of provision for decommissioning cost	(175,320)	300,838	125,518
Amortization charge	(3,965,268)	(785,633)	(4,750,901)
Closing net book value	30,116,506	5,001,689	35,118,195
As at June 30, 2024			
Cost	50,587,517	8,231,272	58,818,789
Accumulated amortization	(20,271,011)	(3,229,583)	(23,500,594)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	30,116,506	5,001,689	35,118,195

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
Net book value at year end represents:		
Wholly owned	30,488,545	20,795,252
Joint operations	4,629,650	4,197,026
	35,118,195	24,992,278

14. EXPLORATION AND EVALUATION ASSETS

	Exploration and evaluation expenditure	Decommissioning cost	Total
	(Rupees in thousand)		
As at July 1, 2022			
Cost	15,104,662	963,873	16,068,535
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	13,646,810	891,956	14,538,766
Year ended June 30, 2023			
Opening net book value	13,646,810	891,956	14,538,766
Additions	12,248,387	-	12,248,387
Revision due to change in estimates			
of provision for decommissioning cost	(91,612)	200,181	108,569
Disposals			
Cost	(505,482)	(16,126)	(521,608)
Accumulated impairment losses	505,482	16,126	521,608
	-	-	-
Transferred to development and production assets	(1,837,267)	(191,906)	(2,029,173)
Impairment losses	(4,706,387)	(558,514)	(5,264,901)
Cost of dry and abandoned wells	(3,643,238)	-	(3,643,238)
Closing net book value	15,616,693	341,717	15,958,410
As at July 1, 2023			
Cost	21,275,450	956,022	22,231,472
Accumulated impairment losses	(5,658,757)	(614,305)	(6,273,062)
Net book value	15,616,693	341,717	15,958,410
Year ended June 30, 2024			
Opening net book value	15,616,693	341,717	15,958,410
Additions	13,088,347	757,755	13,846,102
Revision due to change in estimates			
of provision for decommissioning cost	-	(83,523)	(83,523)
Impairment losses	(4,131,965)	-	(4,131,965)
Cost of dry and abandoned wells	(34,538)	(22,446)	(56,984)
Closing net book value	24,538,537	993,503	25,532,040
As at June 30, 2024			
Cost	34,329,259	1,607,808	35,937,067
Accumulated impairment losses	(9,790,722)	(614,305)	(10,405,027)
Net book value	24,538,537	993,503	25,532,040

	Note	2024	2023
		(Rupees in thousand)	
Net book value at year end represents:			
Wholly owned		-	4,740,813
Joint operations		25,532,040	11,217,597
		25,532,040	15,958,410

15. LONG TERM INVESTMENTS

	Note	2024	2023
Investment in related party			
- Associate (Un-quoted)	15.1	12,306,218	5,530,202
- Wholly owned subsidiary (Un-quoted)	15.3	100	-
Term Finance Certificates (TFCs) (Quoted)			
- At fair value through profit or loss	15.4	194,769	194,580
		12,501,087	5,724,782

15.1 Investment in related party - associate (Un-quoted)

	Note	2024	2023
Pakistan International Oil Limited - foreign operation			
Opening carrying value		5,530,202	2,185,145
Movement during the year:			
Cost of investment	15.2	7,089,800	2,225,000
Share of loss	15.2	(284,225)	(390,022)
Effect of translation of investment		(29,559)	1,510,079
Closing carrying value - at equity method		12,306,218	5,530,202

15.2 The Company made investment in Pakistan International Oil Limited (PIOL), a company engaged in the business of extraction of oil and natural gas and registered as a limited liability company in the Emirates of Abu Dhabi and incorporated in Abu Dhabi Global Market on July 15, 2021, with 25% shareholding by each consortium partners namely MPCL, OGDCL, PPL and GHPL. The concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. During the year, the Company has subscribed to additional 2.5 million ordinary shares of PIOL by paying US$ 25,000 thousand (Rs 7,089,800 thousand). Aggregate investment as at June 30, 2024 is US$ 60,000 thousand (Rs 13,494,800 thousand).

Share of loss of PIOL is based on the audited financial statements for the period upto December 31, 2023, adjusted for transactions and events upto June 30, 2024 based on management accounts.

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

Summarized financial information is as follows:

	2024	2023
	(Rupees in thousand)	
Summarized statement of financial position		
Current assets	38,557,436	13,894,974
Non-current assets	11,894,923	8,940,048
Current liabilities	(1,227,489)	(714,214)
Net assets	49,224,870	22,120,808
Company's shareholding	25%	25%
Share of net assets reconciled with carrying value of investment	12,306,218	5,530,202
Summarized statement of comprehensive income		
Total comprehensive (loss) for the year	(1,136,900)	(1,560,088)
Company's shareholding	25%	25%
Share of comprehensive (loss)	(284,225)	(390,022)

15.3 During the year, the Company has made an investment in 10,000 fully paid ordinary shares of Rs 10 each of Mari Mining Company (Private) Limited (MMCL). MMCL is a private limited company incorporated in Pakistan under Companies Act, 2017. The principal line of business of MMCL is to undertake mineral mining activities. The Company currently holds 100% shareholding interest in MMCL.

15.4 This represents investment in un-secured, subordinated and perpetual TFCs and are rated AA+ by PACRA. TFCs are callable at the option of bank after five years and profit is on semi annual basis at six months KIBOR+ 2% on non-cumulative basis.

	2024	2023
	(Rupees in thousand)	
16. LONG TERM LOANS AND ADVANCES		
Considered good		
Loans and advances to employees	83,288	81,825
Less: Current portion classified under current assets	(34,321)	(32,745)
	48,967	49,080

16.1 Loans and advances to employees are for house rent advance, purchase of vehicle, emergency and purchase of household appliances as per Company's 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.

	2024	2023
	(Rupees in thousand)	
17. LONG TERM DEPOSITS AND PREPAYMENTS		
Deposits	175,166	93,572
Prepayments	4,575	5,431
	179,741	99,003
18. STORES AND SPARES		
Wholly owned	8,043,570	6,258,962
Joint operations	577,009	730,773
	8,620,579	6,989,735
19. TRADE DEBTS		
Due from associated companies and related parties		
- considered good	75,469,955	55,620,574
Due from others - considered good	5,603,419	6,055,530
	81,073,374	61,676,104

19.1 As detailed in note 9.1 to these financial statements, GDS and GIDC amounts and their related sales tax billed to customers but not received are not included in these financial statements.

19.2 The maximum aggregate amount due from associated companies and related parties at the end of any month during the year was Rs 77,594,610 thousand (2023: Rs 55,620,574 thousand).

	Note	2024	2023
		(Rupees in thousand)	
19.3 The ageing of trade debts is as follows:			
Neither past due nor impaired			
Due from associated companies and related parties		13,254,239	14,001,105
Due from others		5,152,924	5,440,928
		18,407,163	19,442,033
Past due but not impaired			
Due from associated companies and related parties			
Past due 0-30 days		5,119,249	8,745,430
Past due 30-60 days		3,937,334	7,030,046
Past due 60-90 days		6,996,380	4,554,059
Over 90 days		46,162,753	21,289,934
Due from others			
Past due 0-30 days		175,130	65,751
Past due 30-60 days		123,314	5,608
Past due 60-90 days		7,237	3,475
Over 90 days		144,814	539,768
	19.4	62,666,211	42,234,071
		81,073,374	61,676,104

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

19.4 Past due but not impaired' trade debts include amounts receivable directly/ultimately from the GoP amounting to Rs 62,165,118 thousand (2023: Rs 41,472,399 thousand). Due to exemption provided by SECP from application of ECL model on financial assets receivable from the GoP upto December 31, 2024, the Company has not recorded the impact of application of ECL model on trade debts in respect of circular debt due directly/ultimately from GoP for impairment assessment.

		Note	2024	2023
			(Rupees in thousand)	
20.	**SHORT TERM LOANS AND ADVANCES**			
	Considered good			
	Current portion of long term loans and advances	16	34,321	32,745
	Advances to employees against expenses		319,767	231,844
	Advances to suppliers, contractors and deposits for LC margin		2,358,435	5,681,793
	Receivables from joint operating partners		5,966,539	2,967,239
	Management Gratuity Fund	33.1	391,910	554,295
	Workers' Profit Participation Fund		458,084	411,200
			9,529,056	9,879,116
21.	**SHORT TERM INVESTMENTS**			
	At fair value through profit or loss			
	Mutual funds	21.1	20,115,725	9,197,048
	At amortised cost			
	Treasury bills	21.2	2,560,494	-
			22,676,219	9,197,048

21.1 Fair value has been determined using quoted repurchase prices, being net asset value of units as of June 30, 2024.

21.2 The effective interest rates ranges from 18.36% to 19.57% per annum (2023: Nil).

		Note	2024	2023
			(Rupees in thousand)	
22.	**CASH AND BANK BALANCES**			
	Cash on hand and bank instruments		5,587	3,645,341
	Balances with banks on:			
	Deposit accounts	22.1	52,175,683	28,031,391
	Current accounts		28,799	26,906
			52,204,482	28,058,297
			52,210,069	31,703,638

22.1 These include US$ 64,310 thousand (2023: US$ 58,490 thousand) having mark-up ranges from 2.00% to 8.00% (2023: 5.00%) per annum. The mark-up for local currency accounts ranges from 10.55% to 20.75% (2023: 6.67% to 19.65%) per annum.

		Note	2024	2023
			(Rupees in thousand)	
23.	**NET SALES**			
	Product wise breakup of net sales is as follows:			
	Natural gas		174,724,630	139,950,750
	Crude oil		7,103,991	5,816,376
	Liquefied Petroleum Gas (LPG)		-	2,781
			181,828,621	145,769,907
24.	**OPERATING AND ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	24.1	11,555,256	9,084,100
	Rent, rates and taxes	24.2	954,858	910,388
	Legal, professional and support services		1,042,915	810,277
	Fuel, light, power and water		644,715	561,283
	Maintenance, repairs and consumption of stores and spares		5,413,447	2,994,085
	Insurance		708,761	261,639
	Depreciation		5,443,158	3,112,949
	Amortization and reversal of provision for decommissioning cost		4,439,230	4,603,460
	Employees medical and welfare		1,213,994	984,756
	Field and other services		3,637,670	3,188,590
	Travelling		381,393	283,400
	Licences and equipment maintenance		617,737	246,624
	Auditor's remuneration and tax services	24.3	8,468	23,585
	Mobile dispensary and social welfare		3,043,166	1,885,824
	Training		674,544	196,788
	Directors' fee and expenses		71,279	70,665
	Reservoir study and production logging		328,077	527,326
	Freight and transportation		1,064,588	913,499
	Others		758,198	506,196
			42,001,454	31,165,434
	Less: Allocation of expenses to activities		6,097,675	4,053,710
			35,903,779	27,111,724

24.1 These include operating lease rentals amounting to Rs 344,470 thousand (2023: Rs 310,595 thousand) in respect of leased vehicles provided to eligible employees as per Company's policy.

24.2 These include expense amounting to Rs 725,639 thousand (2023: Rs 504,389 thousand) relating to short-term leases.

		2024	2023
		(Rupees in thousand)	
24.3	**Auditor's remuneration and tax services**		
	Annual audit fee	4,470	3,726
	Review of half yearly accounts, consolidated financial statements and other certifications	2,891	1,742
	Tax services	532	17,600
	Out of pocket expenses	575	517
		8,468	23,585

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	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
25. EXPLORATION AND PROSPECTING EXPENDITURE			
Prospecting expenditure		8,735,128	7,108,774
Cost of dry and abandoned wells		56,984	3,643,238
Impairment loss		4,131,965	5,264,901
		12,924,077	16,016,913
26. FINANCE COST			
Unwinding of discount on provision for decommissioning cost		2,770,224	1,727,909
Interest on long term financing		70,281	34,581
Others		23,728	12,336
		2,864,233	1,774,826
27. OTHER CHARGES			
Workers' Profit Participation Fund		5,841,916	4,538,800
Workers' Welfare Fund		550,517	1,254,779
Final taxes/levy on income on mutual funds	27.1	349,271	-
		6,741,704	5,793,579

27.1 During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a guidance based on which final taxes/levy on gross income is classified as 'other charges' instead of 'income tax expense'. Comparative information has not been reclassified, being immaterial.

28. OTHER INCOME / (EXPENSES)

It includes income from contractual services of Rs 1,209,173 thousand (2023: Rs 2,579,644 thousand) offset by related expenses of Rs 1,825,606 thousand (2023: Rs 3,116,417 thousand).

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
29. FINANCE INCOME		
Interest income on deposit accounts with banks	7,078,808	2,731,831
Income on mutual funds	2,328,472	1,397,036
Interest income on Term Finance Certificates (TFCs)	97,134	103,848
Interest income on treasury bills	231,016	224,765
Interest income on term deposit with banks	-	62,001
Exchange (loss) / gain	(526,261)	4,555,964
	9,209,169	9,075,445

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
30. PROVISION FOR INCOME TAX			
Current tax			
- for the year		24,853,876	28,893,581
- for the prior years	30.2 & 30.3	(24,683,895)	-
Deferred tax	30.3	32,904,813	824,886
		33,074,794	29,718,467

	2024 (Percentage)	2023 (Percentage)
30.1 Reconciliation of effective tax rate		
Applicable tax rate	57.6	57.9
Effect of:		
- depletion allowance and royalty payments	(21.3)	(20.5)
- prior years depletion allowance	(4.2)	-
- Others	(2.1)	(2.8)
Effective tax rate	30.0	34.6

30.2 The Honourable Supreme Court of Pakistan (SCP) through its decision dated November 29, 2023 and written order issued on January 08, 2024, dismissed Civil Petition filed by the tax authorities and has decided the matter of depletion allowance in favour of tax payers, including the Company. Pursuant to the decision having attained finality, for the purpose of calculation of depletion allowance in accordance with Rule 3 of Part 1 of the Fifth Schedule to the Income Tax Ordinance 2001, the royalty amount is not to be deducted when establishing the wellhead value. Accordingly, the Company has reversed the provisions amounting to Rs 4,606,930 thousand for the prior years. The Company is in the process of obtaining effect of the Honourable SCP order in the pending appeals / assessments, as appropriate, for relevant tax years.

30.3 Based on the latest tax assessments, the Company has recorded current tax credit and corresponding deferred tax expense of Rs 20,076,965 thousand in respect of certain timing differences, which has no impact on the total tax expense for the year.

	2024	2023
31. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees in thousand)	77,288,111	56,128,711
Number of ordinary shares outstanding (in thousand)	133,403	133,403
Earnings per ordinary share (in Rupees)	579.36	420.75

There is no dilutive effect on the basic earnings per ordinary share of the Company.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
32. CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	52,210,069	31,703,638
Short term investments	21	22,676,219	9,197,048
		74,886,288	40,900,686

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33. EMPLOYEE BENEFITS

The results of the actuarial valuations carried out as at June 30, 2024 and June 30, 2023 are as follows:

33.1 Funded benefits

	2024		2023	
	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	3,066,478	1,288,476	2,742,849	1,169,127
Fair value of plan assets	(3,458,388)	(1,288,476)	(3,297,144)	(1,169,127)
(Asset) / liability recognized in statement of financial position	(391,910)	-	(554,295)	-
Movement in net defined benefit plan				
Balance as at beginning of year	(554,295)	-	(575,828)	-
Expense for the year	162,385	88,019	21,533	23,007
	(391,910)	88,019	(554,295)	23,007
Contribution to fund during the year	-	(88,019)	-	(23,007)
Balance as at end of year	(391,910)	-	(554,295)	-
Movement in present value of defined benefit obligations				
Balance as at beginning of year	2,742,849	1,169,127	2,342,579	1,106,030
Current service cost	334,895	51,570	281,598	48,579
Interest cost	430,154	171,502	327,835	143,851
Benefits during the year	(328,242)	(176,117)	(87,702)	(125,931)
Remeasurement (gain) / loss on obligation	(113,178)	72,394	(121,461)	(3,402)
Balance as at end of year	3,066,478	1,288,476	2,742,849	1,169,127
Movement in fair value of plan assets				
Balance as at beginning of year	3,297,144	1,169,127	2,918,407	1,106,030
Contributions during the year	-	88,019	-	23,007
Interest income on plan assets	510,097	171,502	400,802	143,851
Remeasurement (loss) / gain on plan assets	(20,611)	35,945	65,637	22,170
Benefits during the year	(328,242)	(176,117)	(87,702)	(125,931)
Balance as at end of year	3,458,388	1,288,476	3,297,144	1,169,127
Plan assets comprise of:				
Deposit with banks and bank instruments	3,458,388	1,288,476	3,297,144	1,169,127
Expense for the year:				
Recognized in statement of profit or loss				
Current service cost	334,895	51,570	281,598	48,579
Interest cost	430,154	171,502	327,835	143,851
Interest income on plan assets	(510,097)	(171,502)	(400,802)	(143,851)
	254,952	51,570	208,631	48,579

	2024		2023	
	Management Gratuity	Non-Management Gratuity	Management Gratuity	Non-Management Gratuity
	(Rupees in thousand)			
Recognized in statement of comprehensive income				
Remeasurement (gain) / loss on obligations:				
Due to change in financial assumptions	19,719	-	17,639	(10,255)
Due to change in demographic assumptions	-	20,311	-	-
Due to change in experience adjustments	(132,897)	52,083	(139,100)	6,853
Remeasurement loss / (gain) on plan assets	20,611	(35,945)	(65,637)	(22,170)
	(92,567)	36,449	(187,098)	(25,572)
Total expense for the year	162,385	88,019	21,533	23,007
Actual return on plan assets	489,486	207,447	466,439	166,021
Expected contribution for the next year	-	57,840	-	51,570

33.2 Un-funded benefits

	2024		2023	
	Post Retirement Leave Benefit*	Post Retirement Medical Benefit	Post Retirement Leave Benefit*	Post Retirement Medical Benefit
	(Rupees in thousand)			
Present value of defined benefit obligations	797,335	78,296	702,117	94,043
Movement in present value of defined benefit obligations				
Balance as at beginning of year	702,117	94,043	585,149	66,365
Expense / (credit) for the year	154,256	(12,350)	141,469	31,601
	856,373	81,693	726,618	97,966
Benefits paid during the year	(59,038)	(3,397)	(24,501)	(3,923)
Balance as at end of year	797,335	78,296	702,117	94,043
Expense / (credit) for the year:				
Recognized in statement of profit or loss				
Current service cost	95,132	1,503	79,726	1,389
Interest cost	110,738	14,076	81,503	8,650
Remeasurement gain	(51,614)	-	(19,760)	-
	154,256	15,579	141,469	10,039
Recognized in statement of comprehensive income				
Remeasurement (gain) / loss on obligations (experience adjustment)	-	(27,929)	-	21,562
Total expense / (credit) for the year	154,256	(12,350)	141,469	31,601

* This represents benefit to entitled employees based on number of years served as per the Company's policy.

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33.3 The principal actuarial assumptions used in the actuarial valuations are as follows:

	2024	2023
	(Per annum)	
- Discount rate	15.5%	15.5%
- Expected rate of salary increase	15.0% - 17.0%	15.0% - 17.0%
- Increase in cost of medical benefits	14.5%	15.5%
- Mortality rates	SLIC (2001-05)-1	
- Employee turnover rate	Light - Moderate	

33.4 Weighted average duration and projected payments

	Management Gratuity	Non-Management Gratuity
Weighted average duration of the obligation as at June 30, 2024 (in years)	8.97	5.22
Maturity analysis of the benefit payments (future cash flows) for the next five years is as follows:	Rupees in thousand	
For the year 2025	283,349	199,628
For the year 2026	155,479	218,642
For the year 2027	347,899	192,463
For the year 2028	254,405	236,432
For the year 2029	582,371	205,235

33.5 Sensitivity analysis of the obligation:

	Effect on present value of obligation	
	Management Gratuity	Non-Management Gratuity
	(Rupees in thousand)	
Discount rate:		
0.5% point increase	(256,927)	(33,641)
0.5% point decrease	295,502	35,408
Salary rate:		
0.5% point increase	278,333	32,395
0.5% point decrease	(246,787)	(31,059)

33.6 Employee benefits are exposed to the following risks:

Mortality risks
The risk that the actual mortality experience is different and the Company will have to pay sooner than expected.

Investment and discount rate risks
The risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks
The risk that the final salary at the time of cessation of service is higher than what we assumed.

Withdrawal risk
The risk of higher or lower withdrawal experience than assumed.

		2024	2023
		(Rupees in thousand)	
34. FINANCIAL INSTRUMENTS			
34.1 Financial assets and liabilities			
Financial assets			
Maturity up to one year			
Trade debts	at amortized cost	81,073,374	61,676,104
Short term loans and advances	at amortized cost	6,999,522	6,810,514
Other receivables	at amortized cost	751,104	1,324,502
Current portion of long term investments	at amortized cost	-	1,041,068
Short term investments	at fair value through profit or loss	20,115,725	9,197,048
	at amortized cost	2,560,494	-
Interest accrued	at amortized cost	401,229	423,315
Cash and bank balances	at amortized cost	52,210,069	31,703,638
Maturity after one year			
Long term investments	at fair value through profit or loss	194,769	194,580
Long term loans and advances	at amortized cost	48,967	49,080
Long term deposits	at amortized cost	175,166	93,572
		164,530,419	112,513,421
Financial liabilities			
Maturity up to one year			
Trade and other payables	at amortized cost	43,040,089	30,373,750
Current portion of long term financing	at amortized cost	149,293	121,007
Maturity after one year			
Long term financing	at amortized cost	593,369	672,381
		43,782,751	31,167,138

34.2 Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA), VIS Credit Rating Company Limited (VIS) and Moody's. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

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	Rating	2024	2023
		(Rupees in thousand)	
Trade debts			
Counterparties with external credit rating	A1+	73,332,359	39,517,749
	A1	5,479,397	4,400,591
	A2	-	2,736,084
Counterparties without external credit rating		2,261,618	15,021,680
		81,073,374	61,676,104
Short term loans and advances			
Counterparties with external credit rating	A1+	2,494,492	4,485,051
	A1	-	572,671
	A2	-	448,829
Counterparties without external credit rating			
Counterparties with no default in the past		4,505,030	1,303,963
		6,999,522	6,810,514
Other receivables			
Counterparties without external credit rating			
Counterparties with no default in the past		751,104	1,324,502
Current portion of long term investments			
Counterparties with external credit rating	AAA	-	1,041,068
Short term investments			
Counterparties with external credit rating	AAA (f)	10,788,321	4,800,958
	AA+ (f)	4,753,632	3,378,953
	AA(f)	2,512,047	1,017,137
Counterparties without external credit rating			
with no default in the past		4,622,219	-
		22,676,219	9,197,048
Interest accrued			
Counterparties with external credit rating	A1+	401,229	423,315
Bank balances / instruments			
Counterparties with external credit rating	A1+	52,204,471	31,696,415
	A1	11	3,323
		52,204,482	31,699,738
Long term investments			
Counterparties with external credit rating	AA+	194,769	194,580
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees with no default in the past		48,967	49,080
Long term deposits			
Counterparties without external credit rating			
Deposits with counter parties with no default in the past		175,166	93,572

34.3 Financial risk management

34.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on identification and analysis of risks faced by the Company, setting appropriate risk limits and controls and monitoring thereof. Risk management policies and systems are reviewed regularly in the light of changes in Company's activities and business environment.

a) Credit risk

Credit risk is the risk of financial loss to the Company on a financial asset if counterparty fails to meet its contractual obligations and principally arises from trade debts, investments and bank balances. To manage credit risk, the Company maintains procedures covering the function for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes, the financial viability of all counterparties is regularly monitored and assessed.

Financial assets are considered to be credit-impaired when there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. This includes observable data concerning significant financial difficulty of the counterparty; a breach of contract; it becoming probable that the counterparty will enter bankruptcy or other financial re-organization because of financial difficulties. Where the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof for example where all legal avenues for collection of amounts due have been exhausted, the financial asset (or relevant portion) is impaired.

The Company has not recorded impact of application of ECL model on the financial assets due directly/ ultimately from the GoP in these financial statements. For other financial assets, the management believes that the impact of ECL is not material as outstanding balances are receivable from counter parties who have high credit ratings with no history of default.

The carrying amount of financial assets represents the maximum credit exposure. The Company conducts transactions with the following major types of counterparties:

Customers

Trade debts are essentially due from fertilizer companies, power generation companies, gas distribution companies and refineries and the Company does not expect these companies to fail to meet their obligations. Payment terms are agreed with customers which vary from 7 to 45 days.

An impairment analysis is performed at each reporting date in accordance with impairment requirements of IFRS 9 read with S.R.O. 67(I)/2023 dated January 20, 2023 issued by SECP, which has exempted financial assets due from the GoP from application of IFRS 9 till financial years ending on or before December 31, 2024. While evaluating the concentration of risk with respect to trade debts, the Company takes into account that the oil and gas industry in Pakistan is highly regulated, supported by the GOP and there is no history of default by any of the customers in the past. The Company considers current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables and applies the IFRS 9 simplified approach, read with S.R.O. 67(I)/2023 dated January 20, 2023 issued by SECP, to measure the expected credit losses which uses a lifetime expected loss allowance for trade debts.

Banks, mutual funds and investments

The Company limits its exposure to credit risk by placing funds only with approved counterparties that have a high credit rating. Investments of surplus funds are made in a safe and secure manner while ensuring optimum return and liquidity. Given these high credit ratings, strict regulations by the State Bank of Pakistan and no history of default, management does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

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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 120,747,668 thousand (2023: Rs 81,346,283 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:

	2024	2023	2024	2023
	(Rupees in thousand)		(US$ in thousand)	
Cash and bank balances	17,936,059	16,110,486	64,310	58,490
Short term loans and advances	5,966,539	2,967,239	21,393	10,773
Trade and other payables	(12,912,233)	(13,816,897)	(46,297)	(50,163)
Net financial assets	10,990,365	5,260,828	39,406	19,100

The following are significant exchange rates:

	Average rate		Closing rate	
	2024	2023	2024	2023
	(Rupees)		(Rupees)	
US$ 1	283.57	252.96	278.90	275.44

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)	
2024			
US$	+10%	439,615	439,615
	-10%	(439,615)	(439,615)
2023			
US$	+10%	210,433	210,433
	-10%	(210,433)	(210,433)

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:

	2024	2023
	(Rupees in thousand)	
Financial assets		
Long term investments	194,769	194,580
Current portion of long term investments	-	1,041,068
Short term investments	2,560,494	-
Bank balances	52,175,683	28,031,391
	54,930,946	29,267,039
Financial liabilities		
Long term financing	593,369	672,381
Current portion of long term financing	149,293	121,007
	742,662	793,388

The effective interest rates for the financial assets are mentioned in respective notes to the financial statements.

Interest rate sensitivity analysis

At June 30, 2024 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, 2024 would increase/ decrease by Rs 165,274 thousand (2023: increase/ decrease by Rs 83,076 thousand).

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iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

34.3.2 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain a going concern and continue to provide returns to shareholders and benefits to other stakeholders.

In order to achieve the above objectives, the Company may issue new shares through right issue or raise financing from financial institutions.

34.4 Fair value of financial instruments

The carrying values of financial assets and liabilities approximate their fair values except for financial assets due directly/ultimately from GoP for which ECL model has not been applied due to exemption provided by SECP as mentioned in note 2.6 to the financial statements. Had the exemption not been granted, carrying value of said financial assets would approximate their fair value.

Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
June 30, 2024				
Short term investments	20,115,725	-	-	20,115,725
Long term investments	194,769	-	-	194,769
	20,310,494	-	-	20,310,494
June 30, 2023				
Short term investments	9,197,048	-	-	9,197,048
Long term investments	194,580	-	-	194,580
	9,391,628	-	-	9,391,628

35. INFORMATION ABOUT JOINT OPERATIONS

The Company's working interests in Pakistan are as follows:

	2024	2023
	Working interest (%)	
OPERATED BLOCKS / FIELDS		
Zarghun South Field	35.0	35.0
Ziarat Block	60.0	60.0
Karak Block	60.0	60.0
Wali West Block	95.0	95.0
Taung Block	60.0	60.0
Harnai Block	60.0	60.0
Ghauri Block	65.0	65.0
Peshawar East Block	98.2	98.2
Waziristan Block	55.0	55.0
Block 28	95.0	95.0
Khetwaro Block *	51.0	51.0
Sharan Block	58.5	60.0
Nareli Block	64.6	39.0
Dadhar Block	38.0	40.0
South Pishin Block	37.0	-
Mach Block	38.0	40.0
NON - OPERATED BLOCKS		
Hala Block	35.0	35.0
Kohat Block	33.3	33.3
Kohlu Block	30.0	30.0
Kalchas Block	50.0	50.0
Shah Bandar Block	32.0	32.0
Bela West Block	39.0	39.0
North Dhurnal Block	40.0	40.0
Killa Saifullah Block	39.0	40.0
Zindan Block *	35.0	35.0
Kalat West Block	50.0	50.0
Sui North Block	50.0	50.0
Meeranpur Block	50.0	50.0
Margala Block	30.0	30.0
Tanishpa	28.0	-
Lugai	30.0	-
Shaigalu	30.0	-
Kalchas South	44.0	-

* The Company has applied for the relinquishment of these blocks and GoP's approval is awaited.

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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, 2024:**		
	Assets		
	Long term investments including	Placed under interest arrangement	194,769
	current portion - TFCs	Placed under Shariah permissible arrangement	-
			194,769
	Interest accrued	Placed under interest arrangement	392,584
		Placed under Shariah permissible arrangement	8,645
			401,229
	Short term investments	Placed under interest arrangement	21,920,064
		Placed under Shariah permissible arrangement	756,155
			22,676,219
	Bank balances / instruments	Placed under interest arrangement	47,131,674
		Placed under Shariah permissible arrangement	5,072,808
			52,204,482
	Liabilities		
	Long term financing including current portion	Obtained under interest arrangement	742,662
		Obtained under Shariah permissible arrangement	-
			742,662
ii)	**Transactions for the year ended June 30, 2024**		
	Net sales	Earned under non-Shariah compliant business	-
		Earned under Shariah compliant business	181,828,621
			181,828,621
	Interest income on Term Finance	Placed under interest arrangement	97,134
	Certificates (TFCs)	Placed under Shariah permissible arrangement	-
			97,134
	Interest income on treasury bills	Placed under interest arrangement	231,016
		Placed under Shariah permissible arrangement	-
			231,016
	Income on mutual funds	Placed under interest arrangement	2,176,159
		Placed under Shariah permissible arrangement	152,313
			2,328,472
	Interest income on deposit accounts with banks	Placed under interest arrangement	6,956,199
		Placed under Shariah permissible arrangement	122,609
			7,078,808
	Borrowing costs paid on long term financing	Obtained under interest arrangement	27,258
		Obtained under Shariah permissible arrangement	-
			27,258

iii) Names of Company's shariah compliant banks

1. Askari Bank Limited (Islamic)
2. Bank Alfalah Limited (Islamic)
3. Meezan Bank Limited
4. Al Baraka Bank (Pakistan) Limited
5. Bank Islami Pakistan Limited
6. Dubai Islamic Bank
7. Bank of Punjab
8. Faysal Bank Limited

Disclosures other than above are not applicable on the Company.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements as remuneration and allowances including all benefits to key management personnel (chief executive and directors) and executives of the Company is as follows:

	2024		2023	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousand)			
Managerial remuneration	67,620	2,871,632	45,290	2,380,694
Provident fund	6,762	269,774	4,529	228,113
Gratuity fund	6,080	262,080	4,562	207,887
Housing, utilities and others	72,378	3,278,826	24,910	2,799,799
Bonuses	92,120	4,305,461	58,250	2,631,609
	244,960	10,987,773	137,541	8,248,102
Number of persons including those who worked part of the year	1	803	1	677

The entitled employees are provided medical, leave benefits, company provided vehicles, residential and club facilities alongwith children schooling facilities at Daharki.

Non-executive directors were paid aggregate fee and reimbursable expenses of Rs 71,279 thousand (2023: Rs 70,665 thousand). As at June 30, 2024, total directors were 11 (2023: 11).

	2024	2023
38. NUMBER OF EMPLOYEES		
Total number of employees as at year end	1,653	1,618
Average number of employees during the year	1,641	1,597

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

39. BALANCES AND TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED COMPANIES

The related parties of the Company comprise of entities having significant influence over the Company and entities controlled by such entities, associates, employees' retirement funds and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its MD/CEO and Directors to be key management personnel. Associated companies have been identified in accordance with the requirements of the Companies Act, 2017. Transactions and balances with related parties and associated companies, other than below, have been disclosed in relevant notes to these financial statements.

The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are either disclosed in respective notes to these financial statements or are collectively, but not individually, significant to these financial statements. Certain entities have become related parties and associated companies during the year and their information pertaining to prior year is also disclosed for comparison purposes.

Following are the details of associated companies and undertakings and other related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name and nature of relationship	Direct shareholding %
Entities with significant influence over the Company	
Fauji Foundation*	40.00%
Oil and Gas Development Company Limited (OGDCL)*	20.00%
Government of Pakistan (GoP)	19.99%
Entities controlled by those entities having significant influence over the company	
Sui Northern Gas Pipelines Limited	-
Sui Southern Gas Company Limited	-
Central Power Generation Company Limited	-
Pak Arab Refinery Company Limited	-
Pakistan Refinery Limited	-
Foundation Power Company Daharki Limited*	-
Foundation Gas*	-
FonGrow (Private) Limited*	-
National Investment Trust	1.50%
National Bank of Pakistan	0.35%
Government Holdings (Private) Limited	-
Pakistan Petroleum Limited	-
Fauji Cement Company Limited*	-
Subsidiary Company	
Mari Mining Company (Private) Limited	100.00%
Associated Company	
Pakistan International Oil Limited	25.00%

Name and nature of relationship	Direct shareholding %
Associated companies by virtue of common directorship	
Askari Bank Limited	-
Fauji Fertilizer Company Limited	-
Pakistan Oxygen Limited	-
Pakistan Petroleum Exploration & Production Companies Association	-
Pakistan Mobile Communications Limited	-
Pakistan Minerals (Private) Limited	-
Olive Technical Services Limited	-
FFBL Power Company Limited	-
Employees' retirement funds	
Management Gratuity Fund	-
Non-Management Gratuity Fund	-
Provident Fund	-
Key management personnel / Director	
Lt. Gen. Anwar Ali Hyder, HI(M), (Retd)	0.000002%
Syed Bakhtiyar Kazmi	0.000002%
Maj Gen Tariq Qaddus, HI (M), (Retd)	0.000002%
Mr Faheem Haider	0.000002%
Mr Momin Agha	-
Mr Hassan Mehmood Yousufzai	-
Mr Ahmed Hayat Lak	-
Mr Muhammad Aamir Salim	-
Mr Adnan Afridi	-
Mr Abid Niaz Hasan	0.000375%
Ms Seema Adil	0.000375%
Mr Waqar Ahmed Malik (SI) **	-
Dr Nadeem Inayat **	-
Maj Gen Ahmad Mahmood Hayat HI(M), (Retd) **	-
Mr Abdul Rasheed Jokhio **	-
Mr Mohammad Hassan Iqbal **	-
Capt. (Retd) Muhammad Mahmood **	-

* These entities are also associated entities by virtue of common directorship.

** These are not directors of the Company as at June 30, 2024.

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2024

Name and nature of relationship	Nature of transaction	Transactions for the year ended June 30, 2024	2023
		(Rupees in thousand)	
Related parties			
Entities with significant influence over the Company			
Fauji Foundation	Dividend paid	8,254,947	7,990,364
	Cost recharge expense	449,359	249,312
	Corporate Social Responsibility	828,556	619,763
Oil and Gas Development	Dividend paid	4,127,473	3,995,182
Company Limited (OGDCL)	Sale of store and spares	140,876	-
	Expenses against studies	41,030	-
Government of Pakistan (GoP)	Dividend paid	4,159,358	3,703,534
	Price differential	-	14,745,904
Entities controlled by those entities having significant influence over the company			
Sui Northern Gas Pipelines Limited	Gas sale	70,240,864	47,004,693
Sui Southern Gas Company Limited	Gas sale	5,496,639	6,953,434
	Pipeline expense	175,643	108,746
Central Power Generation			
Company Limited	Gas sale	6,249	5,390,961
Pak Arab Refinery Company Limited	Crude oil sale	759,311	772,924
Pakistan Refinery Limited	Crude oil sale	134,105	101,339
Foundation Power Company			
Daharki Limited	Gas sale	5,929,085	5,208,024
Foundation Gas	LPG sale	-	2,781
National Investment Trust	Income on mutual funds	1,275,778	646,804
National Bank of Pakistan	Interest income	80,474	40,771
	Income on mutual funds	335,242	109,858
Government Holdings (Private) Limited	Expenses against studies	41,030	-
Entities controlled by those entities having significant influence over the company			
Pakistan Petroleum Limited	Contractual services income	1,864,097	2,823,838
	Gas processing income	-	4,686
	Expenses against studies	41,030	-
	Purchase of stores and spares	75,999	14,759
Fauji Cement Company Limited	Crude oil sale	24,915	31,394
Employees' retirement funds			
Gratuity fund (Non-Management)	Company's contribution	88,019	23,007
Provident fund	Company's contribution	294,163	269,652
Associated companies by virtue of common directorship			
Askari Bank Limited	Interest income	4,599,111	2,165,425
Fauji Fertilizer Company Limited	Gas sale	41,120,908	32,978,650
	Income against services	72,574	-
Pakistan Oxygen Limited	Supply of consumables	7,034	3,355

Name and nature of relationship	Nature of transaction	Transactions for the year ended June 30, 2024	2023
		(Rupees in thousand)	
Pakistan Petroleum Exploration &			
Production Companies Association	Membership fee	1,908	1,602
Pakistan Mobile			
Communications Limited	Purchase of services	55,185	427
Olive Technical Services Limited	Purchase of services	14,636	2,504
Pakistan Minerals (Private) Limited	Purchase of services	3,950	-
FFBL Power Company Limited	Corporate Social Responsibility	-	10,000

Name and nature of relationship	Nature of balance	Balance as at June 30, 2024	2023
		(Rupees in thousand)	
Related parties			
Entities with significant influence over the Company			
Fauji Foundation	Cost recharge payable	72,483	60,000
Oil and Gas Development	Payable to joint operating partner	62,491	167,129
Company Limited (OGDCL)	Receivable from joint operating partner	1,495,830	674,521
	Advance against studies	2,846	-
Government of Pakistan (GoP)	Receivable on account of price differential	-	3,661,268
Entities controlled by those entities having significant influence over the company			
Sui Northern Gas Pipelines Limited	Trade debts	67,732,562	33,744,454
Sui Southern Gas Company Limited	Trade debts	5,177,679	4,400,586
	Payable against pipeline expenses	28,546	14,813
Central Power Generation			
Company Limited	Trade debts	1,348	11,213,215
Pak Arab Refinery Company Limited	Trade debts	108,375	290,166
Pakistan Refinery Limited	Trade debts	42,304	23,289
Foundation Power Company			
Daharki Limited	Trade debts	592,002	688,239
Foundation Gas	Trade debts	6,072	6,072
Entities controlled by those entities having significant influence over the company			
Government Holdings (Private) Limited	Receivable from joint operating partner	103,373	26,475
	Advance against studies	2,846	-
National Investment Trust	Mutual funds	7,532,392	4,759,233
National Bank of Pakistan	Bank balances / instruments	195,220	415,559
	Mutual funds	5,769,081	1,008,297
	Interest accrued	36,746	17,514
Pakistan Petroleum Limited	Payable to joint operating partner	676,120	365,987
	Receivable from joint operating partner	1,157,747	265,120
	Receivable against contractual services	65,496	719,251
	Receivable against gas processing	-	3,615
	Receivable against studies	3,762	-

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2024

Name and nature of relationship	Nature of balance	Balance as at June 30, 2024	2023
		(Rupees in thousand)	
Key management personnel			
Managing Director / CEO	Advance as per Company's policy	-	700
Subsidiary Company			
Mari Mining Company (Private) Limited	Other receivable	14,741	-
Associated companies by virtue of common directorship			
Askari Bank Limited	Bank balances / instruments	25,507,546	23,734,622
	Interest accrued	354,993	402,814
Fauji Fertilizer Company Limited	Trade debts	1,809,613	1,593,285
	Advance received against services	187,471	-
	Receivable against services	30,441	-
Pakistan Oxygen Limited	Advances against supply of consumables	6,477	7,015
Pakistan Mobile Communications Limited	Payable against services	8,670	-
Olive Technical Services Limited	Payable against services	114	-

40. NON - ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

40.1 The Board of Directors in its meeting held on August 8, 2024 has proposed (i) final cash dividend for the year ended June 30, 2024 @ Rs 134 per share, and (ii) issuance of bonus shares in the ratio of eight shares for every one share held (i.e. 800%), for approval of the shareholders in the Annual General Meeting.

41. GENERAL

41.1 Revenue from major customers constitutes 96% of the total revenue during the year ended June 30, 2024 (2023: 96%).

41.2 Capacity and Production

Saleable production (net) from Company's fields including share from non-operated fields for the year ended June 30, 2024 is as under:

Product	Unit	Production for the year
Gas	MMSCF	292,256
Crude oil	Barrels	436,800

Due to the nature of operations of the Company, installed capacity of above products is not relevant.

41.3 All investments out of Provident Fund and Gratuity Funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified for this purpose.

41.4 These financial statements have been authorized for issue by the Board of Directors of the Company on August 8, 2024.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Consolidated Financial Statements
for the year ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Mari Petroleum Company Limited

Opinion

We have audited the annexed consolidated financial statements of Mari Petroleum Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ADS

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Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Recognition of Revenue** *(Refer note 3.9 and 23 to the consolidated financial statements)* The Group is principally engaged in exploration, production and sale of hydrocarbons and mineral mining activities. The Group recognized net revenue during the year from the sale of natural gas and crude oil amounting to Rs 174,725 million and Rs 7,104 million respectively. Revenue is recognized when the Group satisfies a performance obligation by transferring of promised product to a customer. The Group principally satisfies its performance obligation at a point in time and recognizes as revenue the amount of transaction price that is allocated to the performance obligation. We considered this as a key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Group.	Our audit procedures in relation to the matter, amongst others, included: • Performed test of details on sample basis for sales transactions by inspecting respective invoices, delivery challans and acknowledgement of customers; • Checked notifications of Oil and Gas Regulatory Authority for gas prices. Performed, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / term sheets; • Assessed sales transactions on either side of the consolidated statement of financial position date to assess whether they are recorded in relevant accounting period; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; • Tested journal entries related to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of related disclosures made in the consolidated financial statements.

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Information Other than the Financial Statements and Consolidated Financial Statements and Auditor's Reports 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 consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is M. Imtiaz Aslam.

Chartered Accountants
Islamabad
Date: August 28, 2024

UDIN: AR202410050GzaBMAUIC

Consolidated Statement of Financial Position

As at June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	4	1,334,025	1,334,025
Other reserves	5	17,192,508	17,222,067
Unappropriated profit		206,381,133	149,870,248
TOTAL EQUITY		224,907,666	168,426,340
NON CURRENT LIABILITIES			
Long term financing	6	593,369	672,381
Deferred liabilities	7	27,445,015	22,862,894
Deferred income tax liability	8	30,679,757	-
		58,718,141	23,535,275
CURRENT LIABILITIES			
Trade and other payables	9	49,914,128	33,506,735
Current portion of long term financing		149,293	121,007
Unclaimed dividend	10	570,696	417,235
Provision for income tax		12,312,326	28,590,205
		62,946,443	62,635,182
TOTAL LIABILITIES		121,664,584	86,170,457
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		346,572,250	254,596,797

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	12	97,355,350	81,736,169
Development and production assets	13	35,118,195	24,992,278
Exploration and evaluation assets	14	25,532,040	15,958,410
Long term investments	15	12,500,987	5,724,782
Long term loans and advances	16	48,967	49,080
Long term deposits and prepayments	17	183,741	99,003
Deferred income tax asset	8	-	2,241,814
		170,739,280	130,801,536
CURRENT ASSETS			
Stores and spares	18	8,620,579	6,989,735
Trade debts	19	81,073,374	61,676,104
Short term loans and advances	20	9,529,056	9,879,116
Short term prepayments		585,974	235,905
Other receivables		736,363	2,649,332
Current portion of long term investments		-	1,041,068
Short term investments	21	22,676,219	9,197,048
Interest accrued		401,229	423,315
Cash and bank balances	22	52,210,176	31,703,638
		175,832,970	123,795,261
TOTAL ASSETS		346,572,250	254,596,797

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Consolidated Statement of Profit or Loss
for the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
Gross sales		204,604,788	163,156,446
General sales tax		(20,608,644)	(15,370,458)
Excise duty		(2,167,523)	(2,016,081)
		(22,776,167)	(17,386,539)
Net sales	23	181,828,621	145,769,907
Royalty		(22,097,614)	(17,548,455)
Operating and administrative expenses	24	(35,903,842)	(27,111,724)
Exploration and prospecting expenditure	25	(12,924,077)	(16,016,913)
Finance cost	26	(2,864,235)	(1,774,826)
Other charges	27	(6,741,704)	(5,793,579)
		(80,531,472)	(68,245,497)
		101,297,149	77,524,410
Other income / (expenses)	28	140,747	(362,655)
Finance income	29	9,209,180	9,075,445
Share of loss in associate	15.1	(284,225)	(390,022)
Profit before taxation		110,362,851	85,847,178
Provision for income tax	30	(33,074,794)	(29,718,467)
Profit for the year		77,288,057	56,128,711
Earnings per share - basic and diluted			
Earnings per ordinary share (Rupees)	31	579.36	420.75

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Nabeel Rasheed	**Faheem Haider**	**Abid Hasan**	**Lt Gen Anwar Ali Hyder HI(M), (Retd)**
Chief Financial Officer	Managing Director / CEO	Director	Chairman

Consolidated Statement of Comprehensive Income
for the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
Profit for the year		77,288,057	56,128,711
Other comprehensive income:			
Items that will not be subsequently reclassified to consolidated statement of profit or loss:			
Remeasurement gains of defined benefit plans	33	84,047	191,108
Income tax effect related to remeasurement of defined benefit plans			
- Current tax charge		(33,671)	(127,603)
- Deferred tax (charge) / credit		(16,758)	9,056
		33,618	72,561
Items that will be subsequently reclassified to consolidated statement of profit or loss:			
Effect of translation of investment in a foreign associated company	15.1	(29,559)	1,510,079
Other comprehensive income for the year		4,059	1,582,640
Total comprehensive income for the year		77,292,116	57,711,351

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Nabeel Rasheed	**Faheem Haider**	**Abid Hasan**	**Lt Gen Anwar Ali Hyder HI(M), (Retd)**
Chief Financial Officer	Managing Director / CEO	Director	Chairman

Consolidated Statement of Changes in Equity

for the year ended June 30, 2024

	Share capital	Other Reserves: Capital redemption reserve fund	Other Reserves: Self insurance reserve	Other Reserves: Foreign currency translation reserve	Unappropriated profit	Total
	(Rupees in thousand)					
Balance as at July 01, 2022	1,334,025	10,590,001	4,600,000	521,987	113,812,754	130,858,767
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	56,128,711	56,128,711
Other comprehensive income	-	-	-	1,510,079	72,561	1,582,640
	-	-	-	1,510,079	56,201,272	57,711,351
Final cash dividend for the year ended						
June 30, 2022 @ Rs 62.00 per share *	-	-	-	-	(8,270,955)	(8,270,955)
Interim cash dividend for the year ended						
June 30, 2023 @ Rs 89.00 per share *	-	-	-	-	(11,872,823)	(11,872,823)
Balance as at June 30, 2023	1,334,025	10,590,001	4,600,000	2,032,066	149,870,248	168,426,340
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	77,288,057	77,288,057
Other comprehensive income	-	-	-	(29,559)	33,618	4,059
	-	-	-	(29,559)	77,321,675	77,292,116
Final cash dividend for the year ended						
June 30, 2023 @ Rs 58.00 per share *	-	-	-	-	(7,737,345)	(7,737,345)
Interim cash dividend for the year ended						
June 30, 2024 @ Rs 98.00 per share *	-	-	-	-	(13,073,445)	(13,073,445)
Balance as at June 30, 2024	1,334,025	10,590,001	4,600,000	2,002,507	206,381,133	224,907,666

* Distribution to owners - recorded directly in equity

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Consolidated Statement of Cash Flows

for the year ended June 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash receipts from customers		205,884,591	142,024,429
Cash paid to the Government for Government levies		(67,677,628)	(52,853,714)
Cash paid to suppliers, employees and others - net		(21,282,816)	(18,124,977)
Income tax paid		(16,481,531)	(14,850,395)
Cash generated from operating activities		100,442,616	56,195,343
Cash flows from investing activities			
Property, plant and equipment		(22,014,418)	(23,644,159)
Development and production assets		(13,803,617)	(6,514,086)
Exploration and evaluation assets		(12,835,816)	(12,087,624)
Proceeds from disposal of property, plant and equipment		8,788	16,766
Investment in associate	15.1	(7,089,800)	(2,225,000)
Proceeds from divestment in associate		-	64,790
Investment in Term Finance Certificates		-	(200,000)
Proceeds from the maturity of Term Finance Certificates		1,000,000	-
Dividend from mutual funds		2,328,472	1,397,036
Interest received		7,469,934	2,734,403
Cash utilized in investing activities		(44,936,457)	(40,457,874)
Cash flows from financing activities			
Repayment of long term financing		(93,750)	-
Redemption of preference shares		(88)	(7,066)
Finance cost paid		(50,987)	(39,837)
Dividend paid		(20,657,329)	(19,992,535)
Cash utilized in financing activities		(20,802,154)	(20,039,438)
Increase / (decrease) in cash and cash equivalents		34,704,005	(4,301,969)
Cash and cash equivalents at beginning of year		40,900,686	41,491,125
Effect of exchange rate changes		(718,296)	3,711,530
Cash and cash equivalents at end of year	32	74,886,395	40,900,686

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

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Chairman

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

1. LEGAL STATUS AND OPERATIONS

1.1 Mari Petroleum Company Limited ("the Group") comprises of Mari Petroleum Company Limited (MPCL or the Holding Company) and its wholly owned subsidiary Mari Mining Company (Private) Limited (MMCL or Subsidiary Company). MPCL is a public limited company incorporated in Pakistan on December 4, 1984 under the repealed Companies Ordinance, 1984 (replaced by the Companies Act, 2017) and its shares are listed on the Pakistan Stock Exchange Limited. MMCL is a private limited company incorporated in Pakistan on July 25, 2023 under the Companies Act, 2017. The Group is principally engaged in exploration, production and sale of hydrocarbons and mineral mining activities. The registered office of MPCL and MMCL is situated at 21 Mauve Area, 3rd Road, G-10/4, Islamabad.

1.2 Geographical location of blocks/fields/licenses is as under:

Blocks / Fields / Licenses	Location
Mari Field, Sujawal block, Sukkur block, Taung block, Hala block, Shah Bandar block and Khetwaro block	Sindh
Zarghun South Field, Kohlu block, Ziarat block, Harnai block, Block 28, Bela West block, Killa Saifullah block, Nareli block, Sharan block, Hanna block, Dadhar block, Mach block, Kalat West block, Lugai, Shaigalu, South Pishin Block and Tanishpa. Mining Licenses: EL-322, EL-323 and EL-186	Balochistan
Waziristan block, Kohat block and Wali West block	Khyber Pakhtunkhwa (KPK)
Ghauri block and North Dhurnal block	Punjab
Karak block, Peshawar East block and Zindan block	KPK and Punjab
Meeranpur block, Sui North block, Kalchas block and Kalchas South	Balochistan and Punjab
Margala block	Islamabad

The Group's largest field is Mari Field which is located at Daharki, District Ghotki, Sindh.

2. BASIS OF PREPARATION

This is the first set of consolidated financial statements prepared by the Group and hence, the corresponding figures presented in these consolidated financial statements are the same as presented in the financial statements of the Holding Company.

2.1 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary company. Subsidiary is an entity over which the Holding Company has control. Control is achieved when the Holding Company is exposed, or has right, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of the subsidiary company are consolidated on a line by line basis and carrying value of investments held by the Holding Company eliminated against the subsidiary company's shareholder's equity in the consolidated financial statements.

The financial statements of the subsidiary are prepared for the same reporting period as the Holding Company, using consistent accounting policies. Further, the accounting policies of the subsidiary is aligned with the accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

2.2 Statement of compliance

These consolidated 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.

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees (Rupees), which is the functional currency of the Group. All figures are rounded off to the nearest thousand of Rupees.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of these consolidated 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 Group's accounting policies, the management has made the following estimates, assumptions and judgements which are significant to these consolidated financial statements:

a) Estimation of oil and gas reserves - note 3.7 and note 13

Oil and gas commercial reserves are an important element in calculation of amortization charge and for impairment testing of development and production assets of the Group. 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

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2024

new information, such as from development, drilling and production activities or from changes in economic factors, including contract terms or development plans.

b) **Exploration and evaluation expenditure - note 3.6 and note 14**
The Group'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 consolidated statement of profit or loss in the period when such judgement is made.

c) **Development and production expenditure - note 3.7 and note 13**
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 consolidated statement of profit or loss in the period when such judgement is made.

d) **Provision for decommissioning cost - note 3.3 and note 7.1**
Provision is recognized for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their economic lives. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to changes. Estimates of the amounts of provision are based on current legal and constructive requirements, technology and price levels. Provision is based on best current estimates, however, because actual outflows may differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provision is reviewed periodically and adjusted to take account of significant changes.

e) **Property, plant and equipment - note 3.5 and note 12**
The Group reviews the appropriateness of useful lives, method of depreciation and residual values of property, plant and equipment at each reporting date. Any change in the estimates may affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, if any.

f) **Employee benefits - note 3.4 and note 33**
Certain actuarial assumptions have been adopted as disclosed in note 33 to the consolidated financial statements for determination of present value of defined benefit obligations and fair value of plan assets.

g) **Income taxes - note 3.1, note 8 and note 30**
In making the estimates of income taxes currently payable by the Group, the management takes into account the income tax law applicable to the Group and guidance based on the decisions of appellate authorities in the past. This involves judgement on the future tax treatment of certain transactions. Deferred tax is recognized based on the expectation of the tax treatment of these transactions.

h) **Measurement of the expected credit loss allowance - note 3.13 and note 34**
The measurement of the Expected Credit Loss ("ECL") allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of counter parties defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include various formulas and choice of inputs, macroeconomic scenarios and economic inputs alongwith their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs).

As referred in note 2.7 to these consolidated financial statements, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due from the Government of Pakistan (GoP). Accordingly, the Group reviews the recoverability of its financial assets that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

i) **Stores and spares - note 3.8 and note 18**
The Group reviews the stores and spares for possible impairment on a periodic basis, which may affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

j) **Contingencies - note 3.14 and note 11**
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 Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

k) **Joint arrangements - note 3.10**
The Group participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Group has rights to the net assets of the arrangement or a joint operation where the Group 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.

2.6 New and amended standards and interpretations
There are certain amendments to the accounting and reporting standards which became applicable to the Group on July 1, 2023. However, these amendments do not have any significant impact on the Group's consolidated financial statements except as disclosed in note 3 to these consolidated financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

- Amendment to IAS 1 'Presentation of Financial Statements' to clarify how to classify debt and other liabilities as current or non-current (effective for annual reporting periods beginning on or after January 1, 2024). In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify, i) what is meant by a right to defer settlement; ii) that a right to defer must exist at the end of the reporting period; iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right; iv) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and v) only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2024

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements, disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a Company's liabilities, cash flows and exposure to liquidity risk (effective for annual reporting periods beginning on or after January 1, 2024). The amendments are supplement requirements already in IFRS Accounting Standards and require a company to disclose i) the terms and conditions; ii) the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet; iii) ranges of payment due dates; and iv) liquidity risk information.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' - Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after January 1, 2026 with early adoption available). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback (effective for annual reporting periods beginning on or after January 1, 2024). Amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Group and are not likely to have any material impact on the Group's consolidated 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, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)
- IFRIC 12 (Service concession arrangements)

2.7 Exemption from application of IFRS 9 'Financial Instruments'

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023 has notified that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable for financial years ending on or before December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

Consequently, the Group has not recorded impact of application of ECL model on the financial assets due directly/ultimately from the GoP in these consolidated financial statements.

3. ACCOUNTING POLICIES

The Group adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2) from July 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the consolidated financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the consolidated financial statements.

A) MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated 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 Group accounts for deferred tax using the 'liability method' in respect of all temporary differences between carrying amounts of assets and liabilities in the consolidated 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 is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of consolidated statement of financial position.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

3.2 Provisions

Provisions are recognized when the Group 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 Group 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 Group 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 consolidated statement of profit or loss.

The decommissioning cost has been discounted at a real discount rate of 1.30% (2023: 1.30%) per annum.

3.4 Employee benefits

The Group operates following plans for its eligible employees:

i) Defined benefit funded and unfunded plans:

a) The Group 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, 2024. The results of the valuation are summarized in note 33 to these consolidated financial statements.

The Group’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 consolidated 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 Group 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 consolidated statement of profit or loss.

ii) Defined contribution provident fund, for which Rs 294,113 thousand (2023: Rs 251,259 thousand) are charged to consolidated statement of profit or loss for the year. The contributions to the fund are made by the Group 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 consolidated 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 consolidated statement of profit or loss using the straight line method at rates specified in note 12 to these consolidated 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 Group 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 consolidated statement of profit or loss as and when incurred. Gains and losses on disposals are credited or charged to consolidated 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 Group'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 consolidated 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 consolidated statement of profit or loss.

3.6 Exploration and evaluation assets

The Group applies the “successful efforts” method of accounting for Exploration and Evaluation (E&E) expenditures. Under this method of accounting, all property acquisitions and exploratory/evaluation drilling expenditures are initially capitalized as E&E assets in cost centers by well, field or exploration area, as appropriate, till such time that technical feasibility and commercial viability of extracting gas and oil are demonstrated.

Major costs capitalized include material, chemical, fuel, well services, rig costs, cost of recognizing provisions for future site restoration and decommissioning and any other cost directly attributable to a particular well. All other exploration costs including cost of technical studies, seismic acquisition and processing, geological and geophysical activities are charged against income as exploration and prospecting expenditure. Costs incurred prior to having obtained the legal rights to explore an area are charged directly to the consolidated statement of profit or loss as and when incurred.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2024

Tangible assets used in E&E activities including the Group's vehicles, drilling rigs and other property, plant and equipment used by the Group'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 Group 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 consolidated statement of profit or loss.

3.7 Development and production assets

Development and production assets represent the cost of developing the discovered commercial reserves, together with the capitalized E&E expenditures transferred from E&E assets as outlined in note 3.6 above. The cost of development and production assets also includes the cost of acquisitions of such assets, directly attributable overheads, production bonus and the cost of recognizing provisions for future site restoration and decommissioning. Development and production assets are amortized on a unit of production basis, which is the ratio of production for the year to the estimated quantities of proved developed reserves at the end of the year plus the production for the year.

Changes in the estimates of commercial reserves are dealt with prospectively. Acquisition cost of leases, where commercial reserves have been discovered, are capitalized and amortized on unit of production basis.

Impairment test of development and production assets is also performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production concession and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against expected recoverable amounts of the oil and gas assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The cash generating unit applied for impairment test purpose is generally field by field basis, except that a number of fields may be grouped as a single cash generating unit where the cash flows of each field are inter-dependent.

Where an impairment loss subsequently reverses, the carrying amount is increased due to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss being recognized in prior years. A reversal of the impairment loss is recognized as income in the consolidated statement of profit or loss.

3.8 Stores and spares

These are valued at the lower of cost and net realizable value less allowance for obsolete and slow moving items. Material in transit is valued at cost. Cost is determined on the moving average basis and comprises cost of purchases and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make 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.

3.9 Revenue recognition

Revenue from contracts with customers is recognized when or as the Group satisfies a performance obligation by transferring of promised good or service to a customer. In case of goods, the Group 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 Group 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 Group expects to be entitled. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Amounts billed or received prior to being earned, are deferred and recognized as deferred income. The Group 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 Group considers such uncertainty as resolved when such revenue is received by the Group and customer cannot adjust the unused paid volumes in the future.

3.10 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 Group has assessed the nature of its arrangements and determined them to be joint operations.

The Group 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 consolidated statement of financial position date. Unrealized gains on transactions between the Group and its joint operations are eliminated to the extent of Group's interest in the joint operations.

3.11 Investment in associates

An associate is an entity over which the Group 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 consolidated financial statements using the equity method of accounting.

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Under this method, investment in associates is carried in the consolidated statement of financial position at cost as adjusted for post acquisition changes (net of tax) in the Group'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 Group and its associate are eliminated to the extent of Group's interest in the associate. Losses of an associate in excess of the Group's interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate) are recognized only to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate. The Group's share of post-acquisition profit or loss is included in consolidated statement of profit or loss and its share of post-acquisition other comprehensive income or loss is included in consolidated statement of comprehensive income.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of loss in associate' in the consolidated statement of profit or loss.

3.12 Leases

Right of use asset

The Group 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 Group 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 Group 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 consolidated 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 Group's incremental borrowing rate.

Lease payments in the measurement of the lease liability comprise the following:

a. fixed payments, including in-substance fixed payments;

b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c. amounts expected to be payable under a residual value guarantee; and

d. the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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.

3.13 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 Group derecognizes financial assets when the contractual rights to the cash flows expire or it transfers the financial asset that qualifies for derecognition.

The Group 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 Group 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 consolidated 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 consolidated 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 consolidated statement of financial position at fair value with gains or losses recognized in the consolidated statement of profit or loss.

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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 consolidated statement of financial position at fair value with gains or losses recognized in the consolidated 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 Group 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 Group'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 consolidated statement of financial position if the Group has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) Impairment of financial assets
The Group assesses on a forward looking basis the expected credit losses associated with financial assets classified as measured at amortized cost at each consolidated statement of financial position date. Expected credit losses are measured based on the maximum contractual period over which the Group 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 Group'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 Group 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 consolidated 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 Group has no reasonable expectation of recovering amounts due.

In respect of financial assets due directly/ ultimately from the GoP on which ECL model is not applicable as referred to in note 2.7 to these consolidated financial statements, the financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have occurred having negative effect on the estimated future cash flows of that asset.

3.14 Contingent liabilities and assets
A contingent liability is disclosed when the Group 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 Group; or the Group 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.

3.15 Cash and cash equivalents
For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, bank instruments and balances with banks and include short term highly liquid investments that are readily convertible to the known amounts of cash and are subject to an insignificant risk of change in value.

B) OTHER ACCOUNTING POLICIES
Other than material accounting policies applied in the preparation of these consolidated financial statements are set out below for ease of user's understanding of these consolidated financial statements. These polices have been applied consistently for all periods presented, unless otherwise stated.

3.16 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 Group 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.

3.17 Foreign currencies

Foreign currency transactions and translations
Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange prevailing at the consolidated statement of financial position date. All exchange differences are taken to the consolidated statement of profit or loss.

Foreign operation
The transactions of foreign operation are translated at the rate of exchange prevailing on the date of transaction. All monetary and non-monetary assets and liabilities of foreign operation are translated into Rupees at exchange rate prevailing at the date of consolidated statement of financial position and the resulting currency translation differences are recognized in other comprehensive income and accumulated as a separate reserve in equity until the disposal of the foreign operation, upon which these are reclassified from equity to consolidated statement of profit or loss when gain or loss on disposal is recognised.

3.18 Finance income and finance cost
Interest income on financial assets at amortized cost is calculated using the effective interest method and is recognized in consolidated 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

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receive is established. Foreign currency gains and losses are reported on a net basis. The Group 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 Group suspends capitalization of borrowing costs during extended period when active development of a qualifying asset is suspended.

3.19 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 Group are classified as liabilities. The profit on these preference shares is recognized in the consolidated statement of profit or loss as finance cost.

3.20 Dividend distribution

Dividend is recognized as a liability in the consolidated financial statements in the period in which it is declared.

3.21 Non-current assets classified as held for sale

Non current assets are classified as assets held for sale and carried at the lower of carrying amount and fair value less cost to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use. These assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less cost to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the consolidated statement of profit or loss.

3.22 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The benefit provided by the government under a loan arrangement at a below-market rate of interest is treated as a government grant. The loan obtained at below-market rate of interest is recognised and measured in accordance with IFRS 9 ""Financial Instruments"" and the benefit of the below-market rate of interest is government grant, which is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. Government grants related to assets are presented in the consolidated statement of financial position as a reduction to the carrying amount of the relevant assets and are recognised as a reduction to depreciation expense in the consolidated statement of profit or loss over the same period and in the same proportions as the relevant assets.

3.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

	Note	2024	2023
		(Rupees in thousand)	
4. SHARE CAPITAL			
Authorized capital			
17,000,000,000 (2023: 17,000,000,000)			
ordinary shares of Rs 10 each		170,000,000	170,000,000
Issued, subscribed and paid up capital			
24,850,007 (2023: 24,850,007) ordinary shares of			
Rs 10 each issued for cash		248,500	248,500
11,899,993 (2023: 11,899,993) ordinary shares of			
Rs 10 each issued for consideration other than cash	4.1	119,000	119,000
96,652,500 (2023: 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, 2024 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares (2023: 736,120 bonus shares).

4.3 Major shareholding of the Company is as follows:

	2024	2023
	(Percentage)	
Fauji Foundation	40.00 *	40.00 *
Oil and Gas Development Company Limited (OGDCL)	20.00 *	20.00 *
Government of Pakistan	19.99	19.99

* Shareholding includes 444,675 and 222,338 bonus shares (2023: 444,675 and 222,338 bonus shares) of Fauji Foundation and OGDCL respectively, which have not been issued as at year end due to pending resolution of issue as referred to in note 4.2 to these consolidated financial statements.

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4.4 Distribution of shareholders

Category	2024	2023
	(Number of shares)	
Sponsor shareholders	106,704,040	106,704,040
Directors	1,008	1,008
Executives	3,011	3,011
Others	26,694,441	26,694,441
	133,402,500	133,402,500

There are no foreign shareholders including natural persons who hold more than 5% of the shareholding.

4.5 Rights and privileges in the Participation and Shareholders Agreement (PSA)

A Participation and Shareholders Agreement (PSA) was signed among sponsor shareholders i.e. Fauji Foundation, the GoP and OGDCL on June 3, 1985 which contained the rights and privileges of the parties. PSA was later amended through a Supplemental PSA dated July 25, 1992.

Right of First Refusal

If any of the sponsor shareholders desires to sell or transfer its shares in the Holding 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 Holding Company shall reflect as closely as possible the proportion in which shares of the Holding Company are held by the sponsor shareholders and others.

Management Right

The management of the affairs and the business of the Holding Company shall vest in and be conducted by Fauji Foundation through a Managing Director exclusively nominated by Fauji Foundation.

	Note	2024	2023
		(Rupees in thousand)	
5. OTHER RESERVES			
Capital redemption reserve fund	5.1	10,590,001	10,590,001
Self insurance reserve	5.2	4,600,000	4,600,000
Foreign currency translation reserve	5.3	2,002,507	2,032,066
		17,192,508	17,222,067

5.1 This reserve was created for redemption of redeemable preference shares in the form of cash to the preference shareholders.

5.2 The Group has set aside a specific capital reserve for self insurance of assets which have not been insured, for uninsured risks and for deductibles against insurance claims.

5.3 This reserve represents accumulated balance of translation effect of a foreign operation into Rupees as per the Group's accounting policy.

6. LONG TERM FINANCING

Under 'Temporary Economic Relief Facility' (TERF) announced by the State Bank of Pakistan (SBP), the Group secured financing of Rs 1 billion during the year ended June 30, 2022 for installation of stand-alone processing facilities at Mari field for low BTU gas from Tipu, Goru-B and HRL Reservoirs ('Sachal Gas Processing Complex') for enhancement of production from Mari Field. TERF was obtained through a commercial bank with quarterly repayments. Tenor of the facility is 10 years including two years of grace period for principal repayments. The quarterly principal repayment commenced in December 2023. Security under TERF facility is first pari passu hypothecation charge over all present & future fixed assets of the Holding Company (excluding land and building) with 25% margin.

Long term financing has been recognised at amortized cost, which is calculated using effective interest rates on various drawdown dates ranging from 7.90% to 10.43% per annum. The differential mark-up has been recognised as 'deferred government grant' and has been deducted from the carrying value of related asset.

	Note	2024	2023
		(Rupees in thousand)	
7. DEFERRED LIABILITIES			
Provision for decommissioning cost	7.1	26,016,005	21,557,253
Provision for employee benefits - unfunded	7.2	1,429,010	1,305,641
		27,445,015	22,862,894
7.1 Provision for decommissioning cost			
Balance at beginning of the year		21,557,253	14,525,961
Provision made during the year		2,167,044	2,297,443
Revision due to change in estimates		(449,768)	3,012,972
Cost incurred during the year		(28,748)	(7,032)
Unwinding of discount	26	2,770,224	1,727,909
Balance at end of the year		26,016,005	21,557,253
The above provision is analysed as follows:			
Wells		19,876,320	16,565,112
Production facilities including pipelines		6,139,685	4,992,141
		26,016,005	21,557,253
Wholly owned		20,758,696	16,910,079
Joint operations		5,257,309	4,647,174
		26,016,005	21,557,253

It is expected that cash outflows resulting from decommissioning will occur between 2025 to 2060.

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		Note	2024 (Rupees in thousand)	2023
7.2	**Provision for employee benefits - unfunded**			
	Post retirement leave benefit	33.2	797,335	702,117
	Post retirement medical benefit	33.2	78,296	94,043
	Compensated leave absences		553,379	509,481
			1,429,010	1,305,641
8.	**DEFERRED INCOME TAX LIABILITY / (ASSET)**			
	Balance at beginning of the year		(2,241,814)	(3,057,644)
	Charge / (credit) for the year:			
	Consolidated statement of profit or loss	30	32,904,813	824,886
	Consolidated statement of comprehensive income		16,758	(9,056)
			32,921,571	815,830
	Balance at end of the year		30,679,757	(2,241,814)

8.1 The balance of deferred income tax liability / (asset) is in respect of following taxable / (deductible) temporary differences:

		Note	2024 (Rupees in thousand)	2023
	Exploration and evaluation expenditure		(7,663,200)	(12,270,990)
	Accounting and tax depreciation / amortization		36,987,082	8,602,523
	Others		1,355,875	1,426,653
			30,679,757	(2,241,814)
9.	**TRADE AND OTHER PAYABLES**			
	Creditors		2,103,739	1,643,663
	Accrued liabilities		27,349,514	25,077,169
	Joint operating partners		3,510,947	2,938,845
	Retention money and performance bonds payable		1,172,628	714,073
	Gas Development Surcharge (GDS)		2,797,620	-
	General sales tax		6,949	-
	Excise duty		153,037	-
	Royalty		824,533	1,223,379
	Redeemable preference shares and related accrued profit	9.2	110,582	110,670
	Workers' Welfare Fund		550,517	1,254,779
	Deferred income		1,660,173	177,687
	Others	9.3	9,673,889	366,470
			49,914,128	33,506,735

9.1 Gas Development Surcharge (GDS) and Gas Infrastructure Development Cess (GIDC) and their related sales tax amounting to Rs 153,662,149 thousand (2023: Rs 156,228,771 thousand) are not reflected in these consolidated financial statements in accordance with the accounting guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) through Circular no.1/2021 dated January 21, 2021, whereby, these are recorded as payables to the extent that they are received from customers and are to be deposited with GoP as per their respective rules and regulations.

On August 13, 2020, the Supreme Court of Pakistan has decided the matter of GIDC, which has restrained the charging of GIDC from August 1, 2020 onwards and ordered gas consumers to pay GIDC arrears due upto July 31, 2020 in installments. The fertilizer companies have obtained stay orders against recovery from the Sindh High Court, where the matter is subjudice.

9.2 5,335,946 (2023: 5,335,946) preference shares have not been issued as at June 30, 2024 due to pending resolution of issue relating to deduction of withholding income tax on issuance of bonus shares. Further, 4,741,153 (2023: 4,749,844) preference shares have not been claimed/redeemed by certain minority shareholders as at June 30, 2024.

9.3 This includes Rs 8,903,324 thousand (2023: Nil) received from an end user pursuant to an arrangement under which it has committed to fulfill certain obligations and amounts so received will be returned to the end user once the said amounts are received from the customer.

		2024 (Rupees in thousand)	2023
10.	**UNCLAIMED DIVIDEND**		
	Fauji Foundation	239,830	170,461
	Oil and Gas Development Company Limited	119,916	85,231
	Others	210,950	161,543
		570,696	417,235

10.1 This includes dividend amounting to Rs 397,019 thousand (2023: Rs 282,183 thousand) due to pending resolution of issue as referred to in note 4.2 to these consolidated financial statements.

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11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

a) The Group is currently defending multiple cases in Pakistan relating to its routine business activities. Based on review by legal counsel appointed for each case, it is expected that the outcomes will favor the Group. Consequently, no provisions and/or disclosure have been made in these consolidated financial statements.

b) The Group has given corporate guarantees to the GoP under various Petroleum Concession Agreements (PCAs) for the performance of obligations.

c) As part of the arrangement, as disclosed in note 15.2 of these consolidated financial statements, each of the consortium companies including MPCL has also provided, joint and several, parent company guarantees to ADNOC and Supreme Council for Financial and Economic Affairs Abu Dhabi, UAE, to guarantee the obligations of Pakistan International Oil Limited (PIOL), a related party.

d) During the year, the Group has obtained a letter of guarantee facility amounting to Rs 50 million from Askari Bank Limited (AKBL), an associated company, which is secured against lien over bank balances of the Group maintained with AKBL. Out of above, as at June 30, 2024, letter of guarantee of Rs 20 million has been issued to Directorate General Mines & Minerals, Government of Balochistan for grant of two Exploration Licenses namely EL-322 and EL-323 to the Group. The unavailed facility will expire on May 31, 2025.

	2024	2023
	(Rupees in thousand)	
11.2 Commitments		
a) Commitments for capital expenditure:		
Wholly owned	8,856,762	7,850,833
Joint operations	8,396,785	12,620,774
	17,253,547	20,471,607
b) The Group's share in outstanding minimum work commitments, other than capital commitments included in 'a' above, under various PCAs aggregating to US$ 99.83 million (2023: US$ 98.58 million)	27,843,405	27,151,756

c) As part of the Shareholders Agreement with the consortium partners in PIOL, the Group has committed to invest upto US$ 100 million in PIOL during five years from August 31, 2021, out of which US$ 60 million have been invested upto June 30, 2024 (2023: US$ 35 million). The remaining amount of US$ 40 million (equivalent Rs 11,156 million) will be invested in subsequent years.

12. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Roads and bridges	Drilling rig, tools and equipment	Plant and machinery	Computers and allied equipment	Pipelines	Furniture and fixtures	Vehicles - heavy	Vehicles - light	Decommissioning Cost – Production facilities including pipelines – note 3.5	Stores and spares held for capital expenditure	Capital work in progress	Total
	(Rupees in thousand)															
As at July 1, 2022																
Cost	250,177	102,224	1,956,711	894,978	227,417	4,894,065	21,749,031	826,825	9,275,604	281,438	1,674,931	1,136,612	2,003,104	6,447,025	27,709,419	79,429,561
Accumulated depreciation	-	(23,386)	(836,485)	(350,853)	(191,955)	(2,796,118)	(8,269,167)	(651,635)	(3,296,716)	(135,979)	(1,376,220)	(750,953)	(308,667)	-	-	(18,988,134)
Net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
Year ended June 30, 2023																
Opening net book value	250,177	78,838	1,120,226	544,125	35,462	2,097,947	13,479,864	175,190	5,978,888	145,459	298,711	385,659	1,694,437	6,447,025	27,709,419	60,441,427
Additions / transfers from capital work in progress	-	7,687,008	149,158	79,795	283,172	783,520	23,278,100	197,846	1,872,328	55,472	199,782	95,386	1,659,362	-	22,640,131	58,981,060
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038,229	-	1,038,229
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	-	-	-	-	271,952	-	-	271,952
Disposals / transfers																
Cost	-	-	(10,860)	(3,876)	-	(100,064)	(86,855)	44,504	(93,136)	(143)	98,508	(23,747)	-	-	(34,681,567)	(34,857,236)
Accumulated depreciation	-	-	1,348	3,120	-	83,517	94,797	(8,909)	26,225	141	(45,771)	20,399	-	-	-	174,867
	-	-	(9,512)	(756)	-	(16,547)	7,942	35,595	(66,911)	(2)	52,737	(3,348)	-	-	(34,681,567)	(34,682,369)
Depreciation charge	-	(79,133)	(86,081)	(45,280)	(15,341)	(339,142)	(2,115,366)	(145,100)	(940,445)	(23,644)	(179,495)	(157,306)	(187,797)	-	-	(4,314,130)
Net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
As at July 1, 2023																
Cost	250,177	7,789,232	2,095,009	970,897	510,589	5,577,521	44,940,276	1,069,175	11,054,796	336,767	1,973,221	1,208,251	3,934,418	7,485,254	15,667,983	104,863,566
Accumulated depreciation	-	(102,519)	(921,218)	(393,013)	(207,296)	(3,051,743)	(10,289,736)	(805,644)	(4,210,936)	(159,482)	(1,601,486)	(887,860)	(496,464)	-	-	(23,127,397)
Net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
Year ended June 30, 2024																
Opening net book value	250,177	7,686,713	1,173,791	577,884	303,293	2,525,778	34,650,540	263,531	6,843,860	177,285	371,735	320,391	3,437,954	7,485,254	15,667,983	81,736,169
Additions / transfers from capital work in progress	3,906	-	440,453	334,127	409,063	2,800,059	7,087,737	569,271	2,973,473	78,714	128,053	636,740	582,781	-	12,379,572	28,423,949
Additions - net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	9,634,846	-	9,634,846
Revision due to change in estimates of provision for decommissioning cost	-	-	-	-	-	-	-	-	(110,138)	-	-	-	(69,954)	-	-	(180,092)
Disposals / transfers																
Cost	-	-	-	-	-	(890)	(127,626)	(17,215)	-	(1,409)	(16,967)	(15,595)	(28,607)	-	(15,461,596)	(15,669,905)
Accumulated depreciation	-	-	-	-	-	783	84,642	16,669	-	1,395	16,967	15,595	28,607	-	-	164,658
	-	-	-	-	-	(107)	(42,984)	(546)	-	(14)	-	-	-	-	(15,461,596)	(15,505,247)
Depreciation charge	-	(233,834)	(107,187)	(51,825)	(46,279)	(517,950)	(3,636,716)	(239,801)	(993,286)	(29,703)	(203,631)	(211,619)	(482,444)	-	-	(6,754,275)
Net book value	254,083	7,452,879	1,507,057	860,186	666,077	4,807,780	38,058,577	592,455	8,713,909	226,282	296,157	745,512	3,468,337	17,120,100	12,585,959	97,355,350
As at June 30, 2024																
Cost	254,083	7,789,232	2,535,462	1,305,024	919,652	8,376,690	51,900,387	1,621,231	13,918,131	414,072	2,084,307	1,829,396	4,418,638	17,120,100	12,585,959	127,072,364
Accumulated depreciation	-	(336,353)	(1,028,405)	(444,838)	(253,575)	(3,568,910)	(13,841,810)	(1,028,776)	(5,204,222)	(187,790)	(1,788,150)	(1,083,884)	(950,301)	-	-	(29,717,014)
Net book value	254,083	7,452,879	1,507,057	860,186	666,077	4,807,780	38,058,577	592,455	8,713,909	226,282	296,157	745,512	3,468,337	17,120,100	12,585,959	97,355,350
Rates of depreciation (%)	-	1-3	5	5	10	5-33.33	6.67-10	33.33	10	10	33.33	20				

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
12.1 Net book value at year end represents:			
Wholly owned		81,336,043	72,624,042
Joint operations	12.2	16,019,307	9,112,127
		97,355,350	81,736,169

12.2 It includes assets having net book value amounting to Rs 1,707,079 thousand (2023: Rs 1,649,389 thousand), being Group's share in joint operations operated by OGDCL, PPL and MOL (assets not in the possession of the Group).

12.3 The depreciation charge has been allocated as follows:

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Development and production assets	149,923	55,497
Exploration and evaluation assets	252,531	160,763
Operating and administrative expenses	5,443,158	3,112,949
Exploration and prospecting expenditure	315,155	310,597
Other income	593,508	674,324
	6,754,275	4,314,130

12.4 The aggregate net book value of assets disposed off during the year is Rs 43,651 thousand (2023: Rs 802 thousand). Detail of property, plant and equipment disposed off during the year, having net book value of more than Rs 500 thousand is as follows:

Description	Cost	Net book value	Proceeds	Loss	Particulars of purchaser	Mode of disposal
	(Rupees in thousand)					
Plant and machinery	14,677	4,280	4,208	(72)	Afaq Ahmed Scrap Traders	Auction

12.5 Particulars of immovable property (land and buildings) as at June 30, 2024 are as follows:

Description	Location	Approximate Area of Land
Wells, production / processing facilities, residential area, field office and warehouse	Sindh	2,602 acres
Land and head office building	Islamabad	2.45 acres
Warehouse	Balochistan	4.00 acres
Guest house	KPK	0.14 acres
Field area	Punjab	0.16 acres

13. DEVELOPMENT AND PRODUCTION ASSETS

	Development expenditure	Decommissioning cost	Total
	(Rupees in thousand)		
As at July 1, 2022			
Cost	28,530,805	3,775,870	32,306,675
Accumulated amortization	(12,659,577)	(1,713,616)	(14,373,193)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	15,671,228	2,062,254	17,733,482
Year ended June 30, 2023			
Opening net book value	15,671,228	2,062,254	17,733,482
Additions	6,562,551	638,081	7,200,632
Revision due to change in estimates			
of provision for decommissioning cost	-	2,632,451	2,632,451
Disposals			
Cost	(92,578)	(134,382)	(226,960)
Accumulated amortization	92,578	134,382	226,960
	-	-	-
Transferred from exploration and evaluation assets	1,837,267	191,906	2,029,173
Amortization charge	(3,738,744)	(864,716)	(4,603,460)
Closing net book value	20,332,302	4,659,976	24,992,278
As at July 1, 2023			
Cost	36,838,045	7,103,926	43,941,971
Accumulated amortization	(16,305,743)	(2,443,950)	(18,749,693)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	20,332,302	4,659,976	24,992,278
Year ended June 30, 2024			
Opening net book value	20,332,302	4,659,976	24,992,278
Additions	13,924,792	826,508	14,751,300
Revision due to change in estimates			
of provision for decommissioning cost	(175,320)	300,838	125,518
Amortization charge	(3,965,268)	(785,633)	(4,750,901)
Closing net book value	30,116,506	5,001,689	35,118,195
As at June 30, 2024			
Cost	50,587,517	8,231,272	58,818,789
Accumulated amortization	(20,271,011)	(3,229,583)	(23,500,594)
Accumulated impairment losses	(200,000)	-	(200,000)
Net book value	30,116,506	5,001,689	35,118,195

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

	2024 (Rupees in thousand)	2023
Net book value at year end represents:		
Wholly owned	30,488,545	20,795,252
Joint operations	4,629,650	4,197,026
	35,118,195	24,992,278

14. EXPLORATION AND EVALUATION ASSETS

	Exploration and evaluation expenditure	Decommissioning cost (Rupees in thousand)	Total
As at July 1, 2022			
Cost	15,104,662	963,873	16,068,535
Accumulated impairment losses	(1,457,852)	(71,917)	(1,529,769)
Net book value	13,646,810	891,956	14,538,766
Year ended June 30, 2023			
Opening net book value	13,646,810	891,956	14,538,766
Additions	12,248,387	-	12,248,387
Revision due to change in estimates			
of provision for decommissioning cost	(91,612)	200,181	108,569
Disposals			
Cost	(505,482)	(16,126)	(521,608)
Accumulated impairment losses	505,482	16,126	521,608
	-	-	-
Transferred to development and production assets	(1,837,267)	(191,906)	(2,029,173)
Impairment losses	(4,706,387)	(558,514)	(5,264,901)
Cost of dry and abandoned wells	(3,643,238)	-	(3,643,238)
Closing net book value	15,616,693	341,717	15,958,410
As at July 1, 2023			
Cost	21,275,450	956,022	22,231,472
Accumulated impairment losses	(5,658,757)	(614,305)	(6,273,062)
Net book value	15,616,693	341,717	15,958,410
Year ended June 30, 2024			
Opening net book value	15,616,693	341,717	15,958,410
Additions	13,088,347	757,755	13,846,102
Revision due to change in estimates			
of provision for decommissioning cost	-	(83,523)	(83,523)
Impairment losses	(4,131,965)	-	(4,131,965)
Cost of dry and abandoned wells	(34,538)	(22,446)	(56,984)
Closing net book value	24,538,537	993,503	25,532,040
As at June 30, 2024			
Cost	34,329,259	1,607,808	35,937,067
Accumulated impairment losses	(9,790,722)	(614,305)	(10,405,027)
Net book value	24,538,537	993,503	25,532,040

	Note	2024 (Rupees in thousand)	2023
Net book value at year end represents:			
Wholly owned		-	4,740,813
Joint operations		25,532,040	11,217,597
		25,532,040	15,958,410

15. LONG TERM INVESTMENTS

	Note	2024	2023
Investment in associated			
- a related party (Un-quoted)	15.1	12,306,218	5,530,202
Term Finance Certificates (TFCs) (Quoted)			
- At fair value through profit or loss	15.3	194,769	194,580
		12,500,987	5,724,782

15.1 Investment in associate - a related party (Un-quoted)

	Note	2024	2023
Pakistan International Oil Limited - foreign operation			
Opening carrying value		5,530,202	2,185,145
Movement during the year:			
Cost of investment	15.2	7,089,800	2,225,000
Share of loss	15.2	(284,225)	(390,022)
Effect of translation of investment		(29,559)	1,510,079
Closing carrying value - at equity method		12,306,218	5,530,202

15.2 The Group made investment in Pakistan International Oil Limited (PIOL), a company engaged in the business of extraction of oil and natural gas and registered as a limited liability company in the Emirates of Abu Dhabi and incorporated in Abu Dhabi Global Market on July 15, 2021, with 25% shareholding by each consortium partners namely MPCL, OGDCL, PPL and GHPL. The concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. During the year, the Group has subscribed to additional 2.5 million ordinary shares of PIOL by paying US$ 25,000 thousand (Rs 7,089,800 thousand). Aggregate investment as at June 30, 2024 is US$ 60,000 thousand (Rs 13,494,800 thousand).

Share of loss of PIOL is based on the audited financial statements for the period upto December 31, 2023, adjusted for transactions and events upto June 30, 2024 based on management accounts.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2024

Summarized financial information is as follows:

	2024	2023
	(Rupees in thousand)	
Summarized statement of financial position		
Current assets	38,557,436	13,894,974
Non-current assets	11,894,923	8,940,048
Current liabilities	(1,227,489)	(714,214)
Net assets	49,224,870	22,120,808
Group's shareholding	25%	25%
Share of net assets reconciled with carrying value of investment	12,306,218	5,530,202
Summarized statement of comprehensive income		
Total comprehensive (loss) for the year	(1,136,900)	(1,560,088)
Group's shareholding	25%	25%
Share of comprehensive (loss)	(284,225)	(390,022)

15.3 This represents investment in un-secured, subordinated and perpetual TFCs and are rated AA+ by PACRA. TFCs are callable at the option of bank after five years and profit is on semi annual basis at six months KIBOR + 2% on non-cumulative basis.

	2024	2023
	(Rupees in thousand)	
16. LONG TERM LOANS AND ADVANCES		
Considered good		
Loans and advances to employees	83,288	81,825
Less: Current portion classified under current assets	(34,321)	(32,745)
	48,967	49,080

16.1 Loans and advances to employees are for house rent advance, purchase of vehicle, emergency and purchase of household appliances as per Group's 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.

	2024	2023
	(Rupees in thousand)	
17. LONG TERM DEPOSITS AND PREPAYMENTS		
Deposits	179,166	93,572
Prepayments	4,575	5,431
	183,741	99,003
18. STORES AND SPARES		
Wholly owned	8,043,570	6,258,962
Joint operations	577,009	730,773
	8,620,579	6,989,735
19. TRADE DEBTS		
Due from associated companies and related parties		
- considered good	75,469,955	55,620,574
Due from others - considered good	5,603,419	6,055,530
	81,073,374	61,676,104

19.1 As detailed in note 9.1 to these consolidated financial statements, GDS and GIDC amounts and their related sales tax billed to customers but not received are not included in these consolidated financial statements.

19.2 The maximum aggregate amount due from associated companies and related parties at the end of any month during the year was Rs 77,594,610 thousand (2023: Rs 55,620,574 thousand).

	Note	2024	2023
		(Rupees in thousand)	
19.3 The ageing of trade debts is as follows:			
Neither past due nor impaired			
Due from associated companies and related parties		13,254,239	14,001,105
Due from others		5,152,924	5,440,928
		18,407,163	19,442,033
Past due but not impaired			
Due from associated companies and related parties			
Past due 0-30 days		5,119,249	8,745,430
Past due 30-60 days		3,937,334	7,030,046
Past due 60-90 days		6,996,380	4,554,059
Over 90 days		46,162,753	21,289,934
Due from others			
Past due 0-30 days		175,130	65,751
Past due 30-60 days		123,314	5,608
Past due 60-90 days		7,237	3,475
Over 90 days		144,814	539,768
	19.4	62,666,211	42,234,071
		81,073,374	61,676,104

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

19.4 Past due but not impaired' trade debts include amounts receivable directly/ultimately from the GoP amounting to Rs 62,165,118 thousand (2023: Rs 41,472,399 thousand). Due to exemption provided by SECP from application of ECL model on financial assets receivable from the GoP upto December 31, 2024, the Group has not recorded the impact of application of ECL model on trade debts in respect of circular debt due directly/ultimately from GoP for impairment assessment.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
20. SHORT TERM LOANS AND ADVANCES			
Considered good			
Current portion of long term loans and advances	16	34,321	32,745
Advances to employees against expenses		319,767	231,844
Advances to suppliers, contractors and deposits for LC margin		2,358,435	5,681,793
Receivables from joint operating partners		5,966,539	2,967,239
Management Gratuity Fund	33.1	391,910	554,295
Workers' Profit Participation Fund		458,084	411,200
		9,529,056	9,879,116
21. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Mutual funds	21.1	20,115,725	9,197,048
At amortised cost			
Treasury bills	21.2	2,560,494	-
		22,676,219	9,197,048

21.1 Fair value has been determined using quoted repurchase prices, being net asset value of units as of June 30, 2024.

21.2 The effective interest rates ranges from 18.36% to 19.57% per annum (2023: Nil).

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
22. CASH AND BANK BALANCES			
Cash on hand and bank instruments		5,587	3,645,341
Balances with banks on:			
Deposit accounts	22.1	52,175,790	28,031,391
Current accounts		28,799	26,906
		52,204,589	28,058,297
		52,210,176	31,703,638

22.1 These include US$ 64,310 thousand (2023: US$ 58,490 thousand) having mark-up ranges from 2.00% to 8.00% (2023: 5.00%) per annum. The mark-up for local currency accounts ranges from 10.55% to 20.75% (2023: 6.67% to 19.65%) per annum.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
23. NET SALES			
Product wise breakup of net sales is as follows:			
Natural gas		174,724,630	139,950,750
Crude oil		7,103,991	5,816,376
Liquefied Petroleum Gas (LPG)		-	2,781
		181,828,621	145,769,907
24. OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	24.1	11,555,256	9,084,100
Rent, rates and taxes	24.2	954,858	910,388
Legal, professional and support services		1,042,915	810,277
Fuel, light, power and water		644,715	561,283
Maintenance, repairs and consumption of stores and spares		5,413,447	2,994,085
Insurance		708,761	261,639
Depreciation		5,443,158	3,112,949
Amortization and reversal of provision for decommissioning cost		4,439,230	4,603,460
Employees medical and welfare		1,213,994	984,756
Field and other services		3,637,670	3,188,590
Travelling		381,393	283,400
Licences and equipment maintenance		617,737	246,624
Auditor's remuneration and tax services	24.3	8,531	23,585
Mobile dispensary and social welfare		3,043,166	1,885,824
Training		674,544	196,788
Directors' fee and expenses		71,279	70,665
Reservoir study and production logging		328,077	527,326
Freight and transportation		1,064,588	913,499
Others		758,198	506,196
		42,001,517	31,165,434
Less: Allocation of expenses to activities		6,097,675	4,053,710
		35,903,842	27,111,724

24.1 These include operating lease rentals amounting to Rs 344,470 thousand (2023: Rs 310,595 thousand) in respect of leased vehicles provided to eligible employees as per Group's policy.

24.2 These include expense amounting to Rs 725,639 thousand (2023: Rs 504,389 thousand) relating to short-term leases.

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
24.3 Auditor's remuneration and tax services		
Annual audit fees	5,478	3,726
Review of half yearly accounts and other certifications	1,941	1,742
Tax services	532	17,600
Out of pocket expenses	580	517
	8,531	23,585

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for the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
25. EXPLORATION AND PROSPECTING EXPENDITURE			
Prospecting expenditure		8,735,128	7,108,774
Cost of dry and abandoned wells		56,984	3,643,238
Impairment loss		4,131,965	5,264,901
		12,924,077	16,016,913
26. FINANCE COST			
Unwinding of discount on provision for decommissioning cost		2,770,224	1,727,909
Interest on long term financing		70,281	34,581
Others		23,730	12,336
		2,864,235	1,774,826
27. OTHER CHARGES			
Workers' Profit Participation Fund		5,841,916	4,538,800
Workers' Welfare Fund		550,517	1,254,779
Final taxes/levy on income on mutual funds	27.1	349,271	-
		6,741,704	5,793,579

27.1 During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a guidance based on which final taxes/levy on gross income is classified as 'other charges' instead of 'income tax expense'. Comparative information has not been reclassified, being immaterial.

28. OTHER INCOME / (EXPENSES)

It includes income from contractual services of Rs 1,209,173 thousand (2023: Rs 2,579,644 thousand) offset by related expenses of Rs 1,825,606 thousand (2023: Rs 3,116,417 thousand).

	Note	2024 (Rupees in thousand)	2023
29. FINANCE INCOME			
Interest income on deposit accounts with banks		7,078,819	2,731,831
Income on mutual funds		2,328,472	1,397,036
Interest income on Term Finance Certificates (TFCs)		97,134	103,848
Interest income on treasury bills		231,016	224,765
Interest income on term deposit with banks		-	62,001
Exchange (loss) / gain		(526,261)	4,555,964
		9,209,180	9,075,445
30. PROVISION FOR INCOME TAX			
Current tax			
- for the year		24,853,876	28,893,581
- for the prior years	30.2 & 30.3	(24,683,895)	-
Deferred tax	30.3	32,904,813	824,886
		33,074,794	29,718,467

	2024 (Percentage)	2023
30.1 Reconciliation of effective tax rate		
Applicable tax rate	57.6	57.9
Effect of:		
- depletion allowance and royalty payments	(21.3)	(20.5)
- prior years depletion allowance	(4.2)	-
- Others	(2.1)	(2.8)
Effective tax rate	30.0	34.6

30.2 The Honourable Supreme Court of Pakistan (SCP) through its decision dated November 29, 2023 and written order issued on January 08, 2024, dismissed Civil Petition filed by the tax authorities and has decided the matter of depletion allowance in favour of tax payers, including the Holding Company. Pursuant to the decision having attained finality, for the purpose of calculation of depletion allowance in accordance with Rule 3 of Part 1 of the Fifth Schedule to the Income Tax Ordinance 2001, the royalty amount is not to be deducted when establishing the wellhead value. Accordingly, the Group has reversed the provisions amounting to Rs 4,606,930 thousand for the prior years. The Group is in the process of obtaining effect of the Honourable SCP order in the pending appeals / assessments, as appropriate, for relevant tax years.

30.3 Based on the latest tax assessments, the Company has recorded current tax credit and corresponding deferred tax expense of Rs 20,076,965 thousand in respect of certain timing differences, which has no impact on the total tax expense for the year.

	2024	2023
31. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees in thousand)	77,288,057	56,128,711
Number of ordinary shares outstanding (in thousand)	133,403	133,403
Earnings per ordinary share (in Rupees)	579.36	420.75

There is no dilutive effect on the basic earnings per ordinary share of the Group.

	Note	2024 (Rupees in thousand)	2023
32. CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	52,210,176	31,703,638
Short term investments	21	22,676,219	9,197,048
		74,886,395	40,900,686

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

33. EMPLOYEE BENEFITS

The results of the actuarial valuations carried out as at June 30, 2024 and June 30, 2023 are as follows:

33.1 Funded benefits

	2024		2023	
	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	3,066,478	1,288,476	2,742,849	1,169,127
Fair value of plan assets	(3,458,388)	(1,288,476)	(3,297,144)	(1,169,127)
(Asset) / liability recognized in consolidated statement of financial position	(391,910)	-	(554,295)	-
Movement in net defined benefit plan				
Balance as at beginning of year	(554,295)	-	(575,828)	-
Expense for the year	162,385	88,019	21,533	23,007
	(391,910)	88,019	(554,295)	23,007
Contribution to fund during the year	-	(88,019)	-	(23,007)
Balance as at end of year	(391,910)	-	(554,295)	-
Movement in present value of defined benefit obligations				
Balance as at beginning of year	2,742,849	1,169,127	2,342,579	1,106,030
Current service cost	334,895	51,570	281,598	48,579
Interest cost	430,154	171,502	327,835	143,851
Benefits during the year	(328,242)	(176,117)	(87,702)	(125,931)
Remeasurement (gain) / loss on obligation	(113,178)	72,394	(121,461)	(3,402)
Balance as at end of year	3,066,478	1,288,476	2,742,849	1,169,127
Movement in fair value of plan assets				
Balance as at beginning of year	3,297,144	1,169,127	2,918,407	1,106,030
Contributions during the year	-	88,019	-	23,007
Interest income on plan assets	510,097	171,502	400,802	143,851
Remeasurement (loss) / gain on plan assets	(20,611)	35,945	65,637	22,170
Benefits during the year	(328,242)	(176,117)	(87,702)	(125,931)
Balance as at end of year	3,458,388	1,288,476	3,297,144	1,169,127
Plan assets comprise of:				
Deposit with banks and bank instruments	3,458,388	1,288,476	3,297,144	1,169,127
Expense for the year:				
Recognized in consolidated statement of profit or loss				
Current service cost	334,895	51,570	281,598	48,579
Interest cost	430,154	171,502	327,835	143,851
Interest income on plan assets	(510,097)	(171,502)	(400,802)	(143,851)
	254,952	51,570	208,631	48,579

	2024		2023	
	Management Gratuity	Non-Management Gratuity	Management Gratuity	Non-Management Gratuity
	(Rupees in thousand)			
Recognized in consolidated statement of comprehensive income				
Remeasurement (gain) / loss on obligations:				
Due to change in financial assumptions	19,719	-	17,639	(10,255)
Due to change in demographic assumptions	-	20,311	-	-
Due to change in experience adjustments	(132,897)	52,083	(139,100)	6,853
Remeasurement loss / (gain) on plan assets	20,611	(35,945)	(65,637)	(22,170)
	(92,567)	36,449	(187,098)	(25,572)
Total expense for the year	162,385	88,019	21,533	23,007
Actual return on plan assets	489,486	207,447	466,439	166,021
Expected contribution for the next year	-	57,840	-	51,570

33.2 Un-funded benefits

	2024		2023	
	Post Retirement Leave Benefit*	Post Retirement Medical Benefit	Post Retirement Leave Benefit*	Post Retirement Medical Benefit
	(Rupees in thousand)			
Present value of defined benefit obligations	797,335	78,296	702,117	94,043
Movement in present value of defined benefit obligations				
Balance as at beginning of year	702,117	94,043	585,149	66,365
Expense / (credit) for the year	154,256	(12,350)	141,469	31,601
	856,373	81,693	726,618	97,966
Benefits paid during the year	(59,038)	(3,397)	(24,501)	(3,923)
Balance as at end of year	797,335	78,296	702,117	94,043
Expense / (credit) for the year:				
Recognized in consolidated statement of profit or loss				
Current service cost	95,132	1,503	79,726	1,389
Interest cost	110,738	14,076	81,503	8,650
Remeasurement gain	(51,614)	-	(19,760)	-
	154,256	15,579	141,469	10,039
Recognized in consolidated statement of comprehensive income				
Remeasurement (gain) / loss on obligations (experience adjustment)	-	(27,929)	-	21,562
Total expense / (credit) for the year	154,256	(12,350)	141,469	31,601

* This represents benefit to entitled employees based on number of years served as per the Group's policy.

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33.3 The principal actuarial assumptions used in the actuarial valuations are as follows:

	2024	2023
	(Per annum)	
- Discount rate	15.5%	15.5%
- Expected rate of salary increase	15.0% - 17.0%	15.0% - 17.0%
- Increase in cost of medical benefits	14.5%	15.5%
- Mortality rates	SLIC (2001-05)-1	
- Employee turnover rate	Light - Moderate	

33.4 Weighted average duration and projected payments

	Management Gratuity	Non-Management Gratuity
Weighted average duration of the obligation as at June 30, 2024 (in years)	8.97	5.22
Maturity analysis of the benefit payments (future cash flows) for the next five years is as follows:	Rupees in thousand	
For the year 2025	283,349	199,628
For the year 2026	155,479	218,642
For the year 2027	347,899	192,463
For the year 2028	254,405	236,432
For the year 2029	582,371	205,235

33.5 Sensitivity analysis of the obligation:

	Effect on present value of obligation	
	Management Gratuity	Non-Management Gratuity
	(Rupees in thousand)	
Discount rate:		
0.5% point increase	(256,927)	(33,641)
0.5% point decrease	295,502	35,408
Salary rate:		
0.5% point increase	278,333	32,395
0.5% point decrease	(246,787)	(31,059)

33.6 Employee benefits are exposed to the following risks:

Mortality risks
The risk that the actual mortality experience is different and the Group will have to pay sooner than expected.

Investment and discount rate risks
The risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks
The risk that the final salary at the time of cessation of service is higher than what we assumed.

Withdrawal risk
The risk of higher or lower withdrawal experience than assumed.

		2024	2023
		(Rupees in thousand)	
34. FINANCIAL INSTRUMENTS			
34.1 Financial assets and liabilities			
Financial assets			
Maturity up to one year			
Trade debts	at amortized cost	81,073,374	61,676,104
Short term loans and advances	at amortized cost	6,999,522	6,810,514
Other receivables	at amortized cost	736,363	1,324,502
Current portion of long term investments	at amortized cost	-	1,041,068
Short term investments	at fair value through profit or loss	20,115,725	9,197,048
	at amortized cost	2,560,494	-
Interest accrued	at amortized cost	401,229	423,315
Cash and bank balances	at amortized cost	52,210,176	31,703,638
Maturity after one year			
Long term investments	at fair value through profit or loss	194,769	194,580
Long term loans and advances	at amortized cost	48,967	49,080
Long term deposits	at amortized cost	179,166	93,572
		164,519,785	112,513,421
Financial liabilities			
Maturity up to one year			
Trade and other payables	at amortized cost	43,040,152	30,373,750
Current portion of long term financing	at amortized cost	149,293	121,007
Maturity after one year			
Long term financing	at amortized cost	593,369	672,381
		43,782,814	31,167,138

34.2 Credit quality of financial assets

The credit quality of the Group'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.

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	Rating	2024	2023
		(Rupees in thousand)	
Trade debts			
Counterparties with external credit rating	A1+	73,332,359	39,517,749
	A1	5,479,397	4,400,591
	A2	-	2,736,084
Counterparties without external credit rating		2,261,618	15,021,680
		81,073,374	61,676,104
Short term loans and advances			
Counterparties with external credit rating	A1+	2,494,492	4,485,051
	A1	-	572,671
	A2	-	448,829
Counterparties without external credit rating			
Counterparties with no default in the past		4,505,030	1,303,963
		6,999,522	6,810,514
Other receivables			
Counterparties without external credit rating			
Counterparties with no default in the past		736,363	1,324,502
Current portion of long term investments			
Counterparties with external credit rating	AAA	-	1,041,068
Short term investments			
Counterparties with external credit rating	AAA (f)	10,788,321	4,800,958
	AA+ (f)	4,753,632	3,378,953
	AA(f)	2,512,047	1,017,137
Counterparties without external credit rating			
with no default in the past		4,622,219	-
		22,676,219	9,197,048
Interest accrued			
Counterparties with external credit rating	A1+	401,229	423,315
Bank balances / instruments			
Counterparties with external credit rating	A1+	52,204,471	31,696,415
	A1	11	3,323
		52,204,482	31,699,738
Long term investments			
Counterparties with external credit rating	AA+	194,769	194,580
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees with no default in the past		48,967	49,080
Long term deposits			
Counterparties without external credit rating			
Deposits with counter parties with no default in the past		179,166	93,572

34.3 Financial risk management

34.3.1 Financial risk factors

The Group'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 Group's overall risk management policy focuses on identification and analysis of risks faced by the Group, setting appropriate risk limits and controls and monitoring thereof. Risk management policies and systems are reviewed regularly in the light of changes in Group's activities and business environment.

a) Credit risk

Credit risk is the risk of financial loss to the Group 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 Group 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 Group 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 Group has not recorded impact of application of ECL model on the financial assets due directly/ultimately from the GoP in these consolidated 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 Group 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 Group does not expect these companies to fail to meet their obligations. Payment terms are agreed with customers which vary from 7 to 45 days.

An impairment analysis is performed at each reporting date in accordance with impairment requirements of IFRS 9 read with S.R.O. 67(I)/2023 dated January 20, 2023 issued by SECP, which has exempted financial assets due from the GoP from application of IFRS 9 till financial years ending on or before December 31, 2024. While evaluating the concentration of risk with respect to trade debts, the Group 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 Group considers current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables and applies the IFRS 9 simplified approach, read with S.R.O. 67(I)/2023 dated January 20, 2023 issued by SECP, to measure the expected credit losses which uses a lifetime expected loss allowance for trade debts.

Banks, mutual funds and investments

The Group 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.

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Others
The relationship with the joint operating partners is governed under Petroleum Concession Agreements (PCAs) signed by the Government of Pakistan, the Group 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 Group'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 Group's reputation. The Group maintains sufficient cash and cash equivalents and the Group's financial assets are in excess of financial liabilities by Rs 120,736,971 thousand (2023: Rs 81,346,283 thousand).

c) **Market risk**
Market risk is the risk that changes in market prices will affect the Group'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 Group'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 Group's exposure to currency risk is as follows:

	2024	2023	2024	2023
	(Rupees in thousand)		(US$ in thousand)	
Cash and bank balances	17,936,059	16,110,486	64,310	58,490
Short term loans and advances	5,966,539	2,967,239	21,393	10,773
Trade and other payables	(12,912,233)	(13,816,897)	(46,297)	(50,163)
Net financial assets	10,990,365	5,260,828	39,406	19,100

The following are significant exchange rates:

	Average rate		Closing rate	
	2024	2023	2024	2023
	(Rupees)		(Rupees)	
US$ 1	283.57	252.96	278.90	275.44

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)	
2024			
US$	+10%	439,615	439,615
	-10%	(439,615)	(439,615)
2023			
US$	+10%	210,433	210,433
	-10%	(210,433)	(210,433)

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 Group's interest-bearing financial instruments was:

	2024	2023
	(Rupees in thousand)	
Financial assets		
Long term investments	194,769	194,580
Current portion of long term investments	-	1,041,068
Short term investments	2,560,494	-
Bank balances	52,175,790	28,031,391
	54,931,053	29,267,039
Financial liabilities		
Long term financing	593,369	672,381
Current portion of long term financing	149,293	121,007
	742,662	793,388

The effective interest rates for the financial assets are mentioned in respective notes to these consolidated financial statements.

Interest rate sensitivity analysis
At June 30, 2024 if interest rates had been 50 basis points higher/ lower and all other variables were held constant, the Group's profit after tax for the year ended June 30, 2024 would increase/ decrease by Rs 165,275 thousand (2023: increase/ decrease by Rs 83,076 thousand).

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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 Group 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 Group's objective when managing capital is to safeguard the Group'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 Group may issue new shares through right issue or raise financing from financial institutions.

34.4 Fair value of financial instruments

The carrying values of financial assets and liabilities approximate their fair values except for financial assets due directly/ultimately from GoP for which ECL model has not been applied due to exemption provided by SECP as mentioned in note 2.7 to these consolidated financial statements. Had the exemption not been granted, carrying value of said financial assets would approximate their fair value.

Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
June 30, 2024				
Short term investments	20,115,725	-	-	20,115,725
Long term investments	194,769	-	-	194,769
	20,310,494	-	-	20,310,494
June 30, 2023				
Short term investments	9,197,048	-	-	9,197,048
Long term investments	194,580	-	-	194,580
	9,391,628	-	-	9,391,628

35. INFORMATION ABOUT JOINT OPERATIONS

The Group's working interests in Pakistan are as follows:

	2024	2023
	Working interest (%)	
OPERATED BLOCKS / FIELDS		
Zarghun South Field	35.0	35.0
Ziarat Block	60.0	60.0
Karak Block	60.0	60.0
Wali West Block	95.0	95.0
Taung Block	60.0	60.0
Harnai Block	60.0	60.0
Ghauri Block	65.0	65.0
Peshawar East Block	98.2	98.2
Waziristan Block	55.0	55.0
Block 28	95.0	95.0
Khetwaro Block *	51.0	51.0
Sharan Block	58.5	60.0
Nareli Block	64.6	39.0
Dadhar Block	38.0	40.0
South Pishin Block	37.0	-
Mach Block	38.0	40.0
NON - OPERATED BLOCKS		
Hala Block	35.0	35.0
Kohat Block	33.3	33.3
Kohlu Block	30.0	30.0
Kalchas Block	50.0	50.0
Shah Bandar Block	32.0	32.0
Bela West Block	39.0	39.0
North Dhurnal Block	40.0	40.0
Killa Saifullah Block	39.0	40.0
Zindan Block *	35.0	35.0
Kalat West Block	50.0	50.0
Sui North Block	50.0	50.0
Meeranpur Block	50.0	50.0
Margala Block	30.0	30.0
Tanishpa	28.0	-
Lugai	30.0	-
Shaigalu	30.0	-
Kalchas South	44.0	-

* The Group has applied for the relinquishment of these blocks and GoP's approval is awaited.

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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, 2024:**		
	Assets		
	Long term investments including	Placed under interest arrangement	194,769
	current portion - TFCs	Placed under Shariah permissible arrangement	-
			194,769
	Interest accrued	Placed under interest arrangement	392,584
		Placed under Shariah permissible arrangement	8,645
			401,229
	Short term investments	Placed under interest arrangement	21,920,064
		Placed under Shariah permissible arrangement	756,155
			22,676,219
	Bank balances / instruments	Placed under interest arrangement	47,131,781
		Placed under Shariah permissible arrangement	5,072,808
			52,204,589
	Liabilities		
	Long term financing including current portion	Obtained under interest arrangement	742,662
		Obtained under Shariah permissible arrangement	-
			742,662
ii)	**Transactions for the year ended June 30, 2024**		
	Net sales	Earned under non-Shariah compliant business	-
		Earned under Shariah compliant business	181,828,621
			181,828,621
	Interest income on Term Finance	Placed under interest arrangement	97,134
	Certificates (TFCs)	Placed under Shariah permissible arrangement	-
			97,134
	Interest income on treasury bills	Placed under interest arrangement	231,016
		Placed under Shariah permissible arrangement	-
			231,016
	Income on mutual funds	Placed under interest arrangement	2,176,159
		Placed under Shariah permissible arrangement	152,313
			2,328,472
	Interest income on deposit accounts with banks	Placed under interest arrangement	6,956,210
		Placed under Shariah permissible arrangement	122,609
			7,078,819
	Borrowing costs paid on long term financing	Obtained under interest arrangement	27,258
		Obtained under Shariah permissible arrangement	-
			27,258

iii) Names of Group's shariah compliant banks

1. Askari Bank Limited (Islamic)
2. Bank Alfalah Limited (Islamic)
3. Meezan Bank Limited
4. Al Baraka Bank (Pakistan) Limited
5. Bank Islami Pakistan Limited
6. Dubai Islamic Bank
7. Bank of Punjab
8. Faysal Bank Limited

Disclosures other than above are not applicable on the Group.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements as remuneration and allowances including all benefits to key management personnel (chief executive and directors) and executives of the Group is as follows:

	2024		2023	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousand)			
Managerial remuneration	67,620	2,871,632	45,290	2,380,694
Provident fund	6,762	269,774	4,529	228,113
Gratuity fund	6,080	262,080	4,562	207,887
Housing, utilities and others	72,378	3,278,826	24,910	2,799,799
Bonuses	92,120	4,305,461	58,250	2,631,609
	244,960	10,987,773	137,541	8,248,102
Number of persons including those who worked part of the year	1	803	1	677

The entitled employees are provided medical, leave benefits, company provided vehicles, residential and club facilities alongwith children schooling facilities at Daharki.

Non-executive directors were paid aggregate fee and reimbursable expenses of Rs 71,279 thousand (2023: Rs 70,665 thousand). As at June 30, 2024, total directors were 11 (2023: 11).

	2024	2023
38. NUMBER OF EMPLOYEES		
Total number of employees as at year end	1,653	1,618
Average number of employees during the year	1,641	1,597

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39. BALANCES AND TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED COMPANIES

The related parties of the Group comprise of entities having significant influence over the Group and entities controlled by such entities, associates, employees' retirement funds and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers its MD/CEO and Directors to be key management personnel. Associated companies have been identified in accordance with the requirements of the Companies Act, 2017. Transactions and balances with related parties and associated companies, other than below, have been disclosed in relevant notes to these consolidated financial statements.

The Group, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are either disclosed in respective notes to these consolidated financial statements or are collectively, but not individually, significant to these consolidated financial statements. Certain entities have become related parties and associated companies during the year and their information pertaining to prior year is also disclosed for comparison purposes.

Following are the details of associated companies and undertakings and other related parties with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year:

Name and nature of relationship	Direct shareholding %
Entities with significant influence over the Group	
Fauji Foundation*	40.00%
Oil and Gas Development Company Limited (OGDCL)*	20.00%
Government of Pakistan (GoP)	19.99%
Entities controlled by those entities having significant influence over the Group	
Sui Northern Gas Pipelines Limited	-
Sui Southern Gas Company Limited	-
Central Power Generation Company Limited	-
Pak Arab Refinery Company Limited	-
Pakistan Refinery Limited	-
Foundation Power Company Daharki Limited*	-
Foundation Gas*	-
FonGrow (Private) Limited*	-
National Investment Trust	1.50%
National Bank of Pakistan	0.35%
Government Holdings (Private) Limited	-
Pakistan Petroleum Limited	-
Fauji Cement Company Limited*	-
Associated Company	
Pakistan International Oil Limited	25.00%

Name and nature of relationship	Direct shareholding %
Associated companies by virtue of common directorship	
Askari Bank Limited	-
Fauji Fertilizer Company Limited	-
Pakistan Oxygen Limited	-
Pakistan Petroleum Exploration & Production Companies Association	-
Pakistan Mobile Communications Limited	-
Pakistan Minerals (Private) Limited	-
Olive Technical Services Limited	-
FFBL Power Company Limited	-
Employees' retirement funds	
Management Gratuity Fund	-
Non-Management Gratuity Fund	-
Provident Fund	-
Key management personnel / Director	
Lt. Gen. Anwar Ali Hyder, HI(M), (Retd)	0.000002%
Syed Bakhtiyar Kazmi	0.000002%
Maj Gen Tariq Qaddus, HI (M), (Retd)	0.000002%
Mr Faheem Haider	0.000002%
Mr Momin Agha	-
Mr Hassan Mehmood Yousufzai	-
Mr Ahmed Hayat Lak	-
Mr Muhammad Aamir Salim	-
Mr Adnan Afridi	-
Mr Abid Niaz Hasan	0.000375%
Ms Seema Adil	0.000375%
Mr Waqar Ahmed Malik (SI)**	-
Dr Nadeem Inayat **	-
Maj Gen Ahmad Mahmood Hayat HI(M), (Retd) **	-
Mr Abdul Rasheed Jokhio **	-
Mr Mohammad Hassan Iqbal **	-
Capt. (Retd) Muhammad Mahmood **	-

* These entities are also associated entities by virtue of common directorship.

** These are not directors of the Holding Company as at June 30, 2024.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2024

Name and nature of relationship	Nature of transaction	Transactions for the year ended June 30, 2024 (Rupees in thousand)	2023 (Rupees in thousand)
Related parties			
Entities with significant influence over the Group			
Fauji Foundation	Dividend paid	8,254,947	7,990,364
	Cost recharge expense	449,359	249,312
	Corporate Social Responsibility	828,556	619,763
Oil and Gas Development	Dividend paid	4,127,473	3,995,182
Company Limited (OGDCL)	Sale of store and spares	140,876	-
	Expenses against studies	41,030	-
Government of Pakistan (GoP)	Dividend paid	4,159,358	3,703,534
	Price differential	-	14,745,904
Entities controlled by those entities having significant influence over the Group			
Sui Northern Gas Pipelines Limited	Gas sale	70,240,864	47,004,693
Sui Southern Gas Company Limited	Gas sale	5,496,639	6,953,434
	Pipeline expense	175,643	108,746
Central Power Generation			
Company Limited	Gas sale	6,249	5,390,961
Pak Arab Refinery Company Limited	Crude oil sale	759,311	772,924
Pakistan Refinery Limited	Crude oil sale	134,105	101,339
Foundation Power Company			
Daharki Limited	Gas sale	5,929,085	5,208,024
Foundation Gas	LPG sale	-	2,781
National Investment Trust	Income on mutual funds	1,275,778	646,804
National Bank of Pakistan	Interest income	80,474	40,771
	Income on mutual funds	335,242	109,858
Government Holdings (Private) Limited	Expenses against studies	41,030	-
Entities controlled by those entities having significant influence over the Group			
Pakistan Petroleum Limited	Contractual services income	1,864,097	2,823,838
	Gas processing income	-	4,686
	Expenses against studies	41,030	-
	Purchase of stores and spares	75,999	14,759
Fauji Cement Company Limited	Crude oil sale	24,915	31,394
Employees' retirement funds			
Gratuity fund (Non-Management)	Group's contribution	88,019	23,007
Provident fund	Group's contribution	294,163	269,652
Associated companies by virtue of common directorship			
Askari Bank Limited	Interest income	4,599,122	2,165,425
Fauji Fertilizer Company Limited	Gas sale	41,120,908	32,978,650
	Income against services	72,574	-
Pakistan Oxygen Limited	Supply of consumables	7,034	3,355

Name and nature of relationship	Nature of transaction	Transactions for the year ended June 30, 2024 (Rupees in thousand)	2023 (Rupees in thousand)
Pakistan Petroleum Exploration &			
Production Companies Association	Membership fee	1,908	1,602
Pakistan Mobile			
Communications Limited	Purchase of services	55,185	427
Olive Technical Services Limited	Purchase of services	14,636	2,504
Pakistan Minerals (Private) Limited	Purchase of services	3,950	-
FFBL Power Company Limited	Corporate Social Responsibility	-	10,000

Name and nature of relationship	Nature of balance	Balance as at June 30, 2024 (Rupees in thousand)	2023 (Rupees in thousand)
Related parties			
Entities with significant influence over the Group			
Fauji Foundation	Cost recharge payable	72,483	60,000
Oil and Gas Development	Payable to joint operating partner	62,491	167,129
Company Limited (OGDCL)	Receivable from joint operating partner	1,495,830	674,521
	Advance against studies	2,846	-
Government of Pakistan (GoP)	Receivable on account of price differential	-	3,661,268
Entities controlled by those entities having significant influence over the Group			
Sui Northern Gas Pipelines Limited	Trade debts	67,732,562	33,744,454
Sui Southern Gas Company Limited	Trade debts	5,177,679	4,400,586
	Payable against pipeline expenses	28,546	14,813
Central Power Generation			
Company Limited	Trade debts	1,348	11,213,215
Pak Arab Refinery Company Limited	Trade debts	108,375	290,166
Pakistan Refinery Limited	Trade debts	42,304	23,289
Foundation Power Company			
Daharki Limited	Trade debts	592,002	688,239
Foundation Gas	Trade debts	6,072	6,072
Government Holdings (Private) Limited	Receivable from joint operating partner	103,373	26,475
	Advance against studies	2,846	-
National Investment Trust	Mutual funds	7,532,392	4,759,233
National Bank of Pakistan	Bank balances / instruments	195,220	415,559
	Mutual funds	5,769,081	1,008,297
	Interest accrued	36,746	17,514
Pakistan Petroleum Limited	Payable to joint operating partner	676,120	365,987
	Receivable from joint operating partner	1,157,747	265,120
	Receivable against contractual services	65,496	719,251
	Receivable against gas processing	-	3,615
	Receivable against studies	3,762	-

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2024

Name and nature of relationship	Nature of balance	Balance as at June 30, 2024	2023
		(Rupees in thousand)	
Associated companies by virtue of common directorship			
Askari Bank Limited	Bank balances / instruments	25,507,653	23,734,622
	Interest accrued	354,993	402,814
Fauji Fertilizer Company Limited	Trade debts	1,809,613	1,593,285
	Advance received against services	187,471	-
	Receivable against services	30,441	-
Pakistan Oxygen Limited	Advances against supply of consumables	6,477	7,015
Pakistan Mobile Communications Limited	Payable against services	8,670	-
Olive Technical Services Limited	Payable against services	114	-

40. NON - ADJUSTING EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE

40.1 The Board of Directors of the Holding Company in its meeting held on August 8, 2024 has proposed (i) final cash dividend for the year ended June 30, 2024 @ Rs 134 per share, and (ii) issuance of bonus shares in the ratio of eight shares for every one share held (i.e. 800%), for approval of the shareholders in the Annual General Meeting.

41. GENERAL

41.1 Revenue from major customers constitutes 96% of the total revenue during the year ended June 30, 2024 (2023: 96%).

41.2 Capacity and Production

Saleable production (net) from Group's fields including share from non-operated fields for the year ended June 30, 2024 is as under:

Product	Unit	Production for the year
Gas	MMSCF	292,256
Crude oil	Barrels	436,800

Due to the nature of operations of the Group, installed capacity of above products is not relevant.

41.3 All investments out of Provident Fund and Gratuity Funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified for this purpose.

41.4 These consolidated financial statements have been authorized for issue by the Board of Directors of the Holding Company on August 8, 2024.

Nabeel Rasheed
Chief Financial Officer

Faheem Haider
Managing Director / CEO

Abid Hasan
Director

Lt Gen Anwar Ali Hyder HI(M), (Retd)
Chairman

Definition and Glossary of Terms

2D Seismic
Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 2-D seismic provides two dimensional information.

3D Seismic
Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 3-D seismic provides three dimensional information.

Acronym	Expanded Form
2C	Contingent Resources
2D	Two-Dimensional
2P	Proved and Probable Reserves
3D	Three-Dimensional
ADNOC	Abu Dhabi National Oil Company
AGM	Annual General Meeting
AI	Artificial Intelligence
AIMS	Asset Integrity Management System
ALARP	As Low As Reasonably Practicable
AOA	Articles of Association
API	American Petroleum Institute
BBLS	Barrels
BI	Business Intelligence
BOE	Barrels of Oil Equivalent
BSCF	Billion Standard Cubic Feet
CCS	Carbon Capture and Storage
CCUS	Carbon Capture, Utilization, and Storage
CDA	Capital Development Authority
CDC	Central Depository Company
CIM	Continuous Improvement Management
CIPS	Chartered Institute of Procurement & Supply
COCG	Code of Corporate Governance
CSR	Corporate Social Responsibility
D&P	Development and Production
DGPC	Directorate General Petroleum Concessions
DOC	Declaration of Commerciality
DRP	Disaster Recovery Plan
E&P	Exploration and Production
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EL	Exploration License
EMS	Environmental Management System
EPF	Early Production Facilities
EPS	Earnings Per Share
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental, Social, and Governance
EWT	Extended Well Test
FATF	Financial Action Task Force
FBR	Federal Board of Revenue
FEBI	Future Energies & Business Innovation
FPCDL	Foundation Power Company (Daharki) Limited
FX	Foreign Exchange
G&G	Geology and Geophysics
GHG	Greenhouse Gas
GIS	Geographic Information System
GPA	Gas Price Agreement
GRI	Global Reporting Initiative
GST	General Sales Tax
HAZOP	Hazard and Operability Study
HI (M)	Hilal-I-Imtiaz (Military)
HP	Horsepower
HR&R	Human Resources and Remuneration
HRL	Habib Rahi Limestone
HSE	Health, Safety, and Environment
HSEQ	Health, Safety, Environment, and Quality
HTV	Heavy Transport Vehicle
IBA	Institute of Business Administration
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information Technology
JV	Joint Venture
KMI	Karachi Meezan Index
KP	Khyber Pakhtunkhwa
KPI	Key Performance Indicator
LC	Letter of Credit
LEAS	Law Enforcement Agencies

Acronym	Expanded Form
LNG	Liquefied Natural Gas
LTV	Light Transport Vehicle
LUMS	Lahore University of Management Sciences
LWD	Logging While Drilling
M&A	Mergers and Acquisitions
MD/CEO	Managing Director / Chief Executive Officer
MDU	Mari Drilling Unit
MGCL	Mari Gas Company Limited
MHUS	Mobile Health Units
ML	Machine Learning
MMBOE	Million Barrels of Oil Equivalent
MMC	Mari Mining Company
MMLU	Mari Mud Logging Unit
MMSCF	Million Standard Cubic Feet
MMSCFD	Million Standard Cubic Feet per Day
MOE	Ministry of Energy
MSD	Mari Services Drilling
MSPC	Mari Seismic Processing Center
MSU	Mari Seismic Unit
MSUP	Mari Sehat Umeed Program
NCCPL	National Clearing Corporation of Pakistan
NLC	National Logistics Cell
NSSES	Noor-e-Sehar Special Education School
NTDC	National Transmission and Dispatch Company
NTN	National Tax Number
NUMS	National University of Medical Sciences
NUST	National University of Sciences and Technology
NUTECH	National University of Technology
OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OICCI	Overseas Investors Chamber of Commerce and Industry
PAS	Pakistan Administrative Service
PEF	Pressure Enhancement Facilities
PIOL	Pakistan International Oil Limited
PMDC	Pakistan Mineral Development Corporation
PPEPCA	Pakistan Petroleum Exploration and Production Companies Association
PPIB	Private Power and Infrastructure Board
PPL	Pakistan Petroleum Limited
PSA	Participation and Shareholders Agreement
PSM	Process Safety Management
PSSR	Pre-Startup Safety Review
PSX	Pakistan Stock Exchange
QAIP	Quality Assurance & Improvement Program
R/P	Reserves to Production Ratio
RCSA	Risk Control Self Assessment
RHC	Rural Health Center
RLNG	Re-Gasified Liquefied Natural Gas
RO	Reverse Osmosis
ROCE	Return on Capital Employed
ROE	Return on Equity
RRR	Reserves Replacement Ratio
RSS	Rotary Steerable System
SAFA	South Asian Federation Of Accountants
SAP	Systems, Applications, and Products in Data Processing
SASB	Sustainability Accounting Standards Board
SDGS	Sustainable Development Goals
SECP	Securities And Exchange Commission of Pakistan
SEED	Skills Enhancement and Employment Development
SGPC	Sachal Gas Processing Complex
SIFC	Special Investment Facilitation Council
SNGPL	Sui Northern Gas Pipelines Limited
SOP	Standard Operating Procedure
SPE	Society of Petroleum Engineers
SR	Sustainability Report
SSGCL	Sui Southern Gas Company Limited
TERF	Temporary Economic Re-Finance Facility
THQ	Tehsil Headquarters
TORS	Terms of Reference
TRIR	Total Recordable Incident Rate
UEPL	United Energy Pakistan Limited
VAPT	Vulnerability Assessment and Penetration Testing
VDI	Virtual Desktop Infrastructure
WBG	World Bank Group
WHFP	Wellhead Flowing Pressure
WIMS	Well Integrity Management System

MMC کان کنی کے مختلف منصوبوں پر اسٹریٹجک تعاون کے لیے بین الاقوامی اور مقامی کمپنیوں کے ساتھ فعال طور پر مصروف عمل ہے ۔ کان کنی کی سرگرمیوں کے لیے ضروری لیبارٹری اور ڈرلنگ خدمات کے لیے مقامی صلاحیت کو بڑھانے کے لیے کئی بین الاقوامی سروسز کمپنیز کے ساتھ بھی بات چیت جاری ہے ۔

چونکہ کمپنی اپنے ایکسپلوریشن سائیکل کے ابتدائی مراحل میں ہے ، اس لیے کوئی ریکارڈ شدہ آمدنی نہیں ہے اور اس لیے زیر جائزہ مدت کے لیے فی حصص نقصان 5.4 روپے فی حصص تھا ۔ تاہم ، موجودہ اور مستقبل کے ایکریج کے ساتھ ہمیں امید ہے کہ MMC کچھ ایکسپلوریشن لائسنسز کو ڈویلپمنٹ لیز میں تبدیل کر سکے گا جس کے نتیجے میں مستقبل میں منافع ہو گا ۔

مجاز اور ادا شدہ حصص کے سرمائے میں اضافہ

کمپنی کی مستقبل کی کان کنی کی سرگرمیوں کے پیش MMC کے بورڈ نے مجاز شیئر کیپٹل کو 10 کروڑ روپے سے بڑھا کر 5 ارب روپے کرنے کی سفارش کی ہے ۔ اس تجویز کو MMC کے حصص یافتگان نے 9 مئی، 2024 ءکو منعقدہ غیر معمولی عام اجلاس میں منظور کیا تھا ۔

ایم پی سی ایل نے ایم ایم سی میں اپنی سرمایہ کاری میں اضافہ کرنے کا فیصلہ کیا ہے تاکہ ایکویٹی کے ذریعے 2.5 بلین روپے تک کی سرمایہ کاری کی جائے تاکہ ایم ایم سی کو اس کی فنڈنگ کی ضروریات کو پورا کرنے میں مدد ملے۔ یہ سرمایہ کاری قسطوں میں MMC کی طرف سے Right Issue کو سبسکرائب کر کے کی جائے گی۔

قانون نافذ کرنے والے اداروں کو خراجِ تحسین

ہم اپنے بنیادی ڈھانچے ، اہلکاروں اورآپریشنز کے تحفظ میں LEAs کی طرف سے دکھائے گئے عزم اور پیشہ ورانہ مہارت کی بہت زیادہ تعریف کرتے ہیں ۔ ہمارے فیلڈ اسٹاف میں اعتماد پیدا کرنے اور توانائی کے شعبے کے استحکام کو یقینی بنانے کے لیے ان کی چوکسی اور تیاری ناگزیر اور نا قابلِ فراموش ہے ۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کی شاندار آپریشنل اور مالی نتائج کے ساتھ ساتھ مختلف اہم منصوبوں کو انجام دینے کے لیے ان کی لگن اور عزم کی تعریف کرنا چاہے گا ۔

بورڈ وفاقی اور صوبائی حکومتوں ، مقامی انتظامیہ ، اور وفاقی حکومت کے مختلف محکموں خصوصا وزارت توانائی (پٹرولیم ڈویژن) وزارت خزانہ ، اوگرا ، پٹرولیم کنسیشنز آئل اینڈ گیس کےDGs، فوجی فاؤنڈیشن ، او جی ڈی سی ایل ، ایف بی آر ، سپلائرز ، JV شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کی طرف سے موصول ہونے والی مسلسل معاونت اور تعاون پر تہہ دل سے مشکور و ممنون ہے ۔

بورڈ کے لیے اور اس کی جانب سے

فہیم حیدر
مینجنگ ڈائریکٹر / سی ای او

لیفٹیننٹ جنرل انور علی حیدر،
ہلال امتیاز(ملٹری) (ریٹائرڈ)
چیئرمین

اسلام آباد

08 اگست، 2024 ء

b) مالیاتی گوشوارے کمپنی کی اسٹیٹ آف افیئرز ، اس کے آپریشنز کے نتائج ، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

c) کمپنی کے حساب کتاب درست طور پر برقرار رکھے گئے ہیں ۔

d) کمپنی کی قابلیت کے بارے میں کوئی خاص شک نہیں ہےجوباعثِ تشویش ہو ۔

e) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں کا مستقل طور پراطلاق کیا گیا ہے ، سوائے مالیاتی بیانات میں تفصیل کے مطابق کسی بھی تبدیلی کے ، اور تمام اکاؤنٹنگ تخمینے ایک معقول اور دانشمندانہ فیصلے پر مبنی ہیں ۔

f) ڈائریکٹرزاس بات کے ذمہ دار ہیں اور انہوں نے مناسب طریقے سے اس بات کو یقینی بنایا ہے کہ انٹرنل کنٹرول کا نظام ، بشمول مالیاتی کنٹرول ،ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیااور درست طریقے سے نگرانی کی گئی ہے ۔

g) بورڈ کی منظوری سے قبل آڈٹ کمیٹی کے ذریعہ تمام متعلقہ فریقین کے لین دین کا جائزہ لیا گیا۔

h) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کئے گئے کارپوریٹ گورننس کے بہترین اصولوں سے کوئی قابلِ ذکر تضاد نہیں پایا گیا ہے ۔

i) سالانہ رپورٹ میں گزشتہ دس سالوں کا کلیدی آپریٹنگ اور فنانشل ڈیٹا فراہم کیا گیاہے۔

j) 30جون، 2024 تک بینک ڈپازٹس اور مختلف فنڈز کی جمع شدہ آمدنی سمیت سرمایہ کاری کی قدر ،ان کے متعلقہ آڈٹ شدہ کھاتوں کی بنیاد پر تفصیل حسبِ ذیل ہے:

کنٹری بیوٹری پروویڈنٹ فنڈ	2,094ملین روپے
مینجمنٹ اسٹاف گریجویٹی فنڈ	3,269ملین روپے
نان مینجمنٹ اسٹاف گریجویٹی فنڈ	1,220ملین روپے

k) بقایا ٹیکسز اور لیویز سے متعلق معلومات مالیاتی گوشواروں کے نوٹس میں بیان کی گئی ہیں۔

ڈیویڈنڈاور بونس شئیرز

سال کے دوران کمپنی نے30 جون، 2023ء کو ختم ہونے والے سال کے لئے 58 روپے فی شیئر (580فیصد) کا حتمی ڈیویڈنڈ ، اور 30 جون، 2024ء کو ختم ہونے والے سال کے لئے 98 روپے فی شیئر (980٪) عبوری کیش ڈیویڈنڈکی ادائیگی کی ہے ۔

مزید برآں ، بورڈ آف ڈائریکٹرز نے 08 اگست، 2024ء کو منعقدہ ہونے والے اجلاس میں30جون، 2024ء کو ختم ہونے والے سال کے لیے حتمی کیش نقد ڈیویڈنڈ134روپے فی شیئر (1،340 فیصد) کی تجویز پیش کی ہے ۔ جس کی وجہ سے اس مالی سال کا مجموعی ڈیویڈنڈ 232روپے فی شیئر(i.e 2,320٪) ہو جائے گا۔

اس کے علاوہ بورڈ نے ہر ایک شئیر کے لیے 8شئیر(800٪) کے تناسب سے بونس شئیرز کی بھی سفارش کی ہے ۔ حتمی نقد ڈیویڈنڈ اور بونس شئیرز آئندہ سالانہ جنرل میٹنگ میں شئیر ہولڈرز کی منظوری کے لیے پیش کیے جائیں گے۔

کمپنی کا مستقبل کے منصوبہ جات

2020ء میں شروع ہونے والا کمپنی کا ٹرانسفارمیشن پروگرام طویل مدتی وژن اور ترقی کے اہداف کے تسلسل میں اپنا سفر جاری رکھے ہوئےہے جس کے تین اہم نکات میں (1) بنیادی کاروبار کی مضبوطی (2)تیل و گیس کے علاوہ کاروباری توسیع اور(3) قومی سطح پرESG لیڈر بننا ، شامل ہیں۔

کمپنی اپنے طویل مدتی وژن اور ترقی کی حکمت عملی کے لیے پوری طرح پرعزم ہے اور اس کا مقصد ملک کی توانائی اور غذائی تحفظ کو محفوظ بنانے میں اپنے کردار کو مزیدبڑھاناہے ۔

کمپنی اپنی اولین ترجیح کے طور پر موجودہ اور ممکنہ دونوں بلاکس میں ایکسپلوریشن کی سرگرمیاں انجام دینے کا ارادہ رکھتی ہے ۔ اس کا مقصد مزید ہائیڈرو کاربن وسائل کو دریافت کرنا ہے ، جنہیں

موجودہ بنیادی ڈھانچے یا نئے تکنیکی اقدامات کا استعمال کرکے تیزی سے آگے بڑھایا جا سکتا ہے ۔

مالی سال 25-2024 میں ، مختلف آپریٹڈ اور JVبلاکس میں متعدد ایکسپلوریٹری اور اپریزل کنوؤں کی منصوبہ بندی کی گئی ہے۔ مزید برآں ہائیڈرو کاربن کی صلاحیت کا جائزہ لینے اور امکان کی پختگی کے لئے 2D اور3D سیسمک ڈیٹا کے حصول کے مختلف منصوبوں کا بھی منصوبہ بنایا گیا ہے ۔ اس کے علاوہ پیداواری سطح کی توسیع کے ساتھ ساتھ پیداوار، ریزرو کی بحالی اور وسائل کی دریافت کو بڑھانے کے لیے دریافت شدہ اور پیداواری شعبوں/بلاکس کی مزید جانچ کے لیے بہت سی سرگرمیاں جاری رہیں گی ۔

مختصر سے درمیانی مدت میں کمپنی کی ترجیحات میں درج ذیل شامل ہیں:

- ماری فیلڈ میں HRL پریشر انہانسمنٹ پروجیکٹ (PEF) کی تکمیل کے لیے سطحی اور زیر زمین سرگرمیاں
- غازیج اور شیوا کی مکمل فیلڈ ڈویلپمنٹ
- پاکستان میں آف شور اور ابوظہبی بلاک 5 میں جاری ایکسپلوریشن اور اپریزل سرگرمیوں کی تکمیل

ایکسٹرنل آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس آئندہAGM کے اختتام پر ریٹائر ہوں جائیں گے ۔ اہلیت کی بنا پر انہوں نے مالی سال25-2024 کے لئے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کے لئے خود کو پیش کیا ہے ۔

آڈٹ کمیٹی نے 30 جولائی، 2024ء کو منعقدہ اپنے اجلاس میں آڈیٹرز کی تقرری پر غور کیا اور میسرز اے ایف فرگوسن اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس کو مالی سال 25-2024 کے لئے کمپنی کے قانونی آڈیٹرز کی تعیناتی کی سفارش کی ہے ۔ آڈٹ کمیٹی کی سفارشات کی توثیق بورڈ آف ڈائریکٹرز نے 8 اگست، 2024ء کو ہونے والے اپنے اجلاس میں کی تھی اور اب یہ معاملہ شیئر ہولڈرز کی منظوری کے لیے آئندہ AGM میں پیش کیا جائے گا ۔

ماری مائننگ کمپنی (پرائیویٹ) لمیٹڈ (MMC)

MMC ایم پی سی ایل کی مکمل ملکیتی ذیلی کمپنی ہے جو ملک میں کان کنی کے منصوبے شروع کرنے کے لیے قائم کی گئی ہے۔ اس اسٹریٹجک اقدام کا مقصد ملک کے معدنی کان کنی کے شعبے کو فروغ دینا ہے جبکہ MPCL کو طویل مدتی ترقی اور متنوع محصولات فراہم کرنا ہے۔

MMC بورڈ آف ڈائریکٹرز

نمبر شمار	ڈائریکٹر	کیٹیگری
1	لیفٹیننٹ جنرل انور علی حیدر ، ہلال امتیاز (ملٹری) (ریٹائرڈ)	نان- ایگزیکٹو ڈائریکٹر،چیئرمین بورڈ آف ڈائریکٹر ز
2	سید بختیار کاظمی	نان- ایگزیکٹو ڈائریکٹر
3	جناب فہیم حیدر	CEO/ایگزیکٹو ڈائریکٹر
4	جناب نبیل رشید	نان- ایگزیکٹو ڈائریکٹر
5	جناب عبدالرؤف خان	نان- ایگزیکٹو ڈائریکٹر
6	جناب حسن محمود	نان- ایگزیکٹو ڈائریکٹر

سال کے دوران MMC کے بورڈ آف ڈائریکٹرز کے دو اجلاس اور کمپنی کے اراکین کا ایک غیر معمولی اجلاس عام منعقد ہوا ہے ۔

کاروباری جائزہ

30 جون، 2024ء کے بعد MMC کو دو ایکسپلوریشن لائسنس EL-322 اور EL-323 دیے گئے ہیں ، جو 500 مربع کلومیٹر کے رقبے پر محیط ہیں ۔ یہ لائسنس بلوچستان کے ضلع چاغی میں تانبے ، سونے ، سیسہ ، چاندی ، زنک ، پلاٹینم گروپ میٹلز ، مولیبڈینم، آئرن اور بنیادی دھاتوں کی تلاش کے لیے ہیں ۔

بلوچستان منرل ریسورسز لمیٹڈ کے ساتھ جوائنٹ وینچر کے معاہدے کو حتمی شکل دینے کے لیے بات چیت جاری ہے تاکہ لائسنس کی شرائط کو پورا کیا جا سکے ۔

سرمایہ کاری کمیٹی:

بورڈ کی سرمایہ کاری کمیٹی فی الحال درج ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر	عہدہ
سید بختیار کاظمی	چیئرمین
میجر جنرل طارق قدوس، ہلال امتیاز (ملٹری) (ریٹائرڈ)	ممبر
جناب محمد عامر سلیم	ممبر
جناب عدنان آفریدی	ممبر
مس سیما عادل	ممبر

ESG کمیٹی:

بورڈ کی ESG کمیٹی فی الحال درج ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر	عہدہ
جناب عابد نیاز حسن	چیئرمین
جناب مومن آغا	ممبر
جناب محمد عامر سلیم	ممبر
جناب عدنان آفریدی	ممبر
مس سیما عادل	ممبر

بورڈ، بورڈ کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کی سالانہ جائزہ رپورٹ:

مالی سال 2022-23 کا جائزہ

بورڈ نے مجموعی طور پر بورڈ، بورڈ کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لیے انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن (IBA) کی خدمات بطور ایکسٹرنل جائزہ کار لینے کا فیصلہ کیا ہے۔

مالی سال 2022-23 کا جائزہ سالانہ رپورٹ 2023 کی چھپائی کے وقت جاری تھا۔ اس لیے، جائزہ کے نتائج کا خلاصہ ذیل میں فراہم کیا جاتا ہے:

بورڈ کا جائزہ: ڈائریکٹرز کے ردعمل کی بنیاد پر MPCL کے بورڈ کا اسٹریٹجک پرفارمنس انڈیکس (BSPI) پچھلے سال کے 90٪ کے مقابلے میں 92٪ تھا۔ اس سے ظاہر ہوتا ہے کہ گزشتہ سال کے مقابلے بورڈ کی مجموعی کارکردگی میں اضافہ ہوا ہے۔

کمیٹیوں کا جائزہ: ہر کمیٹی کا اوسط مجموعی اسکور حسب ذیل تھا:

آڈٹ کمیٹی 94٪ (2022:93٪)، ٹیکنیکل کمیٹی 93٪ (2022:91٪)، HR&R کمیٹی 92٪ (2022:90٪)، اور انوسٹمنٹ کمیٹی 92٪ (2022:90٪)۔ ہر کمیٹی کا سکور پچھلے سال کے سکور سے زیادہ تھا جو ایک بار پھر بہتر کارکردگی کی نشاندہی کرتا ہے۔

انفرادی ڈائریکٹرز: ہر ڈائریکٹر کے اسکور 85-95٪ (2022:80-96٪) کے درمیان تھے۔ ان اسکورز کو بہت اچھا سمجھا جاتا ہے، جس سے ظاہر ہوتا ہے کہ ہر ڈائریکٹر بورڈ کے آپریشنز اور عمل میں اہم اضافہ کر رہا ہے۔

مالی سال 2023-24 کا جائزہ

بورڈ نے مجموعی طور پر بورڈ، بورڈ کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لیے انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن (IBA) کی خدمات بطور ایکسٹرنل جائزہ کار لینے کا فیصلہ کیا ہے۔

طریقہ کار: IBA کا جائزہ لینے کا عمل ایک سوال نامے پر مبنی ہے جو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور SECP S.R.O. 301 (I)/2020 کے معیارات کو پورا کرنے کے لیے تیار کیا گیا ہے۔ ضرورت پڑنے پر سوال نامے کے بعد بورڈ کے اراکین کے منظم انٹرویوز کیے جاتے ہیں۔ ڈائریکٹرز کی جانب سے سوال نامہ الیکٹرانک طریقے سے پُر کیا جاتا ہے اور نتائج کو گمنام طریقے سے جمع کیا جاتا ہے۔ جائزہ رپورٹ بورڈ کی HR&R کمیٹی کو اس کی سفارشات کے ساتھ بورڈ کو جمع کرانے کے لیے پیش کی جاتی ہے۔

ڈائریکٹرز کی معاوضے کی پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 16 کی تعمیل میں، ایک باضابطہ ڈائریکٹرز معاوضے کی پالیسی نافذ ہے۔ پالیسی کی نمایاں خصوصیات درج ذیل ہیں:

ایگزیکٹو ڈائریکٹر: منیجنگ ڈائریکٹر/CEO بورڈ کا واحد ایگزیکٹو ڈائریکٹر ہوتا ہے۔ وہ بورڈ کی طرف سے منظور شدہ اپنی ملازمت کے معاہدے اور کمپنی کی پالیسیوں کے مطابق تنخواہ اور دیگر مراعات کا حقدار ہے۔ منیجنگ ڈائریکٹر کو بورڈ، بورڈ کمیٹیوں اور عام اجلاسوں میں شرکت کے لیے کوئی فیس ادا نہیں کی جاتی ہے۔

نان ایگزیکٹو اور آزاد ڈائریکٹر کا معاوضہ: نان ایگزیکٹیو ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کے لیے معاوضے کے حقدار ہیں جیسا کہ بورڈ نے وقتاً فوقتاً طے کیا ہے۔ موجودہ فیس جیسا کہ بورڈ نے 21 اکتوبر 2022 کو منعقدہ اپنی 203ویں میٹنگ کے دوران منظور کیا، درج ذیل ہے:

چیئرمین	بورڈ کے اجلاس میں شرکت کے لئے 600,000 روپے
ڈائریکٹرز	بورڈ اور کمیٹی کے اجلاس میں شرکت کے لئے 400,000 روپے

کمپنی کے کاروبار کے دوران تمام ڈائریکٹرز کمپنی کی قابل اطلاق پالیسی کے مطابق سفر سے متعلق الاؤنسز کے حقدار ہیں۔

کمپنی کے عام اجلاسوں میں شرکت کے لیے نان ایگزیکٹو ڈائریکٹرز کو کوئی فیس ادا نہیں کی جاتی ہے۔ مزید یہ کہ وہ کوئی بونس اور ریٹائرمنٹ کے بعد کے فوائد حاصل کرنے کے حقدار نہیں ہیں۔

ڈائریکٹرز کے لیے کوئی اسٹاک آپشن اسکیم نہیں ہے۔

سال کے دوران ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیلات منسلک مالیاتی بیانات کے نوٹ 37 میں دی گئی ہیں۔

شیئر ہولڈنگ پیٹرن:

30 جون، 2024ء کا شیئر ہولڈنگ پیٹرن کا بیان منسلک ہے۔

کوڈ آف کارپوریٹ گورننس

کمپنی SECP کے ذریعہ جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، کی مکمل تعمیل حاصل کرنے کے لیے سرگرم عمل ہے۔ تعمیل کے بیان کا جائزہ قانونی آڈیٹرز کے ذریعے لیا جاتا ہے اور اراکین کو ان کی جائزہ رپورٹ ہر سال سالانہ رپورٹ میں شامل کی جاتی ہے۔

ڈائریکٹرز کمپلائنس اسٹیٹمنٹ

کمپنی کے ڈائریکٹرز مندرجہ ذیل کی تصدیق کرتے ہیں:

a) یہ مالیاتی بیانات درج ذیل اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق تیار کیے گئے ہیں:

- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ (IASB) انٹرنیشنل اکاؤنٹنگ رپورٹنگ اسٹینڈرڈز بورڈ (IFRS) کے ذریعہ جاری کردہ جیسا کہ کمپنیز ایکٹ، 2017 کے تحت مطلع کیا گیا ہے اور
- کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات

جہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS معیارات سے مختلف ہیں، وہاں کمپنیز ایکٹ، 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔

IT گورننس فریم ورک

کمپنی کے IT گورننس فریم ورک کی نگرانی مینجنگ ڈائریکٹر کی سربراہی میں ایک اسٹیئرنگ کمیٹی کرتی ہے ، آئی ٹی حکمت عملی کو کاروباری اہداف کے ساتھ ہم آہنگ کرتی ہے ۔ اس فریم ورک میں پالیسیاں ، معیارات اور عمل شامل ہیں ، جو معلومات کی حفاظت اور ISO/IEC 27001 کی تعمیل کو یقینی بناتے ہیں ۔ سہ ماہی اسسمنٹ اور مسلسل بہتری کے اقدامات ٹیکنالوجی انویسٹمنٹ کو بہتر بناتے ہیں جو کہ اسٹریٹجک مقاصد اور ریگولیٹری تعمیل کی حمایت کرتے ہیں۔

کارپوریٹ گورننس

بورڈ کا سٹرکچر

کمپنی کا ایک فعال بورڈ ہے ، جس میں ایسے ڈائریکٹر شامل ہیں جن کے پاس بنیادی صلاحیتوں اور پس منظر ، مہارت ، علم اور تجربے کے تنوع کا مناسب امتزاج ہے ۔ بورڈ میں ڈائریکٹرز کی کل تعداد گیارہ مقرر کی گئی ہے ، جن میں سے سات منتخب ڈائریکٹرز اور چار نامزد ڈائریکٹرز (دو دو حکومت پاکستان اور او جی ڈی سی ایل کی نمائندگی کرتے ہیں) ، شامل ہیں ۔

بورڈ کی موجودہ تشکیل مندرجہ ذیل ہے:

نمبر شمار	ڈائریکٹر	کیٹیگری
	فوجی فاؤنڈیشن کی نمائندگی	
1	لیفٹیننٹ جنرل انور علی حیدر ، ہلال امتیاز (ملٹری) (ریٹائرڈ)	نان- ایگزیکٹو ڈائریکٹر
2	سید بختیار کاظمی	نان- ایگزیکٹو ڈائریکٹر
3	میجر جنرل طارق قدوس، ہلال امتیاز (ملٹری) (ریٹائرڈ)	نان- ایگزیکٹو ڈائریکٹر
4	جناب فہیم حیدر	ایگزیکٹو ڈائریکٹر
	حکومت پاکستان کی نمائندگی	
5	جناب مومن آغا	نان- ایگزیکٹو ڈائریکٹر
6	*جناب ظفر عباس	نان- ایگزیکٹو ڈائریکٹر
	OGDCL کی نمائندگی	
7	جناب احمد حیات لک	نان- ایگزیکٹو ڈائریکٹر
8	جناب محمد عامر سلیم	نان- ایگزیکٹو ڈائریکٹر
	جنرل پبلک کی نمائندگی	
9	جناب عدنان آفریدی	انڈیپنڈنٹ ، نان- ایگزیکٹو ڈائریکٹر
10	جناب عابد نیاز حسن	انڈیپنڈنٹ ، نان- ایگزیکٹو ڈائریکٹر
11	مس سیما عادل	انڈیپنڈنٹ ، نان- ایگزیکٹو ڈائریکٹر

*جناب حسن محمود یوسفزئی کی جگہ پر 08 اگست، 2024ء کو بورڈ پر تعینات ہوئے

مرد ڈائریکٹرز: 10

خاتون ڈائریکٹر: 01

بورڈ کے چیئرمین اور CEO کے عہدے دو مختلف افراد کے پاس ہوتے ہیں ۔

لیفٹیننٹ جنرل انور علی حیدر ، ہلال امتیاز (ملٹری) (ریٹائرڈ) بورڈ کے چیئرمین ہیں ، جبکہ جناب فہیم حیدر کمپنی کے مینجنگ ڈائریکٹر/CEO ہیں۔

ان افراد کے نام جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹر رہے تھے ۔

- جناب وقار احمد ملک (ستارہ امتیاز)
- ڈاکٹر ندیم عنایت
- میجر جنرل احمد محمود حیات ، ہلال امتیاز (ملٹری) (ریٹائرڈ)
- جناب عبد الرشید جوکھیو
- جناب محمد حسن اقبال
- کیپٹن (ریٹائرڈ) محمد محمود
- جناب حسن محمود یوسفزئی (حکومت کی طرف سے سال کے اختتام کے بعد نامزدگی واپس لے لی گئی ہے)

بورڈ آف ڈائریکٹرز کی کمیٹیاں

ایم پی سی ایل بورڈ نے بورڈ کے آپریشنز اور کاموں کی نگرانی میں معاونت فراہم کرنے کے لیے پانچ کمیٹیاں تشکیل دی ہیں ۔ یہ کمیٹیاں اپنے متعلقہ دائرہ کار سے متعلق اہم معاملات پر پوری طرح غوروخوض کرتی ہیں اور اپنی سفارشات بورڈ کے سوچ و بچار اور حتمی فیصلے کے لیے پیش کرتی ہیں ۔

آڈٹ کمیٹی: *

بورڈ کی آڈٹ کمیٹی فی الحال درج ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر	عہدہ
جناب عابد نیاز حسن	چیئرمین (انڈیپنڈنٹ ، نان-ایگزیکٹو ڈائریکٹر)
سید بختیار کاظمی	ممبر
جناب مومن آغا	ممبر
جناب احمد حیات لک	ممبر
جناب عدنان آفریدی	ممبر

* رسک مینجمنٹ کمیٹی کے کام فی الحال آڈٹ کمیٹی انجام دیتی ہے اور اس کے TORs میں شامل ہیں ۔

HR & R کمیٹی:

بورڈ کی HR&R کمیٹی فی الحال درج ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر	عہدہ
جناب عدنان آفریدی	چیئرمین (انڈیپنڈنٹ، نان-ایگزیکٹو ڈائریکٹر)
میجر جنرل طارق قدوس، ہلال امتیاز (ملٹری) (ریٹائرڈ)	ممبر
جناب ظفر عباس	ممبر
جناب احمد حیات لک	ممبر
جناب عابد نیاز حسن	ممبر

ٹیکنیکل کمیٹی:

بورڈ کی ٹیکنیکل کمیٹی فی الحال درج ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر	عہدہ
میجر جنرل طارق قدوس، ہلال امتیاز (ملٹری) (ریٹائرڈ)	چیئرمین
جناب ظفر عباس	ممبر
جناب احمد حیات لک	ممبر
جناب محمد عامر سلیم	ممبر
مس سیما عادل	ممبر

تیل اور گیس کی صنعت میں عالمی سطح پر اضافے نے ہنر مند پیشہ ور افراد کی مانگ کو تیز کر دیا ہے، جس کے نتیجے میں مقامی ای اینڈ پی سیکٹر سے ٹیلنٹ کا برین ڈرین ہوا ہے۔ صورتحال ملک کے معاشی چیلنجوں سے مزید پیچیدہ ہو گئی ہے، جو مقامی صلاحیتوں کو بیرون ملک مواقع تلاش کرنے پر مجبور کرتی ہے ۔ یہ رجحان اس شعبے کی پائیداری اور ترقی کے لیے ابھرتا ہوا خطرہ ہے ۔

صنعتی تعلقات اور انسانی وسائل

کمپنی کام کے ماحول کو فروغ دینے پر ترجیحاتی بنیادوں پر عمل پیرا ہے جو ہماری سماجی اور قانونی ذمہ داریوں کو پورا کرتے ہوئے اور ہماری تمام سائٹس پر سخت ایچ ایس ای معیارات کو برقرار رکھتے ہوئے جوش و خروش اور عزم کو فروغ دیتا ہے ۔ ہمارا مقصد ایک معاون ماحول پیدا کرنا ہے جو عملے کی فلاح و بہبود کو بڑھاتا ہے اور پیداواری صلاحیت اور تعاون کو فروغ دیتا ہے ۔ یہ عہد کمپنی اور اس کے ملازمین دونوں کی اقدار میں اضافہ کا سبب بنے گا ۔

اس میں ملازمت کے کرداروں کے لیے اہلیت کی نقشہ سازی اور جدید ترین ترقیاتی مداخلتوں کے ساتھ خلا کو پر کرنے کے ذریعے بین الاقوامی معیار کے ساتھ بیان کردہ مہارتوں کو بینچ مارکنگ کے ذریعے اپنے ملازمین کی مہارت کو بڑھانے کی طرف ہماری مسلسل توجہ شامل ہے ۔

مزید برآں، ہم نے حال ہی میں اپنی نئی بنیادی اقدار اور طرز عمل کا آغاز کیا ہے ۔ یہ اقدار ایک فعال کلچر کو فروغ دینے کے لیے ایک اہم عمل کےطور پر کام کریں گی جہاں مختلف اقسام کی strengths کو بروئے کار لاتے ہوئے زیادہ سے زیادہ نتائج ، انڈسٹری کے نئے اخلاقی معیارات کو برقرار رکھنے کے لیے یکسوئی حاصل کر پائیں گی ۔

تنوع(Diversity) اور شمولیت (Inclusion)

ہم صنفی تنوع کو آگے بڑھانے اور اپنے ملازمت کے طریقوں اورکیریئر میں ترقی کے لیے پرعزم ہیں ۔ صنفی تنوع ایک اہم اسٹریٹجک ترجیح ہے ، جس کا مقصد اسے ہماری تنظیم کی تمام سطحوں پر مربوط کرنا ہے ۔ جوابدہی کو یقینی بنانے کے لیے ، صنفی تنوع کا تناسب اب محکمہ جاتی اسکور کارڈز کا لازمی حصہ ہے ۔

مزید برآں ، ہم نے معاشرے کے ایک پیداواری طبقے کے طور پر مساوی مواقع اور ان کے انضمام کو یقینی بناتے ہوئے ، معذور افراد کو راغب کرنے اور ان کی خدمات حاصل کرنے کے لیے ایک مضبوط فریم ورک قائم کیا ہے ۔

succession پلاننگ

ہم نے کاروبار کے تسلسل کو یقینی بنانے کے لیے successionکا ایک جامع منصوبہ تیار کیا ہے ۔ یہ منصوبہ اہم عہدوں کی نشاندہی کرتا ہے ، اعلی صلاحیت والے ملازمین کو تیار کرتا ہے اور علم ومہارت کی منتقلی میں سہولت فراہم کرتا ہے ۔ ایک مضبوط قیادت کو فروغ دے کر ہم خلل و رکاوٹ کو کم کرکے طویل مدتی اسٹریٹجک تسلسل کو یقینی بناسکتے ہیں ۔

ملازمین کو برقرار رکھنا

ملازمین کو برقرار رکھنا ہمارے ادارے کے لیے اہم توجہ کا مرکز ہے ،اس عمل سے ہم اعلی صلاحیتوں کے مالک افراد کو اپنے پاس رکھنے میں کامیاب ہوں گے اور اس جامع کام کوفروغ دے کر ہم ملازمین کے اطمینان اور مشغولیت کو بڑھانے میں سرخرو ہوں گے ۔ ان جامع حکمت عملیوں میں مسابقتی معاوضہ پیکیجز ، مسلسل پیشہ ورانہ ترقی کے مواقع ، اور ایک مضبوط شناخت پروگرام شامل ہیں ۔ یہ کوششیں نہ صرف غیر معمولی کارکردگی کو انعام دینے کے لیے ہیں بلکہ کمپنی کے اندر طویل مدتی کیریئر کی ترقی کو فروغ دینے کے لیے بھی بنائی گئی ہیں ۔

ملازمین کے تجربے کو بڑھانا

ملازمین کے اطمینان اور تجربے کو بڑھانے کے عزم کو جاری رکھتے ہوئے ، ضروری ایچ آر خدمات کو 'ایمپلائی سروسز پورٹل' میں تبدیل کر دیا گیا ہے ۔ اس پلیٹ فارم میں "ایمپلائی سروسز" اور "ایمپلائی بینیفٹس" کے لیے خصوصی سیکشنز ہیں ، جن کا مقصد آپریشنز کو بہتر بنانا ، کاغذ کے استعمال کو کم کرنا ، اور معمول کی ایچ آر درخواستوں کے آٹومیشن کے ذریعے وقت کی بچت کرنا ہے ۔

ہماری بنیادی توجہ معروف HR حکمت عملیوں کو نافذ کرنے پر ہے جس کا مقصد آپریشنل کارکردگی کو بڑھانا ، ملازمین کو برقرار رکھنے کی شرح کو بہتر بنانا ، اور ہماری افرادی قوت میں باہمی تعاون پر مبنی ثقافت کو فروغ دینا ہے ۔

انفارمیشن ٹیکنالوجی

کمپنی کارکردگی وکامیابی اور تاثیر کو بڑھانے ، شفافیت ، رپورٹنگ اور گورننس کو بڑھانے کے لیے جدید ترین ٹیکنالوجیز کا بھر پور استعمال کرتی ہے ۔

کمپنی انڈسٹری کی نمایاں G&G اور ریزروائر ماڈلنگ سافٹ ویئر کا استعمال کرتی ہے جو جیو فزیکسٹ اور جیالوجسٹ ماہرین کو اعلی ارضیاتی بصیرت اور اعلی تعاون پر مبنی ورک فلو کے ذریعے اچھی طرح سے تعیناتی کے فیصلے حاصل کرنے کے قابل بناتا ہے ۔ مزید برآں ، ماری سیسمک ڈیٹا پروسیسنگ سینٹر (MSPC) اپنے اسکیل ایبل انفراسٹرکچر کے ساتھ ، ہائی فیڈیلیٹی2D اور3D سیسمک ڈیٹا پروسیسنگ فراہم کرتا ہے ۔ حال ہی میں 96 سے 1,024 کورمیں اپ گریڈ کیا گیا ، MSPC اب وقت ، گہرائی ، اور دیگر سیسمک کے ڈیٹا اسٹریمز کی متوازی پروسیسنگ کر سکتا ہے ، جس سے اعلی معیار کے ذخائر کی خصوصیت کے لیے ٹرن اراؤنڈ ٹائم کو نمایاں طور پر تیز کیا جا سکتا ہے ۔ یہ بنیادی ڈھانچہ کمپنی کی توسیع کی ایکسپلوریٹری اورڈویلپمنٹ سرگرمیوں میں توسیع کرتا ہے ، جس سے تمام سیسمک امیجنگ اور ریزروائر کی خصوصیت کے کاموں میں جدید جیوفزیکل ٹیکنالوجیز کے اطلاق کو یقینی بنایا جاتا ہے ۔

کمپنی نے مختلف شعبوں میں معیاری ڈیٹا ورک فلو کو یقینی بنانے کے لیے ایک مربوط ای اینڈ پی ڈیٹا مینجمنٹ سسٹم نافذ کیا ہے ۔ جیو سائنس ایپلی کیشنز کو سپورٹ کرنے کے لیے کمپنی کی آئی ٹی ٹیم نے ایک ورچوئل ڈیسک ٹاپ انفراسٹرکچر (VDI) حل تیار کیا ہے ۔ یہ اختراع صارفین کو انفرادی مہنگے ورک سٹیشنوں کی ضرورت کے بغیر دور دراز کے کام کی کارکردگی کو بہتر بناتے ہوئے ، کسی بھی مقام سے مرکزی اعلی کارکردگی والے کمپیوٹنگ ماحول تک محفوظ طریقے سے رسائی حاصل کرنے کی اجازت دیتی ہے ۔

کمپنی نے اپنی مرضی کے مطابق رپورٹس اور ڈیجیٹلائزیشن کی کوششوں کے ساتھ اپنے SAP ERP سسٹم کو بہتر بنایا ہے ۔ کمپنی اپنے انٹرپرائز ڈیٹا مینجمنٹ اور تجزیاتی منصوبے کو آگے بڑھا رہی ہے تاکہ تمام تنظیمی سطحوں پر ڈیٹا پر مبنی فیصلہ سازی کی جاسکے ، بشمول ڈیجیٹل ٹائم وژن کے لئے بزنس انٹیلی جنس (BI) ڈیش بورڈز کی تشکیل ۔

جدید ترین ٹیکنالوجیز کو برقرار رکھتے ہوئے کمپنی نے پچھلے سالوں میں اپنے آپریشنز کو سپورٹ کرنے کے لیے مشین لرننگ (ML) اور بزنس انٹیلی جنس (BI) کو نافذ کرنے کا سفر شروع کیا تھا ۔

سائبر سیکیورٹی کے انتظامات

کمپنی محفوظ مالیاتی ڈیٹا ریکارڈنگ ، ٹرانسمیشن اور درست رپورٹنگ کے لیےانڈسٹری کے معروف سافٹ ویئر کا استعمال کرتے ہوئے ڈیٹا سیکیورٹی کو ترجیح دیتی ہے ۔ کمپنی محفوظ ہم آہنگی ، رسائی کنٹرول اور دستاویزات کی مینیجمنٹ کے لیے مائیکروسافٹ شیئرپوائنٹ کا استعمال کرتی ہے ۔ اس کے علاوہ کثیر سطحی حفاظتی اقدامات کو بھی عمل میں لایا جاتا ہے ، اس کے انتہائی اہم اثاثوں کی حفاظت کے لئے بشمول کام کی نوعیت پر مبنی ، معلوماتی ڈیٹا کی خفیہ کاری،اور باقاعدہ کمزوری(vulnerability) کی تشخیص شامل ہے۔

کمپنی نے نیٹ ورک ٹریفک کے مکمل تجزیہ کے لیے ڈیپ پیکٹ انسپکشن کا استعمال کرتے ہوئے اگلی جنریشن کی فائر وال کو ایک جامع فورٹینیٹ سیکیورٹی سوٹ کے ساتھ اپنی سائبر سیکیورٹی مضبوط کیا ہے ۔ انٹیگریٹڈ انٹروژن ڈیٹیکشن/پریوینشن سسٹمز مؤثر طریقے سے نقصان دہ حملوں کی شناخت اور ان کو روکتے ہیں۔ ایڈوانسڈ ویب فلٹرنگ کنٹرولز انٹرنیٹ تک رسائی کو منظم کرتے ہیں، جو کہ اہم ایپلی کیشنز کی حفاظت کے لیے ویب ایپلیکیشن فائر وال کے ذریعے مکمل ہوتے ہیں۔ ایک فلو/لاگز تجزیہ کار تفصیلی سیکیورٹی رپورٹس فراہم کرتا ہے، جبکہ ایک نیٹ ورک مینیجر مضبوط نیٹ ورک سیکورٹی کو برقرار رکھتے ہوئے تمام فورٹینیٹ ڈیوائسز میں مرکزی ترتیب اور پالیسی کے نفاذ کو یقینی بناتا ہے ۔

کمپنی سائبر سیکیورٹی رسک مینجمنٹ کے لیے ایک فعال نقطہ نظر اختیار کرتی ہے ۔ ڈیپارٹمنٹل رسک رجسٹروں کو باقاعدگی سے اپ ڈیٹ کیا جاتا ہے اور ان کا جائزہ لیا جاتا ہے جو ممکنہ تحفظ کی شناخت میں معاون ہوتے ہیں ۔ بنیادی ڈھانچے کی کمزوریوں کو قبل ازوقت دور کرنے کے لیے مسلسل کمزوری کی تشخیص اور دخول کی جانچ (VAPT) کی جاتی ہے ۔

کمپنی ملازمین میں سائبر سیکیورٹی کے بارے میں آگاہی بڑھانے کے لیے ایک انٹرایکٹو آن لائن ٹریننگ پلیٹ فارم کا استعمال کرتی ہے ، انہیں سائبر خطرات کی شناخت اور ان کو کم کرنے کے لیے لیس کرتی ہے ۔ باقاعدگی سے آگاہی کی مہمات اور مصنوعی فشنگ حملےپوری تنظیم میں حفاظتی بیداری کے کلچرکو مزید فروغ دیتے ہیں ۔

بلوچستان CSR پروگرام:

کمپنی نے Maiwand اور Kohlu میں 1,500 راشن بیگ تقسیم کیےہیں تاکہ ان علاقوں میں غذائی تحفظ کے چیلنجوں سے نمٹا جا سکے اور اس طرح کمزورکمیونٹیز کی مدد کی جا سکے ۔ ایم پی سی ایل گھروندا پروگرام کے تحت کمپنی نے Abegum مچھ میں ~45 مکانات کی تعمیر نو کا منصوبہ بنایا ہے جو زیادہ بارش اور سیلاب سے تباہ ہو گئے تھے ۔ منصوبہ کے مطابق 20 مکانات مکمل ہو چکے ہیں ، جبکہ باقی پر عمل درآمد کا کام جاری ہے ۔

She Made It ایوارڈز:

کمپنی نے 8 مارچ، 2024 ءکو یوم خواتین کے لیے "She Made It" سی ایس آر ایوارڈز کا انعقاد کیا ، تاکہ ڈھرکی اور وزیرستان کی کل 11 غیر معمولی خواتین کو کمپنی کے سماجی ترقیاتی پروگراموں میں ان کی قابل ذکر شراکت کو تسلیم کیا جا سکے ۔ یہ خواتین اور نوجوان لڑکیاں پائیدار ترقی اور خواتین کو بااختیار بنانے کی طرف ایم پی سی ایل کے سفر میں حصہ لے کر اپنی کمیونٹیز میں مثبت تبدیلی اور ترقی کے لیےضروری ہیں ۔

حالیہ ایوارڈز اور اعزازات

- کمپنی کو 26 مارچ، 2024 ءکو وزیر اعظم ہاؤس میں FBR کے زیر اہتمام تقریب کے دوران وزیر اعظم کی طرف سے "کمپلائنٹ ٹیکس پیئر ایوارڈ" سے نوازا گیا۔
- کمپنی کی سالانہ رپورٹ 2022 نے 22 دسمبر، 2023 ءکو ہندوستان میں ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس (SAFA) کی طرف سے دیا گیا سرٹیفکیٹ آف میرٹ "کارپوریٹ گورننس کے لیے سارک اینیورسری ایوارڈ" جیتا ۔
- کمپنی کی سالانہ رپورٹ 2022 نے ICAP/ICMAP کی مشترکہ کمیٹی سے 12 اکتوبر 2023 کو منعقدہ بہترین کارپوریٹ اور سسٹینابیلیٹی رپورٹ ایوارڈز میں فیول اور انرجی کی کیٹیگری میں پہلی پوزیشن اور مجموعی طور پر تیسری پوزیشن حاصل کی ۔
- سال 2022 کے لئے پاکستان اسٹاک ایکسچینج میں سرفہرست 25 کمپنیوں میں سے کمپنی کو 13 نمبر پر رکھا گیا) جو 2021 کے مقابلے میں 7 نشستیں اوپر ہے۔یہ نوٹیفکیشن پی ایس ایکس نے 10 اکتوبر 2023 کو جاری کیا تھا ۔
- مسلسل ساتویں سال کمپنی نے 04 اکتوبر 2023 کو مینجمنٹ ایسوسی ایشن آف پاکستان کے زیر اہتمام 38 ویں کارپوریٹ ایکسی لینس ایوارڈز کی تقریب میں ، آئل اینڈ گیس سیکٹر میں "بہترین مینجمنٹ پریکٹس" کے لیے پہلا انعام جیتا ۔
- کمپنی نے 30 اگست 2023 کو منعقدہ ماحولیات ، صحت اور حفاظت سے متعلق 9 ویں بین الاقوامی ایوارڈز میں ماحولیاتی انتظام ، ایمرجنسی رسپانس ، اور ہیلتھ اینڈ سیفٹی رسک اسسمنٹ اینڈ کنٹرول کے لیے تین باوقار ایوارڈز جیتے ۔
- ایم پی سی ایل کی ہاکی ٹیم نے 23 اکتوبر 2023 کو لیفٹیننٹ جنرل اشفاق ندیم ہاکی اسٹیڈیم ، ایوب پارک ، راولپنڈی میں منعقدہ 67 ویں اے ڈبلیو ٹی نیشنل سینئر چیمپئن شپ 2023 جیتی ۔

اندرونی کنٹرول کا نظام (Internal Control System)

بورڈ آف ڈائریکٹرز اس بات کو یقینی بناتا ہے کہ کمپنی کے پاس ایک موثر اندرونی کنٹرول سسٹم ہو ۔ انتظامیہ قابل اعتماد مالیاتی رپورٹنگ اور مالیاتی اور انتظامی معلومات کی بروقت تیاری کو یقینی بنانے کے لیے ان کنٹرول کو ڈیزائن ، برقرار اور نافذ کرتی ہے ۔ یہ کنٹرول قوانین کی تعمیل ، وسائل کے بہترین استعمال ، اور کمپنی کے اثاثوں اور اسٹیک ہولڈرز کے مفادات کے تحفظ کے حصول کے لیے اہم ہیں ۔

کمپنی تمام بڑی پالیسیاں بورڈ آف ڈائریکٹرز کے ذریعے منظور کی جاتی ہیں اور وقتاً فوقتاً ان کا جائزہ لیا جاتا ہے۔ جدید ترین SAP ERP سلوشن میں ان بلٹ کنٹرولز ہیں جن میں اجازت کے کنٹرول بھی شامل ہیں، جو کنٹرول کے ماحول کو مزید بہتر بناتے ہیں۔ مزید برآں ایک جامع وِسل بلونگ پالیسی کام کی جگہ پر دھوکہ دہی اور بدعملی سے نمٹنے کے لئے موجود ہے۔

بورڈ آف ڈائریکٹرز نے مناسب اہل اور تجربہ کار عملے کے ساتھ ایک اندرونی آڈٹ فنکشن قائم کیا ہے اور اس کی سربراہی چیف انٹرنل آڈٹ کرتا ہے جو عملی طور پر بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کو رپورٹ کرتا ہے ۔

اندرونی اور بیرونی آڈیٹرز کی طرف سے کئے گئے کام اور انتظامیہ اور متعلقہ بورڈ کمیٹیوں بشمول آڈٹ کمیٹی کی طرف سے کئے گئے جائزوں کی بنیاد پر، بورڈ کی رائے ہے کہ

کمپنی کے اندرونی کنٹرول بشمول مالیاتی رپورٹنگ پر کنٹرول، ڈیزائن کے لحاظ سے درست ہیں اوراس پر مالی سال 24-2023 کے دوران مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔

انٹرپرائزرسک مینجمنٹ

غیر یقینی صورتحال سے نکلنے کے لیےرسک کا موثر انتظام ضروری ہے۔ کمپنی نے ISO 31000:2018 کے تحت ادارے کی سطح پرانٹرپرائز رسک مینجمنٹ طریقہ کار اپنایا ہے، تاکہ خطرے کے انتظام کے لیے ایک فعال، مناسب اور جامع طریقہ کار کو یقینی بنا کر اس پر توجہ مرکوز کی جا سکے:

- رسک، حکمت عملی اور کاروباری کارکردگی کے درمیان ربط پیدا کرنا
- ایک مضبوط کنٹرول میکانزم کا قیام
- کمپنی کے فیصلہ سازی کے عمل میں رسک مینجمنٹ سرگرمیوں کا انضمام
- ایم پی سی ایل کے دائرہ اختیار میں تمام قوانین اور ضوابط کی تعمیل کرنا ؛ اور
- رسک سے متعلق آگاہی کے کلچر کو فروغ دینا اور برقرار رکھنا ، مالی اور آپریشنل کارکردگی کے عمل کوآسان بنانا ۔

بورڈ آف ڈائریکٹرز MPCL میں رسک گورننس کی نگرانی ، خطرے کی شدت کا تعین ،برداشت کی سطح، اور رسک مینجمنٹ پالیسیاں قائم کرتا ہے۔ بورڈ آڈٹ کمیٹی رِسک گورننس فریم ورک کے اندررہتے ہوئے ان پالیسیوں پر عملی جامہ پہنانےکو یقینی بناتی ہے۔

ERM ڈیپارٹمنٹ رسک کے انتظام کی سرگرمیوں کو مربوط اور نگرانی کرتا ہے، ERM کےطریقوں کو آسانی سے اپنانے کو یقینی بناتا ہے اور آپریشنز اور اثاثوں کی حفاظت کے لیے پوری تنظیم میں رسک سے متعلق رہنمائی اور مدد فراہم کرتا ہے۔ ہر شعبہ میں رسک چیمپیئنز کے تعاون سے ERM ڈپارٹمنٹ رسک اور کنٹرول اونرزکی مدد کرنے اور ان کے متعلقہ علاقوں میں رسک کے اقدامات کو فروغ دینے کے لیے ان کی مہارت کا فائدہ اٹھاتا ہے ۔

بنیادی خطرات اور غیر یقینی صورتحال

E&P انڈسٹری ایک فطری طور پر ہائی رسک سیکٹر ہے جسے اسٹریٹجک، آپریشنل، فنانشل، کمپلائنس، ریگولیٹری، ریپوٹیشنل، ماحولیاتی اور سیکورٹی جیسے خطرات وغیرہ کا سامنا ہے۔ باقی دنیا کی طرح ، پاکستان میں تیل اور گیس کا شعبہ انتہائی منظم ہے ، جس کی وجہ سے ایم پی سی ایل کا کاروبار حکومتی ضوابط اور پالیسیوں میں تبدیلیوں کے زیر اثر رہتا ہے ۔

حالیہ دنوں میں بنیادی خطرات اور غیر یقینی صورتحال بنیادی طور پر ملک کی چیلنجنگ سیکیورٹی اور میکرو اکنامک صورتحال سے پیدا ہوئی ہے۔

ایم پی سی ایل کو سیکورٹی کے لحاظ سے حساس مقامات پر اپنے اعلی امکانات کے متحمل بلاکس کی موجودگی کی وجہ سے اپنے اہلکاروں ، اثاثوں اور کام کے پروگرام کے بروقت اور موثر نفاذ کے لیے اہم خطرات کا سامنا ہے ۔ ایم پی سی ایل نے قانون نافذ کرنے والے اداروں (LEA) اور سیکیورٹی پارٹنرز کے تعاون سے اپنےاہلکاروں اور اثاثوں کی حفاظت اور سالمیت کے تحفظ کے لیے مضبوط کنٹرول قائم کر رکھے ہیں ۔ سیکیورٹی کوریج کی ضرورت والے آپریشنز کی تفصیلی فارورڈ پلاننگ اور منظم شیڈولنگ نے LEAs کے ساتھ ہم آہنگی کو بڑھایا ہے ، جو بلاتعطل آپریشنز کے لیے کوشاں ہیں ۔

ملک کی میکرو اکنامک صورتحال بھی کمپنی کے کاروبار کو متاثر کرتی ہے ۔ ان چیلنجوں کے اثرات نئے ٹیکسوں کے نفاذ جو کمپنی کے لیے نچلی لائن اور کم مارجن کو متاثر کرتے ہیں سے لے کر غیر ملکی کرنسی پر انتظامی کنٹرول تک جو بالواسطہ طور پر ساز و سامان اور سروسز کی بروقت خریداری کی صلاحیت کو متاثر کرتے ہیں ۔ کمپنی فعال طور پر ان چیزوں کی نگرانی کر رہی ہے اور خطرات کے اثرات کو کم کرنے کے لیے مناسب اقدامات کررہی ہے ۔

مزید برآں ، گیس تقسیم کرنے والی پبلک کمپنیوں کی طرف سے ادائیگیوں میں کافی تاخیر واجب الادا وصولیوں میں اضافہ کر رہی ہے ۔ تاہم کنزیومر گیس کی قیمتوں میں تازہ ترین اضافے کے بعد سے صورتحال بہتر ہونا شروع ہو گئی ہے ۔ یہ کیش فلو اور لیکویڈیٹی کے مسائل کا باعث بن سکتا ہے ، ممکنہ طور پر کمپنی کی جاری اور مستقبل کی ایکسپلوریشن اور ترقیاتی سرگرمیوں کے لیے چیلنجز پیدا کر سکتا ہے ۔

گرمیوں میں بھی ہائی لائن پریشر (بوجہ درآمد شدہ RLNG (کی وجہ سے مقامی E&P کمپنیوں نے Sui کمپنیوں کی گیس کے حصول میں کمی کی جو کہ غیر متوقع تھی ۔ یہ ایک نیا خطرہ ہے اور مستقبل قریب میں بھی برقرار رہے گا جس سے مقامی ای اینڈ پی کمپنیوں کی پیداوار متاثر ہوگی ۔

سے موجود دریافتوں میں ویلزBE-0002اور BD-0003 مکمل کرلئے ہیں ۔ویلز کے نتائج توقعات سے مطابقت رکھتے ہیں۔ دونوں ویلز کو مستقبل کی ضروریات کے لئے قابلِ رسائی رکھنے کے لئے عارضی طور پر معطل کردیا گیا ہے۔ پی آئی او ایل اپنے ڈرلنگ منصوبے کو جاری رکھے گا ، جس میں اپریزل اور ایکسپلوریٹری ویلز شامل ہیں۔

COP-28 میں آئل اینڈ گیس ڈی کاربونائزیشن چارٹر کی شرکت

ایم پی سی ایل نے 30 ممالک کی دیگر قومی اور بین الاقوامی تیل کمپنیوں جو عالمی تیل کی پیداوار کے 40 فیصد سے زیادہ کی نمائندگی کرتے ہیں کے ساتھ مل کر اقوام متحدہ کے 28 ویں سالانہ ماحولیاتی اجلاس (COP-28) کے دوران ”آئل اینڈ گیس ڈی کاربونائزیشن چارٹر“ پر دستخط کیے ہیں۔ چارٹر کا مقصد تیل اور گیس کے مجموعی اخراج کو کم سے کم کرنے کے لئے ڈی کاربونائزیشن کے اقدامات پر تعاون اور مل کر کام کرنا اور ایسے اقدامات کی حوصلہ افزائی کرنا ہے۔

فرٹیلائزر کسٹمرز کے لئے گیس کی فروخت کی قیمت میں ترمیم

گیس کی فروخت کی قیمتوں پر نظر ثانی میں تاخیر کے نتیجے میں قیمتوں میں منفی فرق بڑھ رہا تھا۔ انتظامیہ اور پٹرولیم ڈویژن کی نمایاں کاوشوں سے ماری فیلڈ سے فرٹیلائزر کسٹمرز کے لیے گیس کی فروخت کی قیمتوں پر اکتوبر 2023 میں نظر ثانی کی گئی اور نوٹیفکیشن جاری کیا گیا جس سے منفی فرق مارجن کے مسئلے کو تسلی بخش طریقے سے حل کیا گیا۔

پٹرولیم سے متعلق ضوابط اور پالیسیوں میں تبدیلیاں

پٹرولیم پالیسی 2012 میں ترامیم

حکومت نے security-sensitive علاقوں میں موجودہ ایکسپلوریشن لائسنسز اور ڈویلپمنٹ اور پروڈکشن لیزپر زون-1(F) مراعات کے اطلاق کو منظوری دے دی ہے ، جو منظوری کے بعد دریافتوں پر لاگو ہوں گے ۔ اسی مناسبت سے کمپنی نے اپنے مجازبلاکس کے لیے مذکورہ مراعات کو اپنانے کے لیے درخواست جمع کرائی ہے ۔

اس کے علاوہ لیز کی مدت ختم ہونے کے بعد پٹرولیم رائٹس میں توسیع E&P کمپنیوں کے لیے ایک حوصلہ افزا ترغیب ہے ۔ یہ قدم فیلڈز کی تجارتی عملداری تک لیز کی تجدید کی اجازت دے کر طویل مدتی وضاحت کے ساتھ بلاتعطل آپریشنز کے لیے ایک راستہ فراہم کرتا ہے ۔

حکومت نے ای اینڈ پی کمپنیز کی جانب سے غیر مختص گیس والیوم کے لیے تھرڈ پارٹیز کو قدرتی گیس کی فروخت کی حد بھی 10٪ سے بڑھا کر 35٪ کر دی ہے جو کہ حتمی منظوری کے عمل میں ہے۔

ٹائٹ گیس پالیسی 2024

حکومت پاکستان کی جانب سے ٹائٹ گیس (ایکسپلوریشن اینڈ پروڈکشن)پالیسی 2024 کا اعلان غیر روایتی ہائیڈرو کاربن ، خاص طور پر ٹائٹ گیس کی تلاش اور پیداوار کی طرف ایک درست قدم ہے ۔پٹرولیم پالیسی 2012 کے تحت متعلقہ زونل قیمت پر٪ 40 پریمیم کی پیشکش کرکے ، ملک میں ٹائٹ گیس کے وسائل کی تلاش اور پیداوار میں تیزی آنے کا امکان ہے ۔ ہر ویل کی سرٹیفکیشن کے لئے دو مراحل میں سرٹیفکیشن پروسس کے عمل سے بدلنا ہے۔

اس تبدیلی کو مدنظر رکھتے ہوئے ، کمپنی نے اپنے ٹائیٹ گیس وسائل پر توجہ بڑھا دی ہے جن کا تفصیلی جائزہ لیا جا رہا ہے ۔

ایکسپلوریشن پورٹ فولیو کی توسیع

توسیع

سال 24-2023 کے دوران کمپنی نے JV پارٹنر کی حیثیت سے کلچاس ساوتھ بلاک میں٪44 ورکنگ انٹرسٹ حاصل کیا ۔ کمپنی نے زرغون ساوتھ ڈویلپمنٹ اینڈ پروڈکشن لیز (40٪) اور Nareli بلاک (27.55٪) میں SPUD انرجی کے ورکنگ انٹرسٹ کے حصول کے معاہدوں پر بھی دستخط کیے جو ریگولیٹری منظوریوں کے منتظر ہیں ۔

ایکسپلوریشن سرگرمیوں کے لیے نئےمواقع کی تلاش کے لیے ایم پی سی ایل Indus Offshore کے امکانات کو سمجھنے کے لیے تفصیلی جیالوجیکل اور جیو فزیکل اسٹڈیز کر رہی ہے تاکہ آئندہbid راؤنڈ میں باخبر فیصلہ سازی اور رقبے کے ممکنہ حصول کے لیے اس کے خطرات اور مواقع کا مناسب اندازہ لگایا جا سکے ۔

کمپنی کا پورٹ فولیو اب پاکستان میں 35 بلاکس کے علاوہ ابوظہبی میں ایک آف شور بلاک پر مشتمل ہے، جو 68,695 مربع کلومیٹر رقبے پر پھیلا ہوا ہے۔

تنوع(Diversification)

مؤثر طریقے سے رسک کے عوامل انتظام کرتے ہوئے ایک لچکدار اور متنوع آمدنی کی تلاش میں کمپنی مختلف شعبوں میں تنوع اور اسٹریٹجک سرمایہ کاری کے لیے تیارہے۔ فی الحال، ہم سب سے زیادہ امید افزا منصوبوں کی نشاندہی کرنے کے لیے مختلف منصوبوں کا جائزہ لے رہے ہیں۔ یہ مواقع تیل اور گیس کے شعبے، قابل تجدید ذرائع اور گرین ہائیڈروجن کے اندر ہیں جن کے لیے مقامی اور بین الاقوامی کنسلٹنٹس ممکنہ امکانات کا جائزے کے لئےمصروف عمل ہیں۔

ایم پی سی ایل نے ماری مائننگ کمپنی (پرائیویٹ) لمیٹڈ (MMC) کو اپنی مکمل ملکیتی ذیلی کمپنی کے طور پر قائم کیا ہے ۔ MMCکو دو نئے لائسنس دیے گئے ہیں ۔ یہ نئے لائسنس اور موجودہ لائسنس -EL 186 بلوچستان کے ضلع Chagai میں گولڈ ، کاپر ، لیڈ ، زنک ، سلور اور پلاٹینم گروپ دھاتوں کی تلاش کے لیے ہیں ۔ کمپنی جیو فزیکل اور گراؤنڈ میگنیٹک سروے اور جیو کیمیکل سیمپلنگ سمیت فیلڈ ورک کرنے کا ارادہ رکھتی ہے ۔ کمپنی ملک میں کان کنی کے منصوبوں پر ممکنہ تعاون کے لیے کان کنی کی مختلف بین الاقوامی کمپنیوں کے ساتھ بھی بات چیت کر رہی ہے ۔

ایم پی سی ایل بورڈ نے 08 اگست، 2024ء کو منعقد ہونے والے اجلاس میں کلاؤڈ کمپیوٹنگ اور مصنوعی ذہانت پر توجہ مرکوز کرتے ہوئے ایک ذیلی کمپنی کی تشکیل کی منظوری دی ہے۔اس کمپنی کی تشکیل کلاؤڈ کمپیوٹنگ اور مصنوعی ذہانت کی بڑھتی ہوئی مانگ کو پورا کرنے میں مدد کرے گی۔ یہ مختلف صنعتوں میں ڈیجیٹل تبدیلی کے لئے کارآمد ثابت ہو گی اور MPCL کے بنیادی کاروبارE&P اور کان کنی کے کاروبار کے لیے ایک معاون کے طور پر کام کرے گی۔

کارپوریٹ سماجی ذمہ داری (CSR)

اپنی روایت کو برقرار رکھتے ہوئے کمپنی نے رضاکارانہ طور پر کمیونٹیز کی ترقی اور ماحولیات کے تحفظ کے لیے متعدد موثر پروگراموں کو نافذ کرکے سماجی ذمہ داری کے لیے ایک فعال عزم کا مظاہرہ کیا ہے ۔ خاص طور پر ، کمپنی نے مالی سال 24-2023 کے دوران ملک بھر میں CSR اقدامات کے لئے 3.8 بلین روپے خرچ کیے ۔ اہم منصوبوں کا خلاصہ مندرجہ ذیل ہے:

گرین پاکستان initiative:

گرین پاکستان انیشی ایٹو جس کی سربراہی اسپیشل انویسٹمنٹ فیسلی ٹیشن کونسل (ISFC) کرتی ہے ، جس کا مقصد سرکاری تعاون سے 'cattle herd sector'کی پرائیویٹ سیکٹر سے بڑھتی ہوئی ترقی کو فروغ دینا ہے ۔ دودھ اور گائے کے گوشت کی پیداوار کے معیار کو بڑھانے کے لیے ، کمپنی برازیل سے جینیاتی نسلوں والے اعلی معیار کے جانوروں کی درآمد میں مدد کر رہی ہے ۔ مزید برآں ، خانیوال میں ایم پی سی ایل کی مالی اعانت سے دودھ اور گائے کے گوشت کی نسلوں کے لیے ایک جینیاتی مرکز زیر تعمیر ہے ۔

گرین آن وہیلز پروگرام- CDA ٹری پلانٹیشن ڈرائیو:

کمپنی نے F9 پارک اسلام آباد میں 'ماری گارڈن' کی ترقی کے لیے سی ڈی اے کو 25,000 پودے عطیہ کیے ہیں ۔ مزید برآں ، بارش کے پانی کے ذخیرے اور گرم اور خشک موسم میں اس کے استعمال کو یقینی بنانے کے لیے F9 پارک میں بارش کے پانی کی ذخیرہ اندوزی کا منصوبہ بھی مکمل کیا گیا ہے ۔

وزیرستان CSR پروگرام:

کمپنی کے CSR اقدامات نے وزیرستان کی مقامی کمیونٹیز پر کافی اثر ڈالا ہے ۔ صحت ، صاف پانی اور بجلی کی فراہمی ، روزی روٹی پیدا کرنے کے ساتھ خوراک کی فراہمی ، تعلیم اور خواتین کو بااختیار بنانے کے موضوعات پر غور کرتے ہوئے مختلف اقدامات لئے گئے ہیں جن کا مقامی آبادی کے معیار زندگی پر نمایاں اثر پڑ رہا ہے ۔

ماری فیلڈ ڈہرکی CSRپروگرام:

ڈہرکی میں 300 سے زیادہ منصوبے زیر عمل ہیں ، جن میں شمسی توانائی سے چلنے والے RO پلانٹس ، انفراسٹرکچر بنانا ، طبی آلات کی فراہمی اور کیمپ شامل ہیں ۔ ان اقدامات نے ہیلتھ کیئر تک رسائی ، پانی کے معیار کو بہتر بنانے اور ایک صحت مند اور پائیدار کمیونٹی کے لیے قابل تجدید توانائی کو فروغ دینے میں اہم کردار ادا کیا ۔

ماری کسان دوست پروگرام ، جو کہ باخبر کسان کے تعاون سے شروع کیا گیا ہے ، جو کہ ایک CSR Agri-tech اقدام ہے جو ڈہرکی کی کسان برادری کو بااختیار بنانے کے لیے وقف ہے ۔ اس پروگرام کے ذریعے ،کسان ایک خصوصی مشاورتی خدمت کے ذریعے عصری زرعی ٹریننگ اور وسائل تک رسائی حاصل کرتے ہیں ، جس سے پیداواری صلاحیت اور پائیداری میں اضافے کی راہ ہموار ہوتی ہے ۔

- Karak بلاک میں Halini-2 ڈویلپمنٹ ویل کی نچلے حصے میں مڈلاس کی وجہ سے اسے بند کر دیا گیا ہے۔ اس کے متبادل کنویں کی منصوبہ بندی جارہی ہے۔
- زرغون ساؤتھ فیلڈ میں زرغون ساؤتھ-5 ڈویلپمنٹ ویل کی ڈرلنگ جولائی 2024ء کے وسط میں شروع ہونے کی توقع ہے۔
- ماری ڈیپ ریزروائر سے پیدا ہونے والے پانی کی نکاسی کے لیے WDW-3 کو کھود کر مکمل کیا گیا۔
- ہلال-1 ویل پر رِگ ورک اوور کامیابی سے مکمل ہوا ہے، جس کے نتیجے میں SML فارمیشن کی پیداوار میں اضافہ ہوا اور کنویں سے گیس کی شرح 3MMSCFD سے بڑھ کر 5.3MMSCFD ہو گئی ہے۔

ذخائر کی ریپلیسمنٹ اور وسائل میں اضافہ

سال کے دوران تصدیق شدہ اور ممکنہ (2P) ذخائر میں مختلف فیلڈز سے 168MMBOE کا اضافہ ہوا، جو 423 فیصد کے غیر معمولی ریزرو ریپلیسمنٹ ریشو (RRR) کی ترجمانی کرتا ہے۔ ذخائر میں اس اضافے میں بنیادی طور پر شیوا-2 ویل کی کامیاب اپریزل، Mari D&PL میں غازیج گیس کی دریافت سے EWT کے ذریعے گیس کی فروخت کا آغاز، ماری ڈی اینڈ پی ایل کے سوئی مین لائم سٹون/سوئی اپر لائم سٹون کے ذخائر کی بہتر کارکردگی، شاہ بندر بلاک میں جھم ایسٹ کی دریافت کو سجاول گیس پروسیسنگ فیسلیٹی کے ساتھ Tie-in اور فروخت کے لیے ایم پی سی ایل کے ساتھ معاہدہ شامل ہے۔

اس کے علاوہ سال کے دوران کمپنی کے خالص کنٹنجنٹ وسائل (2C) میں بھی 174MMBOE کا اضافہ ہوا، اس میں بنیادی طور پر حصہ ڈالنے میں غازیج فیلڈ کا کامیاب اپریزل پروگرام، Mari D&PL میں شوال آئل کی دریافت، بلاک-28 میں میوند گیس کی دریافت، ابوظہبی آف شور بلاک 5 اور ماری فیلڈ (HRL ریزروائر) شامل ہیں۔ 6MMBOE کا خالص اضافہ سے ذخائر 168MMBOE تک بڑھ گئے ہیں۔

30 جون، 2024ء تک کل تخمینہ شدہ ذخائر اور وسائل (2P+2C) 816MMBOE پر پہنچ چکے ہیں۔

سیسمک کے اعداد و شمار کے حصول کے منصوبوں اور G&M سروے کی تفصیل:

نمبر شمار	منصوبے/G&M/سیسمک	آپریٹر	شروع کیا گیا	نوعیت
1	ولی ویسٹ-G&M	ایم پی سی ایل	2022-23	مکمل
2	پشاور ایسٹ-G&M	ایم پی سی ایل	2023-24	مکمل
3	نریلی-2D سیسمک	ایم پی سی ایل	2022-23	مکمل
4	پشاور ایسٹ-2D سیسمک	ایم پی سی ایل	2023-24	
5	شاران-2D سیسمک	ایم پی سی ایل	2023-24	
6	قلعہ سیف اللہ G&M سروے	او جی ڈی سی ایل	2023-24	ان پر کام جاری ہے
7	قلات ویسٹ	پی پی ایل	2023-24	
8	ولی ویسٹ-2D سیسمک	ایم پی سی ایل	2022-23	

تھرڈ پارٹی سیسمک ڈیٹا ایکوزیشن:

ایم پی سی ایل کے سیسمک عملے نے پی پی ایل کے زیر انتظام موسیٰ خیل بلاک میں تھرڈ پارٹی بزنس کے طور پر 616 لائن کلومیٹر 2D ڈیٹا کا حصول مکمل کر لیا ہے۔

اہم ترقیاتی منصوبے:

ایکسپلوریٹری کوششوں پر توجہ مرکوز کرنے کے ساتھ نئی دریافتوں کی جلد از جلد فروخت اور پیداوار کو بڑھانے اور موجودہ فیلڈز سے ذخائر اور وسائل کو بڑھانے کے لیے سرگرمیوں کی انجام دہی کو اہمیت دی جاتی ہے۔ ایم پی سی ایل اپنے موجودہ پیداواری فیلڈز سے زیادہ سے زیادہ پیداوار اور نئی دریافتوں کے لئے پرعزم ہے تاکہ مقامی وسائل سے پاکستان کی بڑھتی ہوئی توانائی کی ضروریات کو پورا کیا جاسکے اور اس طرح غیر ملکی زرمبادلہ کے بوجھ کو کم کیا جاسکے۔

سچل گیس پروسیسنگ کمپلیکس (SGPC)

ایس جی پی سی سے گیس کی فروخت میں اضافے کی کوششیں کی گئی ہیں اور 16 فروری، 2024ء کو 108MMSCFD کی ریکارڈ فروخت کا حجم حاصل کیا گیا۔ کمپنی نے قائم شدہ KPIs کا استعمال کرتے ہوئے مکمل پروسیسنگ کارکردگی کا تجزیہ کر کے SGPC کی توانائی کی کارکردگی کو بہتر بنایا ہے، اسی طرح تمام ایم پی سی ایل کے زیر انتظام پروسیسنگ اثاثوں پر اسی طریقہ کار کو لاگو کرنے کا منصوبہ ہے۔

وزیرستان بلاک میں ارلی پروڈکشن فیسلیٹی (EPF) (پہلے Bannu West Block کے نام سے)

وزیرستان بلاک میں EPF اور SNGPL گیس ٹرانسمیشن پائپ لائن کی تعمیر مکمل کر لی گئی ہے۔ فی الحال، پائپ لائن ہائیڈرو ٹیسٹنگ جاری ہے جس کے بعد پیداوار شروع ہونے کی توقع ہے۔ شیوا-1 اور شیوا-2 دونوں ویلز EPF کے ساتھ جڑے ہوئے ہیں اور ان دونوں ویلز سے تقریباً 70MMSCFD گیس کی پیداوار متوقع ہے۔ حکومت کو جمع کرانے کے لئے کمپنی نے شیوا دریافت کی ڈیکلیریشن آف کمرشلٹی کو مکمل کر لیا ہے۔

مینٹیننس اینڈ ایسٹ انٹگریٹی:

ایسٹ انٹگریٹی میں بہتری کے متعدد اقدامات کیے گئے جن میں ماری فیلڈ کے لیے "As-Built Drawings" تیار کرنا اور اس پر نظر ثانی کرنا اور SGPC کے لیے رسک پر مبنی انسپکشن اسٹڈیز کا انعقاد شامل ہے۔ ایم پی سی ایل نے مختلف مقامات پر Dead Legs Integrity Management Plan بھی نافذ کیا، موثر کرنٹ سکینیچر تجزیہ کیا، اور دیگر جامع سروے کے علاوہ AGA/API کے مطابق معائنہ کیا، ان سب کا مقصد ایسٹ انٹگریٹی کے مضبوط انتظام کو یقینی بنانا ہے۔ قابل ذکر بات یہ ہے کہ ATA کے دوران SGPC میں static equipment کا معائنہ کیا گیا۔

اس کے ساتھ ہی مالی سال 24-2023 کے دوران SAP انٹرپرائز ایسٹ مینجمنٹ ماڈیول کے اندر مینٹننس اینڈ ایسٹ انٹیگریٹی میں اہم پیش رفت حاصل کی گئی۔ اہم کامیابیوں میں SAP EAM کا کامیاب نفاذ اور بولان آئل فیلڈ میں GO Live ٹریننگ اور ان کی صلاحیتوں کو بڑھانے کے لیے تمام شعبوں میں دیکھ بھال کے پیشہ ور افراد کی ٹریننگ اور ترقی شامل تھی۔

مزید برآں، ایم پی سی ایل بزنس انٹیلی جنس (BI) ٹولز کا استعمال کرتے ہوئے آرٹیفیشل انٹیلی جنس (AI) اور ڈیش بورڈ ڈویلپمنٹ کے شعبے میں کام کر رہا ہے۔ اس میں پیش گوئی کی دیکھ بھال کی حکمت عملی کے لیے AI کا فائدہ اٹھانا، آپریشنل کارکردگی کو بڑھانا اور real-time نگرانی اور فیصلہ سازی کے لیے متحرک ڈیش بورڈز بنانے کے لیے BI ٹولز کا استعمال شامل ہے۔

HRL پریشر انہانسمنٹ فیسلیٹی پروجیکٹ (PEF)

ایم پی سی ایل اپنے فرٹیلائزر کسٹمرز کے ساتھ مل کر ماری فیلڈ میں پریشر انہانسمنٹ فیسلیٹیز (PEF) پراجیکٹ پر کام کر رہی ہے جس میں سرفس پائپ لائن کے بنیادی ڈھانچے کی debottlenecking اور کمپریشن سہولیات کی تنصیب شامل ہے تاکہ کم ہوتے دباؤ کو برقرار رکھنے اور ایچ آر ایل ریزروائر کی پیداواری سطح کو بڑھانے کے لیے، پائپ لائنز کی ڈی-بوٹلنکنگ اور متعدد مقامات پر کمپریشن کی سہولیات کی تنصیب کی جا سکے۔ فی الحال، پائپ لائن ڈی-بوٹلنکنگ جاری ہے، جبکہ کمپریشن پروجیکٹ تفصیلی ڈیزائن اور پروکیورمنٹ مراحل میں ہے۔

HRL ریزروائر کی زیر زمین اپریزل مکمل ہوچکی ہے اور کمپنی نے HRL ریزروائر میں ایک اور افقی ویل Mari 124H کی کامیابی سے کھدائی کی ہے۔ اس ویل کی کھدائی کی گئی اور غیر متوازن mode میں مکمل کیا گیا جس کے نتیجے میں بہترین ڈیلوریبلیٹی ہوئی۔ Pre-acid wellhead بہاؤ کا پریشر پہلے ڈرل کیے گئے افقی ویلز کے مقابلے میں 50 فیصد سے زیادہ ہے۔ مالی سال 25-2024 کے دوران پریشر انہانسمنٹ پروجیکٹ کے حصے کے طور پر مزید دو افقی ویلز 125H اور 126H کی منصوبہ بندی کی گئی ہے۔ اس کے علاوہ، چار workovers مکمل ہو چکے ہیں، جس سے گیس کے بہاؤ کی شرح اور ویل ہیڈ بہاؤ کے پریشر میں بہتری آئی ہے۔

کمپنی نے DGPC کو غازیج ڈسکوری کی ڈیکلیریشن آف کمرشلٹی (DoC) بھی جمع کرا دی ہے جبکہ غازیج فیلڈ ڈویلپمنٹ پلان تیار کیا جارہا ہے۔

آف شور بلاک 5- (UAE)

پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) نے اپنے جاری اپریزل پروگرام کے حصے کے طور پر Bu Dana اور Al Bateen میں پہلے

منافع کی تخصیص (30 جون 2024 کو ختم ہونے والا سال)

	(روپے ملین میں)
غیر مختص منافع آگے لایا گیا	149,870
سال کے لیے کل مجموعی آمدنی	77,322
	227,192
شیئر ہولڈرز میں تقسیم:	
30 جون 2023 ءکو اختتام پذیر سال کے لیے حتمی نقد منافع @ 58.00 روپے فی شیئر	(7,737)
30 جون 2024 ءکو اختتام پذیر سال کے لیے عبوری کیش ڈیویڈنڈ @ 98.00 روپے فی شیئر	(13,074)
غیر مختص منافع آگے لے جایا گیا	206,381

ایکسپلوریشن، ڈویلپمنٹ اور آپریشنل سرگرمیاں

سال کے دوران ہونے والی دریافتیں

بلاک-28 میں میوند X-1 کنویں کو 12 جون، 2023 ءکو اسپڈ کیا گیا تھا، اور اسے کامیابی سے 2,516 میٹر تک کھودا گیا تھا۔ متعدد امید افزا زونز کا ٹیسٹ کیا گیا اور Dunghan, Ranikot, Pab اور Mughalkot فارمیشنز سے دریافت حاصل ہوئی تھی ۔ یہ دریافت مستقبل کی تلاش کے لیے اہم ہے کیونکہ اس سے کام کرنے والے پٹرولیم سسٹم اور علاقے میں گیس کے اچھے معیار کے بارے میں قیمتی معلومات سامنے آئی ہیں۔

Shewa-2 (اپریزل کم ایکسپلوریٹری ویل) 2 جون، 2023ء کو اسپڈ کیا گیا تھا اور Lockhart فارمیشن میں 4,577 میٹر کی گہرائی تک کامیابی کے ساتھ کھودا گیا تھا ۔ Lockhart اور Hangu ریزروائر زکا کامیابی سے جائزہ لیا گیا جبکہ Kawagarh کی فارمیشن میں گیس کی دریافت کی گئی تھی ، اور اس کی اور اس کے آس پاس کے علاقے میں اس کی ممکنہ صلاحیت کے لیے جائزہ لیا جا رہا ہے ۔

Mari D&PL میں Shawal-1 ویل 27 جنوری، 2024 ءکو اسپڈ کیا گیا تھا ، اور اسے غازیج فارمیشن میں کُل 1,136 میٹر کی گہرائی تک کامیابی کے ساتھ کھودا گیا تھا ۔ ٹیسٹنگ کے دوران غازیج فارمیشن سے تیل اور گیس کی دریافت ہوئی ۔ ماری فیلڈ جس سے 1967 ءسے قدرتی گیس پیدا ہو رہی ہے ،میں تیل کی یہ پہلی دریافت ہے ۔ اس نے ماری جیسی موجودہ فیلڈز میں نئے امکانات وضع کیے ہیں ، اور منصوبے کے مطابق اس دریافت کی ڈویلپمنٹ آپشنز کی جانچ ترجیحی بنیادوں پر کی جائے گی ۔

PPL کے زِیر انتظام شاہ بندر بلاک میں جھم اِیسٹ X-1 ایکسپلوریٹری وِیل 8 اکتوبر، 2023 ءکو اَسپڈ کیا گیا تھا اور اسے لوئر گورو فارمیشن میں 2,545 میٹر تک کھودا گیا تھا۔ لوئر گورو فارمیشن کے بالائی حصے میں سے گیس کی دریافت ہوئی تھی ۔

سال کے دوران ڈرلنگ کی سرگرمیاں:

ایکسپلوریٹری اور اپریزل ویلز

مجموعی طور پر سال 24-2023 کے دوران بارہ ایکسپلوریٹری اور اپریزل ویلز(نو آپریٹڈ بلاکس میں، تین JV بلاکس میں) کی ڈرلنگ کی گئی ہے، جس کے نتیجے میں ایم پی سی ایل کے ریسورسز میں خالص 174MMBOE~ کا اضافہ ہوا ہے ۔

نمبر شمار	کنویں کا نام	آپریٹر کا نام	اَسپڈ اِن	نوعیت
آپریٹڈ بلاکس				
1	شیوا-2 اپریزل کم ایکسپلوریٹری (وزیرستان بلاک)	ایم پی سی ایل	2022-23	گیس کی دریافت
2	میوند X-1 ایکسپلوریٹری (بلاک-28)	ایم پی سی ایل	2022-23	گیس کی دریافت
3	ماری غازیج- 2 اپریزل (ماری ڈی اینڈ پی ایل)	ایم پی سی ایل	2023-24	گیس کی پیداوار
4	ماری غازیج - 3اپریزل (ماری ڈی اینڈ پی ایل)	ایم پی سی ایل	2023-24	گیس کی پیداوار
5	ماری غازیج - 4 اپریزل (ماری ڈی اینڈ پی ایل)	ایم پی سی ایل	2023-24	گیس کی پیداوار
6	ماری غازیج - 5 اپریزل (ماری ڈی اینڈ پی ایل)	ایم پی سی ایل	2023-24	گیس کی پیداوار
7	شوال- 1 ایکسپلوریٹری (ماری ڈی اینڈ پی ایل)	ایم پی سی ایل	2023-24	تیل اور گیس کی دریافت
8	بولان ویسٹ-1 ایکسپلوریٹری (زیارت بلاک)	ایم پی سی ایل	2023-24	عارضی طور پر معطل
9	اسپین وام-1 ایکسپلوریٹری (وزیرستان بلاک)	ایم پی سی ایل	2023-24	ڈرلنگ جاری ہے
نان آپریٹڈ بلاکس				
10	جھم ایسٹ- 1 ایکسپلوریٹری (شاہ بندر بلاک)	پی پی ایل	2023-24	گیس اور کنڈنسیٹ کی دریافت
11	معارب X-1 ایکسپلوریٹری (ہالا بلاک)	پی پی ایل	2023-24	پلگ کر کے چھوڑ دیا گیا ہے
12	BD-0003 اپریزل (آف شور بلاک-5) ابوظہبی	پی پی ایل	2023-24	عارضی طور پر معطل ہے
13	BE-0002 اپریزل (آف شور بلاک-5) ابوظہبی	پی پی ایل	2023-24	عارضی طور پر معطل ہے

ڈویلپمنٹ ویلز:

- پی پی ایل آپریٹڈ ہالا بلاک میں Adam-2 ڈویلپمنٹ وِیل 3،623 میٹر کی گہرائی تک کھودا گیا تھا اور رگ لیس ٹیسٹنگ کی گئی تھی۔ اس وِیل سے 6.3 MMSCFD گیس اور 470 BPD کنڈنسیٹ PSI 737 کے WHFP کے ساتھ 64/32 انچ کی چوک سائز پر فلو ہو رہا تھا۔ کنویں کو ہالا گیس پروسیسنگ فیسیلٹی کے ساتھ منسلک کرنے کے لئے Tie-in سرگرمیاں مکمل کرلی گئی ہیں اور 11 جون، 2024 ءکو ویل کمیشنڈ کیا گیا ہے۔ یہ کنواں MMSCFD 05 ~ خام گیس فراہم کر رہا ہے۔
- او جی ڈی سی ایل کے زیر انتظام کوہاٹ بلاک میں Togh-2 ڈویلپمنٹ ویل کی کھدائی 2600 میٹر تک کی گئی اور رِگ لیس ٹیسٹنگ کی گئی ہے۔ کنویں میں 8.2MMSCFD گیس اور 100BPD کنڈنسیٹ PSI 1680 کے WHFP کے ساتھ 64/32 انچ کی چوک سائز پر فلو ہو رہا تھا۔ آپریٹر نے کنویں کو توغ گیس پروسیسنگ فیسیلٹی کے ساتھ منسلک کرنے کے لئے Tie-in سرگرمیاں مکمل کرنے کے بعد ویل کو 08 مئی ، 2024 ءکو کمیشنڈ کیا گیا تھا۔ فی الحال یہ ویل 10MMSCFD~ خام گیس کے طور پر حصہ ڈال رہا ہے۔
- ماری فیلڈ کی ایچ آر ایل فارمیشن میں تیسرا افقی کنواں ماری 124H کھود کر ٹیسٹ کیا گیا تھا۔ ویل 550Psi کے WHFP کے ساتھ 20MMSCFD~ گیس فلو کر رہا تھا اور فی الحال اس سے پیداوار شروع ہے۔
- Goru-B ریزروائر کی نشاندہی کے لئے پہلے ویل MD-20 کی 2448Psi کے WHFP کے ساتھ 64/40 چوک سائز پر فلو کے دوران 19MMSCFD گیس اور 8.3BPD کنڈنسیٹ دریافت کی گئی تھی ۔ اسے کامیابی سے کمیشن کیا گیا ہے ۔

کمپنی کی HSE کارکردگی اور متعلقہ کامیابیاں تحفظ ،ماحولیاتی ذمہ داری میں اعلیٰ معیار کے لیے اس کی وابستگی اور اس کے آپریشنز میں ریگولیٹری تعمیل اس کے عزم کا ثبوت ہیں ۔

ہائیڈروکاربن کی فروخت

سال کے لیے ہائیڈروکاربن کی فروخت کا خلاصہ ذیل میں دیا گیا ہے:

	سال کا اختتام 30 جون				اضافہ/(کمی) مجموعی
	2024		2023		
	مجموعی	روزانہ	مجموعی	روزانہ	
گیس (MMSCF)					
ماری فیلڈ	286,487	783	268,117	735	7%
دیگر فیلڈز	5,769	16	7,097	19	(19%)
	292,256	799	275,214	754	6%
خام تیل (بیرلز)					
ماری فیلڈ	52,963	144	40,871	112	30%
دیگر فیلڈز	383,837	1,049	346,585	950	11%
	436,800	1,193	387,456	1,062	13%
BOEs کے مساوی کل پیداوار	39.01 ملین	106,595	36.35 ملین	99,600	7%

کمپنی نے شیوا سے پیداوار شروع کرنے میں تاخیر کے اثرات اور LNG ڈائیورشن کی وجہ سے کٹوتی سے فروخت کے حجم میں ہونے والی کمی کے نقصان کو کم کرنے کے غازیج ویلز سے نئی پیداوار میں تیزی لائی ہے ۔ کمپنی نے مؤثر پیداواری منصوبہ بندی اور کسٹمر کوآرڈینیشن کے ذریعے HRL اور Goru-B سے سال کے بیشتر حصے میں ترغیبی بینچ مارک حاصل کیے ہیں۔ کمپنی نے چھوٹی فیلڈز سے زیادہ سے زیادہ پیداوار برقرار رکھنے کے لیے موثرپیداواری حکمت عملی پر عمل درآمد بھی جاری رکھا۔

مالیاتی کارکردگی

	سال کا اختتام 30 جون		اضافہ
	2024	2023	
	(رقم ملین میں)		
نیٹ سیلز	181,829	145,770	25%
قبل از ٹیکس منافع	110,363	85,847	29%
انکم ٹیکس	(33,075)	(29,718)	11%
خالص منافع	77, 288	56,129	38%
منافع فی شیئر	579.36	420.75	38%

سال کے دوران کمپنی کی مالی کارکردگی مضبوط رہی ۔ ہائیڈرو کاربن کی فروخت میں اضافہ ، اور قیمتِ فروخت میں اضافہ کی وجہ سے کمپنی کو مضبوط مالی نتائج حاصل کرنے میں مدد ملی، جبکہ بڑھتی ہوئی سرگرمیوں کی وجہ سے زیادہ آپریٹنگ اور انتظامی اخراجات اور افراطِ زر کی وجہ سے جزوی طور پرمتاثرہوئی ہے ۔

کمپنی نے اپنی آپریشنز سے کامیابی کے ساتھ 100 ارب روپے سے زیادہ کی آمدنی حاصل کی ہے ، جو کہ موثر کیپیٹل مینجمنٹ اور آپریشنل کارکردگی میں بہتری کا ثبوت ہے۔ آپریشنز سےحاصل ہونے والےمضبوط کیش فلوکے نتیجے میں 74.886 ارب روپے کا اب تک کا سب سے زیادہ کیش اور کیش کے مساوی بیلنس حاصل ہوا ہے ۔

- پاور پلانٹس سے دور ہونے کی وجہ سے اضافی RLNG کمپنی کے سیلز والیم پر منفی اثر ڈال رہی ہے ۔سپلائی میں کٹوتی کی وجہ سے تقریباً 0.8 MMBOE کی پیداوارموخرکرنا پڑی جس سے کمپنی کی فروخت اور آمدنی دونوں پر اثر پڑا ۔

- کمپنی اپنے موجودہ عملے کو برقرار رکھتے ہوئے مقامی اور بین الاقوامی سطح پر نئی اور ذہین افرادی قوت کا تقرر کررہی ہے ، اور نئے گریجویٹس کے لیےSEED پروگرام جیسے اقدامات کے ذریعے ایک نوجوان افرادی قوت تیار کر رہی ہے جس کے تحت تقریباً 60 باصلاحیت گریجویٹس کوٹریننگ دے کر کمپنی میں شامل کرلیا گیا ہے ۔ نیز بین الاقوامی شہرت یافتہ کنسلٹنٹ کے ذریعے مختلف ٹیکنیکل ٹریننگ کورسز کا انعقاد کیا گیا ہے تاکہ ٹیکنکل افرادی قوت کو ٹیکنالوجیکل ایڈوانسمنٹ کی وجہ سے اَپ ڈیٹ رکھا جاسکے ۔ کمپنی مستقبل کے لیڈروں کو تیار کرنے کے لیے LUMS اور MIT کے ساتھ مختلف لیڈر شپ پروگرامز پر کام کر رہی ہے ۔

کمپنی نے اندرونی اور بیرونی دونوں چیلنجوں سے نمٹنے کے لیے ایک فعال انداز اپنایا ہے اور ان کو مناسب فورمز پر اٹھا کر اور متعلقہ اسٹیک ہولڈرز کے ساتھ مل کر اس کے اثر کو کم کیا ہے اور صورتحال کے مطابق تیزی سے ایڈجسٹ کرنے کے لیے اپنی منصوبہ بندی کو فعال بنایا ہے۔

ESG ہمارے آپریشنز کا ایک لازمی حصہ ہے، جوماحولیاتی توازن کو قائم رکھنے میں ہماری وابستگی کی عکاسی کرتی ہے۔ یہ مربوط رپورٹ نہ صرف ہماری کاروباری کارکردگی کا ایک جامع جائزہ فراہم کرتی ہے بلکہ اِس میں ہماری دوسری پائیداری رپورٹ کا تفصیلی ڈیٹا بھی شامل ہے، جو ہمارے آپریشنز کے تمام پہلوؤں میں شفافیت اوراحتساب کے لیے ہمارے عزم کو اجاگر کرتا ہے۔

تفصیلی رپورٹ

صحت ، تحفظ اور ماحولیاتی کارکردگی

کمپنی نے 24-2023 میں ایک جامع HSE مینجمنٹ سسٹم کے ذریعے کام کے محفوظ طریقوں کو نافذ کرکے HSE کے تمام KPIs حاصل کرتے ہوئے HSE میں بہترین کارکردگی کا مظاہرہ کیا۔ISO مینجمنٹ سسٹم سرٹیفیکیشن کو سرٹیفکیشن باڈی کی طرف سے سخت آڈٹ کے بعد کامیابی کے ساتھ برقرار رکھا گیا۔ کمپنی نے نفسیاتی تحفظ کو یقینی بنانے، رسک پر مبنی اپروچ کو لاگو کرنے، پروسیس سیفٹی مینجمنٹ کے طریقوں کو بہتر بنانے، SGPC کے لیے پوسٹ کمیشننگ HAZOP اسٹڈی کے انعقاد اور Dupont کے ذریعے PSM گیپ اسیسمنٹ کی تیاری کے ذریعے رپورٹنگ کلچر کو بہتر بنانے پر توجہ مرکوز کی۔

حفاظتی کلچر کو فروغ دینے کے لیے کمپنی کے لیے سالانہ Safety Days اور ماری سروسز ڈویژن کے لیے ایک خصوصی دن کا انعقاد کیا گیا۔سال کے دوران کان کنی، سیسمک اور ڈرلنگ آپریشنز سے متعلق چھ ماحولیاتی منظوریاں حاصل کی گئیں۔ 2,620 ایچ ایس ای سیشنز میں 646 ڈرلز کے ساتھ 103,800 سے زیادہ تربیتی man-hours وقف کیے گئے تھے ۔

ماحولیاتی تواز ن کے متعلق خطرات اور مواقع

کمپنی کے ESG سفر نے گزشتہ سال ESG پالیسی متعارف کرائی، جس کے بعد ESG سے متعلقہ امور اور کارکردگی پر رہنمائی اور مشورہ دینے کے لیے بورڈ کی ESG کمیٹی کا قیام عمل میں آیا۔ کمپنی نے اپنے کاروبار سے وابستہ ماحولیاتی توازن سے متعلق خطرات کی نشاندہی کرنے کے لیے ایک جامع materiality assessment کی ہے۔ اس منظم عمل میں اسٹیک ہولڈرز کے ساتھ مشاورت اور مادی موضوعات کی شناخت کے لیے third-party کے ماہر کا جائزہ شامل تھا۔ میٹیریل اسیسمنٹ میں اہم عوامل پر غور کیا گیا جیسے اسٹیک ہولڈرز کے مفادات، عالمی اور مقامی دونوں سطحوں پر تیل اور گیس کی صنعت کے لیے اہم ماحولیاتی توازن کے مسائل ، GRI 11 آئل اینڈ گیس 2021 کے معیار کے مطابق ممکنہ موضوعات ، بیرونی ماحولیاتی خطرات اور مواقع ، اور ایم پی سی ایل کی سرگرمیوں کے اہم ماحولیاتی، اقتصادی اور سماجی اثرات شامل ہیں۔

GRI 3 میٹریل ٹاپکس 2021 کی رہنمائی میں، تمام موضوعات کو ان کے اثرات کی اہمیت کی بنیاد پر ترجیح دی گئی، منفی اثرات کی شدت اور امکان کے ساتھ ساتھ پیمانے، دائرہ کار اور مثبت اثرات کے امکانات کو بھی مدنظر رکھا گیا۔مالی سال 2023 میں سب سے پہلی شائع ہونے والی Sustainability Report میں ڈسکلوزرز GRI Index کے مطابق کیے گئے۔ یہ رپورٹ ایک بنیاد کے طور پر کام کرتی ہے ، جو بہترین طریقوں اور ذمہ دارانہ ہائیڈرو کاربن کی ایکسپلوریشن اور پروڈکشن کے ذریعے ملک کی سماجی و اقتصادی ترقی کو متحرک کرنے کی کوششوں کے لیے ایک معیار قائم کرتی ہے ۔

ڈائریکٹرز رپورٹ

ماری پٹرولیم کمپنی لمیٹڈ (ایم پی سی ایل) کے ڈائریکٹرز 30 جون، 2024ء کو ختم ہونے والے سال کے لیےڈائریکٹرز رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کر رہے ہیں۔

ایگزیکٹو سمری

2020ء میں شروع ہونے والا کمپنی کا ٹرانسفارمیشن پروگرام طویل مدتی وژن اور ترقی کے اہداف کے تسلسل میں اپنا سفر جاری رکھے ہوئے ہے جس کے تین اہم نکات میں (1) بنیادی کاروبار کی مضبوطی (2) تیل و گیس کے علاوہ کاروباری توسیع اور (3) قومی سطح پر ESG لیڈر بننا، شامل ہیں۔

کمپنی مالی سال 24 میں پائیدار ی اور مضبوطی کے ساتھ ابھری ہے جس میں اپنے پچھلے تمام اہم کارکردگی کے اعشاریے کے مقابلے میں بہترین کارکردگی دکھائی ہے جس کا موازنہ کسی بھی علاقائی یا بین الاقوامی مماثل سائز کی بہترین ای اینڈ پی کمپنی سے کیا جاسکتا ہے۔

آپریشنل کے پی آئی (KPI) مالی سال 23 کے مقابلے میں :

کے پی آئی (KPI)	مالی سال 23 کے مقابلے میں کامیابی	
ہائیڈروکاربن کی پیداوار	MMBOE 39	(7 فیصد زیادہ)
ریزرو ریپلیسمنٹ ریشو (RRR)	423%	(3.7 گنا زیادہ)
ذخائر پیداوار میں تناسب R/P (2P)	17 سال	(14 فیصد اضافہ)
لاگت	0.7 USD/BOE،	(یعنی 66 فیصد کمی)

مالیاتی کارکردگی مالی سال 23 کے مقابلے میں:

کے پی آئی (KPI)	مالی سال 23 کے مقابلے میں کامیابی
خالص فروخت	181.8 ارب روپے، 25 فیصد اضافہ
بعد از ٹیکس منافع (PAT)	77.3 ارب روپے ، 38 فیصد اضافہ (سپر ٹیکس کے بغیر 87.5 ارب روپے)
فی حصص آمدنی (EPS)	579.36 روپے، 38 فیصد اضافہ
آپریشنز سے حاصل ہونے والی آمدنی	100 ارب روپے، 79 فیصد اضافہ

نمایاں کامیابیاں:

- صحت، تحفظ اور ماحولیاتی (HSE) کارکردگی کے اہداف ملک کے مشکل علاقوں میں 16.75 ملین ریکارڈ شدہ man-hours کام کرنے کے باوجود بین الاقوامی معیار کے مطابق مستقل طور پرحاصل کئے گئے ۔
- ایم پی سی ایل نے متحدہ عرب امارات (UAE) میں منعقدہ COP28 میں "آئل اینڈ گیس ڈی کاربونائزیشن چارٹر" کی توثیق کی، تاکہ مجموعی اخراج کو کم کرنے کے اقدامات کی حمایت کرنے اور ESG میں ایک مضبوط قومی رہنما بننے کے لیے ضروری اقدامات کیےجائیں۔
- سال کے دوران ایم پی سی ایل کی مارکیٹ کیپ 11 دسمبر، 2023ء کو 1 بلین ڈالر عبور کر گئی، جو 30 جون، 2024ء کو 1.3 بلین ڈالر تک پہنچ گئی، جس سے ایم پی سی ایل پاکستان اسٹاک ایکسچینج میں مارکیٹ کیپٹلائزیشن کے لحاظ سے تیسری بڑی کمپنی بن گئی ہے ۔
- حکومتی خزانے میں 84 ارب روپے کی خطیر رقم جمع کرائی گئی اس کے علاوہ توانائی کی درآمد کے متبادل کے طور پر 2.7 بلین امریکی ڈالر سے زائد زرمبادلہ کی بچت کی گئی ۔
- حکومت نے ماری ڈی اینڈ پی لیز کی مدت میں نومبر 2029 تک پانچ سال کی توسیع منظور کر لی ہے جس کے لئے کمپنی کو 15٪ اضافی ویل ہیڈ ویلیو کی ادائیگی کرنا ہو گی ۔ مزید برآں ، پٹرولیم پالیسی 2012 میں نئی ترامیم کے بعد کمپنی کو لیز کی مدت فیلڈ سے کمرشل پروڈکشن کے حصول کی مدت تک بڑھانے کا حق حاصل ہو گیا ہے،جس سے پیداوار کو بڑھانے اور ذخائر کے زیادہ سے زیادہ استعمال میں مدد ملے گی۔

- کمپنی نے اچ آر ایل گیس کی فروخت کے لئے فوجی فرٹیلائزر کمپنی لمیٹڈ اور فاطمہ فرٹیلائزر کمپنی لمیٹڈ کے ساتھ موجودہ لیز کی توسیع یعنی 10 نومبر، 2029 تک کے لئے سپلی منٹل گیس سیل اینڈ پرچیز اگریمنٹ کیا ہے۔
- وزیرستان بلاک میں ارلی پروڈکشن فیسلیٹی (EFP) اور ایس این جی پی ایل ٹرانسمیشن پائپ لائن کی تعمیر مکمل ہو گئی ہے ۔ فی الحال، پائپ لائن ہائیڈرو ٹیسٹنگ جاری ہے جس کے بعد پیداوار شروع ہونے کی توقع ہے۔ شیوا - 1 کے علاوہ شیوا - 2 ویل کو بھی EPF کے ساتھ جوڑ دیا گیا ہے اور ان دونوں ویلز سے تقریباً 70 MMSCFD کی پیداوار متوقع ہے۔
- چار غازیج اپریزل ویلز کی کامیابی کے ساتھ ڈرلنگ مکمل کر کے ایکسٹینڈڈ ویل ٹیسٹینگ (EWT) پرڈال دیا گیا ہے۔ ان چار ویلز اور ایک ڈسکوری وِیل سے حاصل ہونے والی 30 MMSCFD گیس SNGPL کو EWT کے طور پر فروخت کی جارہی ہے۔ اس فیلڈ کو کمرشل قرار دے دیا گیا ہے اور اس کا فیلڈ ڈیولپمنٹ پلان تیار کیا جا رہا ہے ۔
- Goru-B میں MD-20 اور HRL ذخائر میں HRL-124H ڈویلپمنٹ ویلز بھی مکمل کر کے پیداوار شروع کر دی گئی ہے۔
- شوال-1 (ماری فیلڈ میں تیل کی دریافت) ،شیوا - 2 (کاواگڑھ)، میوند X-1 اور جھم ایسٹ X-1 ایکسپلوریٹری ویلز سے ہائیڈرو کاربن کی دریافتیں کی گئی ہیں۔
- کمپنی نے JV پارٹنر کے طور پر کلچاس ساوتھ بلاک میں 44٪ ورکنگ انٹرسٹ حاصل کیا۔ کمپنی نے SPUD Energy سے زرغون ساوتھ ڈویلپمنٹ اینڈ پروڈکشن لیز میں (40٪) اورزرلی بلاک میں (27.55٪) ورکنگ انٹرسٹ کے حصول کے معاہدے کئے ہیں جو ریگولیٹری منظوریوں کے عمل میں ہیں۔ کمپنی کا پورٹ فولیو اب پاکستان 35 بلاکس اورابوظہبی میں ایک آف شوبلاک پر مشتمل ہے، جو 68,695 مربع کلومیٹر پر پھیلا ہوا ہے ۔ حتمی منظوری کے عمل میں ہے ۔
- ماری مائننگ کمپنی (MMC) کو بلوچستان کے ضلع چاغی میں کُل 1,500 مربع کلومیٹر رقبے کی مائننگ کے دو اضافی لائسنس دیے گئے ہیں۔ ریجنل اور لائسنس سے متعلق مخصوص سٹڈیز، فیلڈ ویزٹ اور سیمپلنگ مکمل کر لی گئی ہے تاکہ ایک مضبوط ایکسپلوریشن پلان تیار کر کے اس پر جلد سے جلد عمل درآمد شروع کیا جا سکے ۔
- ماری سروسز ڈویژن نے پی پی ایل کے زیر انتظام موسیٰ خیل بلاک میں تھرڈ پارٹی 2D سیسمک ڈیٹا کا حصول مکمل کر لیا ہے۔ مزید یہ کہ 750HP کی رِگ ماری-6 کی خریداری اور کمیشننگ مکمل کر لی گئی ہے اور اس سے ماری فیلڈ میں پہلا ویل کامیابی سے ڈرل کر لیا گیا ہے۔ اس رِگ کی بروقت خریداری غازیج اور ماری فیلڈ کے دیگر گہرے ذخائر کی ڈویلپمنٹ اور کمپنی کے پورٹ فولیو کو بڑھانے میں مدد دے گی۔
- کمپنی نے پائیدار اور ٹارگٹڈ CSR اقدامات کے ذریعے کمیونٹیز کے لیے 3.8 بلین روپے کا حصہ ڈالا ہے جو کہ PCAs کے تحت اس کی قانونی ذمہ داریوں سے کہیں زیادہ ہے۔

آپریشنل ماحول اور اہم چیلنجز:

بگڑتی ہوئی سیکیورٹی کی صورتحال کے ساتھ سماجی و اقتصادی صورتحال نے کمپنی کے لئے زیادہ چیلنجز پیدا کیے ہیں ۔

- سیکیورٹی کی بگڑتی ہوئی صورتحال نے آپریشنز کو متاثر کیا ہے ، وزیرستان بلاک میں پروڈکشن اسٹارٹ اَپ اور بلوچستان اور کے پی میں سیسمک/ڈرلنگ آپریشنز میں تاخیر ہوئی ہے ۔ نرپلی بلاک میں سیکیورٹی انسیڈنٹ کے بعد کمپنی اورقانون نافذ کرنے والے اداروں نے مل کر عملے کےتحفظ کو مزید یقینی بنانے کے لیےمزید ٹھوس اقدامات کیے ہیں ۔ کمپنی کام کے ماحول کوبہتر بنانے کے لیے قانون نافذ کرنے والے اداروں کے ساتھ مسلسل کام کر رہی ہے تاکہ سیکیورٹی اقدامات کو بڑھا کر قومی اہمیت کے حامل اسٹریٹجک منصوبوں کو آگے بڑھایا جا سکے ۔
- گردشی قرضے کی وجہ سے تقریبا 73 ارب روپے کا تجارتی قرض کمپنی کے لیے ایک اہم چیلنج ہے ۔کمپنی سرکلر ڈیٹ میں کمی لانے کے لئے متعلقہ حکام کے ساتھ فعال طور پر مصروفِ عمل ہے ۔

سرِورق

ہماری سالانہ انٹیگریٹڈ رپورٹ 2024 کا سرِورق ہمارے وژن 2030 کی عکاسی کرتا ہے، جو تین اسٹریٹجک پلرز پر مشتمل ہے۔

سب سے پہلے ہم اپنے بنیادی کاروبار ایکسپلوریشن اور پروڈکشن کو مضبوط بنانے میں مصروفِ عمل ہیں،اس بات کو یقینی بناتے ہوئے کہ ہم توانائی کے شعبے میں سب سے آگے رہیں۔یہ نہ صرف ہمارے کاروبار کے لیے بلکہ ملک کی سماجی و اقتصادی ترقی میں معاونت کے لئے ضروری ہے۔دوسرا، ہم کان کنی، گرین ہائیڈروجن اور کاربن کیپچر جیسے شعبوں میں وسعت پیدا کر رہے ہیں جو توانائی کے ارتقاء کے منظر نامے میں آگے رہنے اور عالمی پائیداری کے اہداف کو پورا کرنے کے لئے اہم ہیں ۔ تیسرا، ہمارا مقصد ماحولیاتی، سماجی اور گورننس میں رہنمائی کرنا ہےاور ماحولیاتی ،سماجی اور گورننس کے نئے معیارات قائم کرنا۔

وژن 2030 ترقی کے منصوبے سے بڑھ کر ہے۔ یہ ہماری تمام اسٹیک ہولڈرز کے لئے مستقبل کی حکمت عملی ہے کہ ایک ایسے روڈ میپ پر عمل پیرا ہوں جہاں کاروباری ضروریات اور پائیداری اقدار کو آگے بڑھانے کے لیے ساتھ ساتھ چلتی ہیں۔

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