

INTERIM FINANCIAL INFORMATION **(Un-audited)**

For the 1st Quarter ended
September 30, 2014



Mari Petroleum Company Limited

Contents

Board of Directors	03
Directors' Review	04
Condensed Interim Balance Sheet	12
Condensed Interim Profit and Loss Account	14
Condensed Interim Statement of Comprehensive Income	15
Condensed Interim Cash Flow Statement	16
Condensed Interim Statement of Changes in Equity	17
Selected Explanatory Notes to the Condensed Interim Financial Information	18

BOARD OF DIRECTORS

1. **LT GEN MUHAMMAD MUSTAFA KHAN (RETD)** Chairman
Managing Director, Fauji Foundation
2. **LT GEN NADEEDM AHMED (RETD)** Chief Executive
Managing Director/CEO, Mari Petroleum Co Ltd
3. **MR QAISER JAVED**
Director Finance, Fauji Foundation
4. **DR NADEEM INAYAT**
Director Investment, Fauji Foundation
5. **MAJ GEN GHULAM HAIDER (RETD)**
Director Welfare (Health), Fauji Foundation
6. **BRIG (R) DR GULFAM ALAM**
Director P&D, Fauji Foundation
7. **MR MOHAMMAD NAEEM MALIK**
Additional Secretary, Ministry of P&NR
8. **QAZI MOHAMMAD SALEEM SIDDIQUI**
Director General (Gas), Ministry of P&NR
9. **MR AHMAD HUSSAIN**
Financial Advisor, Ministry of P&NR
10. **MR MUHAMMAD RAFI**
Managing Director/CEO, OGDCL
11. **MR AHMED HAYAT LAK**
GM (Legal Services), OGDCL
12. **MR SHAHID GHAFFAR**
Managing Director/CEO, NITL
13. **ENGR S. H. MEHDI JAMAL**
Member, MPCL Board of Directors

CHIEF FINANCIAL OFFICER

MR MUHAMMAD ASIF

COMPANY SECRETARY

MR ASSAD RABBANI

MARI PETROLEUM COMPANY LIMITED

DIRECTORS' REVIEW

We are pleased to present to you the Directors' review along with financial information for the first quarter ended September 30, 2014.

FINANCIAL RESULTS

Gross sales for the first quarter amounted to Rs. 22,432 million as against gross sales of Rs. 16,816 million for the corresponding period. The increase is mainly due to increase in average selling price. The operating results in the financial information for first quarter show profit for the period of Rs. 1,805.851 million as against Rs. 1,577.601 million for the corresponding quarter. The main reason for increase in profit is increase in net sales, other income and finance income and decrease in exploration and prospecting expenditure which is partially offset by increase in royalty, operating expenses and finance cost.

Presently the shareholders are entitled to guaranteed return of 30% per annum. The return to shareholders is escalated in the event of increase in the Company's production beyond the level of 425 MMSCFD at the rate of 1% for each additional 20 MMSCFD of gas or equivalent oil produced, prorated for part thereof on annual basis, subject to a maximum of 45% per annum. Accordingly, based on this arrangement under Gas Price Agreement, return @ 39.65% per annum has been provisionally accounted for in the financial information for the three months ended September 30, 2014. Any adjustment/variance does not affect the minimum guaranteed rate of return to the shareholders.

OPERATIONS

The Company continued un-interrupted gas supply from Mari Field for the period from July 01, 2014 to September 30, 2014 to all its customers namely, Engro Fertilizer Limited (EFL), Fauji Fertilizer Company Limited (FFC), Fatima Fertilizer Company Limited (FFCL), Sui Southern Gas Company Limited (SSGCL), Foundation Power Company Daharki Limited (FPCDL) and Sui Northern Gas Pipelines Limited (SNGPL). A cumulative 55,081 MMSCF of gas at a daily average of 599 MMSCF and 5,798 barrels of condensate (63 barrels per day) were produced from Mari Field during the period as against 55,611 MMSCF of gas at daily average of 604 MMSCF and 5,792 barrels of condensate (63 barrels per day) for the corresponding period as per the requirement/withdrawal of the customers. In addition, 55,986 barrels of crude oil (609 barrels per day), 11,604 barrels of condensate (126 barrels per day), 1,346 MMSCF of gas (15 MMSCF per day) and 101 metric ton of LPG (1 metric ton per day) was produced and sold from joint ventures during this period, whereas 37,193 barrels of crude oil (404 barrels per day), 8,403 barrels of condensate (91 barrels per day) and 1,199 MMSCF of gas (13 MMSCF per day) was produced and sold from joint ventures in the comparative period to customers namely Attock Refinery Limited, National Refinery Limited, Pakistan Refinery Limited, Western Power Company Limited, Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited and Foundation Gas.

Regular maintenance of gas gathering network and production facilities was carried out and production optimization plans were followed as per good oil/gas field practices for effective production and reservoir management.

OPERATIONAL ACTIVITIES AND DEVELOPMENTS

Mari D&P Lease

3D Seismic data acquisition of 1,079 sq. km is in progress by Mari Seismic Unit (MSU) and so far 200 sq. km 3D seismic data has been recorded as of October 23, 2014.

Two appraisal wells were drilled at Pirkoh Limestone in Mari D&P Lease Area. PKL-7 (appraisal of MP-1) was drilled during June 2014 down to the depth of 555 m and PKL-8 (appraisal of MPX-1) was drilled during August 2014 down to the depth of 553m. Based on in-house wireline logs data interpretation and its integration with the available G&G data, production testing was conducted, which resulted gas flow of 2.1 MMSCFD and 1.4 MMSCFD @ 32/64" choke size at PKL-7 and PKL-8 respectively.

Development of Zarghun South Gas Field (D&P Lease)

First gas supply from Zarghun South gas field to M/s SSGCL commenced on August 08, 2014 after installation of Gas Dehydration Unit while H₂S controlling was by means of H₂S Scavenger. On arrival of main equipment of Amine Sweetening Unit, de-sulfurized gas supply has been continued. Full-fledged gas supply is likely to be started after installation of Hydrocarbon Dew Point Unit by the end of October 2014.

EXPLORATION AND DEVELOPMENT ACTIVITIES – OTHER THAN MARI D&P LEASE / ZARGHUN SOUTH D&P LEASE

MPCL's working interests in various exploration licenses are as follows:

S. No	Name of Block	MPCL's Working Interest	Name of Operator
1	Ziarat Exploration License	60%	MPCL
2	Karak Exploration License	60%	MPCL
3	Sukkur Exploration License	58.8%	MPCL
4	Ghauri Exploration License	35%	MPCL
5	Hanna Exploration License	100%	MPCL
6	Harnai Exploration License	40%	MPCL
7	Sujawal Exploration License	100%	MPCL
8	Khetwaro Exploration License	51%	MPCL
9	Peshawar East Exploration License	100%	MPCL
10	Hala Exploration License	35%	PPL
11	Zindan Exploration License	35%	PPL
12	Kohlu Exploration License	30%	OGDCL

13	Kalchas Exploration License	20%	OGDCL
14	Kohat Exploration License	20%	OGDCL
15	Bannu West Exploration License	10%	Tullow Pakistan

OPERATED BLOCKS

Ziarat Block

Khost well no 3 remained in production intermittently through Jet Pump during last year but after observing the high water cut, operations were suspended in February 2014. Way forward was discussed with JV partner and as a result, it was concluded that additional zone identified by MPCL's Exploration Department is to be perforated. It is anticipated that proposed perforation job will be completed and production via Jet Pump will resume shortly.

MPCL has invited bids for acquisition of 170 line km 2D seismic data over identified leads and Khost discovery area to evaluate the remaining hydrocarbons potential of the block and also to fulfill the outstanding commitment. The negotiations with lowest bidder are in progress.

Karak Block

In order to install the artificial lift system (Gas Lift), the work over operations at Halini-1 was carried out in July-August 2014. During the operation, existing completion was pulled out, re-perforated and was completed with gas lift mandrels. Rental gas lift compression facility integration is near completion. Significant production enhancement is expected after introducing the well with artificial kick. Objective was to optimise oil production and accordingly production has enhanced along with upward revision in reserves.

Crude oil discovery in Karak Block was made in the later part of 2011. To further appraise the potential of block, 3D seismic survey was planned and executed in 2013. Based on the processing and interpretation of 3D data, two exploratory wells are planned. All procurement cases have been finalized and the process for preparation of approach road and well locations has been initiated.

Civil works for drilling of these two exploratory wells is continued for the purpose of spud-in the wells during December 2014. The objectives of Halini Deep-1 and Kalabagh exploratory wells are to test the hydrocarbons potential of multiple untested reservoirs and Sakessar, Lockhart and Lumshiwai formations down to the depth of around 5,700 m and 3,000 m respectively.

Processing / re-processing of newly acquired 337 line km and vintage seismic data of 368 line km is also in progress, which would be followed by in-house interpretation for delineation of additional prospects in the block for possible drilling of wells.

Sukkur Block

The Sequence Stratigraphic Study of Lower Goru Sand has been completed and consultant has recommended acquiring 3D seismic data on the

stratigraphic lead to explore the hydrocarbon potential of Lower Goru Sands in the block. The consultant also recommended for the acquisition of additional 2D seismic data in the western part of block for shallow prospects at SML level. Accordingly, Sukkur JV is planning to acquire 350 line km 2D seismic data in the block.

Ghauri Block

After the discovery of Ghauri X-1 well, installation of surface production facilities completed in record time of 26 days and well was put on production on July 01, 2014. Soon after putting the well on production, gradual decline in production and well head flowing pressure was observed. It became very challenging to sustain the well production. It was judged at a very early stage that well is unable to produce naturally for a longer time. As a remedial action, Artificial Lift system by using Jet Pump has been installed in last week of September 2014. Initial results have exhibited substantial rise in well production.

Contract for 3D seismic data design has been awarded to M/s Western Geco after competitive bidding, which would be followed by 3D seismic data acquisition campaign for placing additional appraisal wells over Ghauri Discovery area and to delineate new prospects for chasing additional hydrocarbon reserves.

Re-processing of approximately 315 line km 2D vintage seismic data of southern part of block is in progress at M/s GT Poland to delineate structural configuration and has been completed.

Re-entry option at Shahab-1A well is being evaluated for an appraisal well to enhance the oil production from Sakessar reservoir.

Technical evaluation of bids for geochemical studies of ditch cutting samples of Ghauri X-1 well along with other wells for source rock evaluation and finger printing of oil has been completed. The contract will be awarded after financial evaluation of bids.

Hanna Block

In-house post well evaluation of Hanna X-1 is in progress and in this regard ditch cutting samples were sent to M/s Weatherford Houston, USA for geochemical analysis. Draft report of the study was received and comments / observations on it have been sent to the contractor for review and incorporation in the final report. Study will help in post well failure analysis and to decide the way forward on the block.

Harnai Block

Bids have been invited for acquisition of 150 line km 2D seismic data in order to fulfill the outstanding commitment and also to delineate / find any viable prospect for drilling of exploratory well in the block.

Sujawal Block

After discovery of gas condensate at exploratory well Sujjal-1, field development plan has been formulated. Accordingly, gas from Sujjal-1 shall be transported through 17 KM x 8" diameter line to Sujawal X-1 for commingled processing.

Surface facilities at Sujawal were proactively planned for enhanced capacity and had the additional capacity for new find at Sujjal-1.

Keeping in view the country's energy demand during the winter season, production from Sujjal-1 well is expected to start by end of December 2014.

In respect of enhancement of process facilities in Sujawal X-1, dehydration plant was installed and production from Sujawal X-1 well commenced in the month of March 2013 in the first phase. Amine Sweetening Unit and hydrocarbon dew point plants are to be installed in second phase.

We expect that the entire second phase surface facilities will be installed, commissioned and operative by the end of December 2014.

In-house interpretation of recently re-processed 200 sq. km 3D seismic data is in progress for finalization of drilling location of deep exploratory well over Sujawal prospect during first quarter of 2015 to test the hydrocarbons potential of Lower Goru Basal and Massive Sands.

The contract for 320 line km 2D seismic data acquisition is awarded to M/s BGP after competitive bidding which would be followed by processing and interpretation for delineation of additional prospects in western part of block.

Technical and financial evaluation of an outsource study for conducting reservoir characterization and sedimentology study of Upper Sands of Lower Goru formation have been completed. The said study will help to evaluate the hydrocarbons potential, distribution of reservoir rocks in the area and its potential for tight gas reservoir.

Reprocessing of approximately 1,000 line km vintage 2D data is in progress at M/s SAGEo, which would be followed by interpretation for delineation of additional lead inventory for acquisition of 3D seismic data.

Khetwaro Block

The company acquired operatorship with 51% interest in Khetwaro Block from Saif Energy. In order to test the hydrocarbon potential, drilling of one exploratory well is expected after settling the land related issues.

Location for an exploratory well has been marked on ground based on the seismic reservoir characterization study conducted by M/s Beicip Franlab, France in order to de-risk the exploratory well and its integration with in-house seismic interpretation. The well has been designed to test new stratigraphic play concept of Karst features and Basal Ghazij Sand pinch out. In case of success entirely new fairway areas and play concept would be opened.

Peshawar East Block

Geological field work was commenced by Department of Geology, University of Peshawar on August 07, 2014, which was completed on September 8, 2014 and it will be followed by preparation of geological maps, geological report and laboratory analyses. The field work would help to highlight the surface leads and would also help to optimise / chalk out 2D seismic data acquisition program. In addition, MPCL has purchased about 255 line km 2D processed data and about 508 line km of 2D field data of block for reprocessing. Bids

have been invited to reprocess about 500 line km vintage 2D seismic data.

NON-OPERATED BLOCKS

Hala Block

Based on the interpretation of newly merged reprocessed 3D volume, third exploratory well Adam West X-1 was spud-in on May 20, 2014 and it reached its total depth on July 29, 2014 in Massive Sands of Lower Goru Formation. Open hole wireline logging (including XPT) was conducted which indicated that reservoir is hydrocarbons bearing. Upon testing of Massive Sands reservoir, the well flowed 20 MMSCFD of gas, 27 BBLD of condensate and 110 BBLD of water with 3,890 Psi WHFP @32/64" choke size.

Presently, planning is in progress to procure about 17 km long 8" pipeline from Adam West X-1 to Adam Field to bring the discovery on early production through EWT.

Zindan Block

First exploratory well Lakki-X1 would be spud-in by end of December 2014. The well would be drilled down to a total depth of about 2,500 m with the objectives to test the hydrocarbons potential of Datta, Kingriali and Khewra formation.

Kohlu Block

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

Kalchas Block

Preparations are under way to mobilize drilling rig to drill Kup-1 well in fourth quarter of 2014 to test the hydrocarbons potential of Pab and Chiltan formations. In addition, JV partners are also planning to acquire seismic data over Kup structure to know the extent of reservoir depending upon availability of seismic crew.

Kohat Block

Bids have been invited for the 2D and 3D seismic data acquisition in the block. Technical evaluation of the bids has been completed and financial evaluation is in progress. Kohat Joint Venture has planned to acquire approximately 319 sq. km 3D seismic data which includes (87 sq. km over Sheikhan and 232 sq. km over Tanda Jabbi areas) and 256 line km 2D seismic data over identified leads in the block. The said seismic campaign will help to better understand the subsurface trap geometry and to resolve the subsurface structural complications and to delineate the prospects for drilling of exploratory wells.

Bannu West Block

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

New Areas

MPCL has reviewed the data of three exploration blocks namely, Warnali, Khanpur and Saruna of OGDCL. In-house due-diligence of G&G data is in

progress. In addition, review and evaluation of Daphro and Baska Blocks is in progress for possible farm-in opportunities.

Further, MPCL has submitted four applications for grant of exploration licenses to DGPC namely; Jhelum, Dhurnal North, Dadyal (located in AJ&K) and Hassan Abdal for forthcoming bidding round and tapping of new indigenous hydrocarbons reserves.

In addition, Company is also evaluating overseas and local possible exploration opportunities.

MARI SERVICES DIVISION (MSD)

The Services Division consists of several service units like Mari Seismic Unit (MSU) for acquisition of seismic data, Mari Drilling Services Unit (MDU) for drilling of wells, Mari Seismic Data Processing Center (MSPC) for processing of 2D and 3D data and Mari Allied Services Unit (MASU) to provide other allied services required in different operations.

Seismic Acquisition

MSU is currently engaged in acquiring 3D seismic data of 1,079 sq. km in Mari D&P Lease area. So far 200 sq. km of 3D data has been acquired as of October 23, 2014.

Drilling of Wells

Rig Mari 1 (1,500 HP) completed work over at Halini X-1 well in Karak block. Rig Mari 3 (2,500 HP) was mobilized from Karachi to Khour in July 2014. Rig Mari 2 (Sky Top) drilled two appraisal wells in Pirkoh formation of Mari Field.

Seismic Data Processing

Total 208 Km 2D lines data processed for MPCL's Hanna and Harnai blocks.

Mari Allied Services Unit (MASU) for Slick Line and Other Related Services

Slick Line Unit was commissioned during August 2014 and is now fully functional to perform operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

MPCL is committed to implementing its CSR strategy in all its fields and on a national level. Our CSR program expands from contributing to the educational sector, building of roads, provision of safe drinking water, provision of medical care through its medical dispensaries, etc. The comfort and availability of the basic needs to the marginalized communities, where we operate, is of utmost importance to us. Whenever a social welfare scheme is proposed, the needs and requirements of the locals are taken into consideration.

In 2014, US\$ 1.3 million has been earmarked for health and educational needs of the community.

i. Education

Education does more than opening doors to opportunity, it locks potential. Education is high on our priority list.

- In this quarter, a number of projects have been initiated to adopt and rehabilitate Government schools at/around our area of activity which will be completed by third quarter of 2015 (approximately).
- Mega projects of Education and Health Centers (one each in Hanna and Harnai blocks) are already in pipeline.

ii. Health care

Our aim is to ensure that community living in the area of our activity has access to effective medical treatment/medicines and clean drinking water. Towards this end, we are building and maintaining affordable, integrated and quality healthcare facilities and water filtration plants.

- Construction / rehabilitation of Basic Health Units (BHU) is under progress at Ghauri and Ziarat blocks.
- In order to further enhance the quality of medical services to the community at Mari Medical Complex (MMC), Daharki, MPCL has recently outsourced MMC to Pakistan Red Crescent Society (PRCS) for a period of three years.
- To cater the need / demand of clean water in our concession areas, MPCL has designed four CSR projects (one each in Karak, Ziarat, Zarghun and Sujawal blocks) in this quarter.

ISSUANCE OF BONUS SHARES

The Board of Directors proposed issuance of 20% bonus shares in its meeting held on September 30, 2014. The bonus shares were subsequently approved by the shareholders in Annual General Meeting held on October 31, 2014.

For and on behalf of the Board

Islamabad
October 31, 2014

Lt Gen Muhammad Mustafa Khan (Retd)
Chairman

MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2014

	Note	30.09.2014	30.06.2014
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
250,000,000 ordinary shares of Rs 10 each		2,500,000	2,500,000
Issued, subscribed and paid up capital		918,750	918,750
Undistributed percentage return reserve	5	230,264	414,014
Reserve for issuance of bonus shares	5	183,750	-
Exploration and evaluation reserve		5,905,999	4,584,270
Reserve for Mari Seismic Unit	6	1,126,671	1,155,725
Profit and loss account	7	10,262,648	9,749,472
		18,628,082	16,822,231
NON CURRENT LIABILITIES			
Long term financing - secured	8	166,252	332,505
Deferred liabilities	9	4,714,413	4,714,598
		4,880,665	5,047,103
CURRENT LIABILITIES			
Trade and other payables	10	43,185,295	36,177,006
Current maturity of long term financing	8	1,189,173	1,379,173
Interest accrued on long term financing		6,858	37,514
		44,381,326	37,593,693
CONTINGENCIES AND COMMITMENTS	11		
		67,890,073	59,463,027

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



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

Note	<u>30.09.2014</u>	<u>30.06.2014</u>
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(Rupees in thousand)

ASSETS

NON CURRENT ASSETS

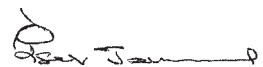
Property, plant and equipment	12	8,645,271	8,671,909
Development and production assets	13	3,688,586	3,621,571
Exploration and evaluation assets	14	5,905,999	4,584,270
Long term loans, advances, deposits and prepayments		47,366	25,958
Deferred income tax asset		<u>2,040,320</u>	<u>1,930,387</u>
		20,327,542	18,834,095

CURRENT ASSETS

Stores and spares		850,583	835,055
Trade debts	15	40,110,263	31,165,789
Loans, advances, prepayments and other receivables	16	2,683,823	2,685,280
Income tax paid in advance		705,523	635,545
Cash and bank balances	17	<u>3,212,339</u>	<u>5,307,263</u>
		47,562,531	40,628,932

67,890,073

59,463,027



Qaiser Javed
DIRECTOR

MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

	Note	30.09.2014	30.09.2013
(Rupees in thousand)			
Gross sales to customers	18	22,432,078	16,816,368
Gas development surcharge		5,162,029	5,360,743
General sales tax		3,140,004	2,372,452
Excise duty		401,756	403,723
Gas infrastructure development cess		9,529,383	4,782,968
Wind fall levy		177,273	136,930
Provisional adjustment as per the Agreement		(369,801)	(63,747)
		<u>18,040,644</u>	<u>12,993,069</u>
Sales - net		4,391,434	3,823,299
Royalty		570,421	495,029
		<u>3,821,013</u>	<u>3,328,270</u>
Operating expenses	19	1,487,063	873,016
Exploration and prospecting expenditure	20	431,359	509,941
Other charges		164,043	154,005
		<u>2,082,465</u>	<u>1,536,962</u>
		<u>1,738,548</u>	<u>1,791,308</u>
Other income	21	376,292	168,130
Operating profit		2,114,840	1,959,438
Finance income	22	246,125	169,231
Finance cost	23	134,665	36,399
Profit before taxation		<u>2,226,300</u>	<u>2,092,270</u>
Provision for taxation	24	420,449	514,669
Profit for the period		<u>1,805,851</u>	<u>1,577,601</u>

Profit for the period represents the following:

Distributable profits	132,110	148,950
Exploration and evaluation reserve	1,321,729	801,122
Reserve for Mari Seismic Unit	(29,054)	-
Profit and loss account - undistributable balance	381,066	627,529
	<u>1,805,851</u>	<u>1,577,601</u>

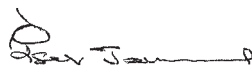
Earnings per share - basic and diluted

Earnings per share on the basis of distributable profits (Rupees)	<u>1.44</u>	<u>1.62</u>
Earnings per share on the basis of profit and loss account (Rupees)	<u>19.66</u>	<u>17.17</u>

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



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



Qaiser Javed
DIRECTOR

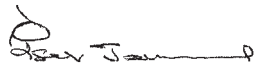
MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

	<u>30.09.2014</u>	<u>30.09.2013</u>
	(Rupees in thousand)	
Profit for the period	1,805,851	1,577,601
Other comprehensive income	-	-
Total comprehensive income for the period	<u>1,805,851</u>	<u>1,577,601</u>

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



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



Qaiser Javed
DIRECTOR

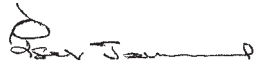
MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

	30.09.2014	30.09.2013
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	13,587,011	10,764,231
Cash paid to the Government for government levies and surplus payable as per the Agreement	(9,771,945)	(7,795,223)
Cash paid to suppliers, employees and others	(3,275,730)	(1,184,924)
Income tax paid	(600,360)	(367,103)
	(61,024)	1,416,981
Cash flows from investing activities		
Capital expenditure	(1,622,652)	(2,117,705)
Proceeds from disposal of property, plant and equipment	81	-
Interest received	110,853	113,620
Cash flow from investing activities	(1,511,718)	(2,004,085)
Cash flows from financing activities		
Long term financing received	-	210,590
Long term financing repaid	(356,253)	(314,135)
Finance cost paid	(73,992)	(58,335)
Dividends paid	(91,937)	(91,411)
Cash flow from financing activities	(522,182)	(253,291)
Decrease in cash and bank balances	(2,094,924)	(840,395)
Cash and bank balances at beginning of the period	5,307,263	6,508,559
Cash and bank balances at end of the period	3,212,339	5,668,164

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



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



Qaiser Javed
 DIRECTOR

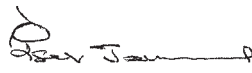
MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid up capital	Undis- tributed percent- age return reserve	Reserve for issuance of bonus shares	Explora- tion and evaluation reserve	Reserve for Mari Seismic Unit	Profit and loss account	Total
	(Rupees in thousand)						
Balance as at June 30, 2013	918,750	578,994	-	4,186,644	920,000	6,952,345	13,556,733
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	1,577,601	1,577,601
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	-	1,577,601	1,577,601
Transfer from profit and loss account to exploration and evaluation reserve	-	-	-	801,122	-	(801,122)	-
Transfer from undistributed percentage return reserve to reserve for Mari Seismic Unit	-	(240,186)	-	-	240,186	-	-
Balance as at September 30, 2013	918,750	338,808	-	4,987,766	1,160,186	7,728,824	15,134,334
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	2,365,702	2,365,702
Other comprehensive income / (loss):							
Remeasurement loss on employees retirement benefit plans - net of tax	-	-	-	-	-	(330,150)	(330,150)
	-	-	-	-	-	2,035,552	2,035,552
Dividends	-	-	-	-	-	(347,655)	(347,655)
Transfer from profit and loss account to undistributed percentage return reserve	-	223,781	-	-	-	(223,781)	-
Transfer from exploration and evaluation reserve to profit and loss account	-	-	-	(403,496)	-	403,496	-
Transfer from undistributed percentage return reserve to reserve for Mari Seismic Unit	-	(148,575)	-	-	148,575	-	-
Net loss for the period transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	-	(153,036)	153,036	-
Balance as at June 30, 2014	918,750	414,014	-	4,584,270	1,155,725	9,749,472	16,822,231
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	1,805,851	1,805,851
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	-	1,805,851	1,805,851
Transfer from profit and loss account to exploration and evaluation reserve	-	-	-	1,321,729	-	(1,321,729)	-
Transfer from undistributed percentage return reserve to reserve for issuance of bonus shares	-	(183,750)	183,750	-	-	-	-
Net loss for the period transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	-	(29,054)	29,054	-
Balance as at September 30, 2014	918,750	230,264	183,750	5,905,999	1,126,671	10,262,648	18,628,082

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



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



Qaiser Javed
 DIRECTOR

MARI PETROLEUM COMPANY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

1. LEGAL STATUS AND OPERATIONS

Mari Petroleum Company Limited "the Company" is a public limited company incorporated in Pakistan on December 4, 1984 under the Companies Ordinance, 1984. The shares of the Company are listed on the Karachi, Lahore and Islamabad stock exchanges in Pakistan. The Company is principally engaged in exploration, production and sale of hydrocarbons. The gas price mechanism is governed by Mari Gas Well Head Price Agreement ("the Agreement") dated December 22, 1985 between the President of Islamic Republic of Pakistan and the Company. The registered office of the Company is situated at 21 Mauve Area, 3rd Road, G-10/4, Islamabad.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the three months ended September 30, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives issued under the Companies Ordinance, 1984 shall prevail.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014.

There is no impact on the condensed interim statement of comprehensive income of remeasurement gains and losses on employees' retirement benefit plans, since actuarial valuation is carried out on an annual basis.

4. GAS PRICE MECHANISM

In terms of the Mari Gas Well Head Price Agreement, well head gas price for each ensuing year is determined in accordance with the principles of gas price formula set out in Article II of the Agreement. The Agreement states that the gas price will be at the minimum level to ensure that total revenues generated from sale of gas and other income are sufficient to provide a minimum return of 30%, net of all taxes, on Shareholders' Funds (as defined in the Agreement) after maintaining specified ratios and deductibles. The return to shareholders is to be escalated in the event of increase in the Company's gas or equivalent oil production beyond the level of 425 MMSCFD at the rate of 1%, net of all taxes, on Shareholders' Funds for each additional 20 MMSCFD of gas or equivalent oil produced, prorated for part thereof on annual basis, subject to a maximum of 45%.

Effective July 1, 2001, the Government of Pakistan (GoP) authorized the Company to incur expenditure not exceeding Rupee equivalent of US\$ 20,000,000 per annum or 30% of the Company's annual gross sales revenue as disclosed in the last audited financial statements, whichever is less, in connection with exploration and development in any concession area other than Mari Field, provided that if such exploration and development results in additional gas or equivalent oil production, the revenues generated from such additional gas or equivalent oil production shall be credited to and treated as revenue under the Agreement. The revenues from sale of gas and crude / condensate from fields other than Mari Field are determined as per the applicable Petroleum Policy / Petroleum Concession Agreement. Effective January 1, 2012, the Economic Coordination Committee of the cabinet gave its approval for enhancing the limit of US\$ 20,000,000 per annum by US\$ 5,000,000 each year upto US\$ 40,000,000 per annum over a period of four years. The limit for the current year will be US\$ 37,500,000 (June 30, 2014: US\$ 32,500,000).

5. UNDISTRIBUTED PERCENTAGE RETURN RESERVE

The amount held in this reserve represents the balance of the percentage return reserve on Shareholders' Funds as defined in the Agreement.

	Three months ended 30.09.2014	Year ended 30.06.2014
Note	30.09.2014	30.06.2014
(Rupees in thousand)		
Opening balance	414,014	578,994
Transferred to reserve for issuance of bonus shares	5.1 (183,750)	-
Transferred to reserve for Mari Seismic Unit	5.2 -	(388,761)
Transferred from profit and loss account	-	223,781
	<u>230,264</u>	<u>414,014</u>

5.1 The Board of Directors proposed issuance of 20% bonus shares in its meeting held on September 30, 2014. The bonus shares were subsequently approved by the shareholders in Annual General Meeting held on October 31, 2014.

5.2 This represents the amount that has been utilized from this reserve for Mari Seismic Unit as per the approval of the Board of Directors and shareholders.

6. RESERVE FOR MARI SEISMIC UNIT

	Three months ended 30.09.2014	Year ended 30.06.2014
	30.09.2014	30.06.2014
(Rupees in thousand)		
Government's investment in Mari Seismic Unit	920,000	920,000
Net loss for the period transferred from profit and loss account	(20,425)	-
	<u>899,575</u>	<u>-</u>
Shareholders' investment in Mari Seismic Unit:		
Opening balance	235,725	-
Transferred from undistributed percentage return reserve	-	388,761
Shareholders' share of Mari Seismic Unit loss		
Prior period loss transferred from profit and loss account	-	(51,825)
Net loss for the period transferred from profit and loss account	(8,629)	(101,211)
	<u>(8,629)</u>	<u>(153,036)</u>
Closing balance	<u>227,096</u>	<u>235,725</u>
	<u>1,126,671</u>	<u>1,155,725</u>

7. PROFIT AND LOSS ACCOUNT

The amount of Rs 10,262.65 million (June 30, 2014: Rs 9,749.47 million) represents the following:

7.1 Undistributable balance

The amount of Rs 10,051.07 million (June 30, 2014: Rs 9,670.00 million), which is not distributable, has been provided through the operation of Article II of the Agreement to meet the obligations and to the extent indicated for the following:

	Generated upto 30.06.2014	Generated during three months ended September 30, 2014	Generated upto September 30, 2014
	(Rupees in thousand)		
a) Rupee element of capital expenditure (net of depreciation /amortization) and repayment of borrowings	9,405,230	381,066	9,786,296
b) Maintenance of debt service ratio	90,234	-	90,234
c) Maintenance of current ratio - note 7.1.1	174,537	-	174,537
Total	<u>9,670,001</u>	<u>381,066</u>	<u>10,051,067</u>
Year ended June 30, 2014	<u>6,932,141</u>	<u>2,737,860</u>	<u>9,670,001</u>

7.1.1 Gas Infrastructure Development Cess (GIDC) will be paid to the Government as and when related amounts are received from customers. Accordingly, Rs 33,419 million receivable from the customers and the amount of Rs 33,419 million payable to the Government on account of GIDC as at September 30, 2014 have not been taken into account for the purpose of maintenance of current ratio.

	<u>30.09.2014</u>	<u>30.06.2014</u>
	(Rupees in thousand)	
7.2 Distributable balance		
Undistributed guaranteed return	<u>211,581</u>	<u>79,471</u>

This represents guaranteed return @ 39.65% per annum on Shareholders' Funds for three months ended September 30, 2014. It also includes the additional return of Rs 79.471 million @ 8.65% per annum guaranteed to shareholders on account of increase in hydrocarbons production for the year ended June 30, 2014.

	Note	Three months ended 30.09.2014	Year ended 30.06.2014
(Rupees in thousand)			
8. LONG TERM FINANCING - SECURED			
Loan for Mari field development	8.1		
Opening balance		380,000	760,000
Amount repaid during the period / year		<u>(190,000)</u>	<u>(380,000)</u>
		190,000	380,000
Amount repayable within next twelve months shown as current maturity of long term financing		<u>(190,000)</u>	<u>(380,000)</u>
		-	-
Loan for Zarghun South field development	8.2		
Opening balance		665,011	744,810
Amount received during the period / year		-	210,590
Amount repaid during the period / year		<u>(166,253)</u>	<u>(290,389)</u>
		498,758	665,011
Amount repayable within next twelve months shown as current maturity of long term financing		<u>(332,506)</u>	<u>(332,506)</u>
		166,252	332,505
Loan for Mari Seismic Unit	8.3		
Opening balance		666,667	1,000,000
Amount repaid during the period / year		-	<u>(333,333)</u>
		666,667	666,667
Amount repayable within next twelve months shown as current maturity of long term financing		<u>(666,667)</u>	<u>(666,667)</u>
		-	-
Long term financing - secured		<u>166,252</u>	<u>332,505</u>
Amount repayable within next twelve months shown as current maturity of long term financing		<u>1,189,173</u>	<u>1,379,173</u>

8.1 The Company arranged a Syndicated Term Finance Loan amounting to Rs 1,900 million from a consortium of banks led by Bank Alfalah Limited for financing of drilling of three wells in Mari Deep, Goru B reservoirs. The mark-up is payable semi-annually in arrears on the outstanding facility amount at six months KIBOR + 1.35% per annum. The mark-up rate was revised downward to six months KIBOR + 0.75% per annum from December 1, 2013. The effective mark-up rate for the period ended September 30, 2014 was 10.71% (June 30, 2014: 10.42%) per annum. The loan is repayable in ten equal semi-annual installments after a grace period of 24 months from the date of first disbursement. Nine installments amounting to Rs 1,710 million have been paid upto September 30, 2014. Loan is secured by a first pari passu charge by way of hypothecation over all present and future fixed and current assets and businesses, and first pari passu equitable mortgage over Company's all existing and future immovable properties of an amount of Rs 4.67 billion.

8.2 In order to finance Zarghun South Field, the Company arranged Term Finance Loan of Rs 1,112 million from Habib Bank Limited. Entire amount of the facility was drawn upto June 30, 2014. The mark-up is payable semi-annually in arrears on the outstanding facility amount at the average of six months KIBOR + 1.35% per annum. The mark-up rate was revised downward to six months KIBOR + 0.75% per annum from January 1, 2014. The effective mark-up rate for the period ended September 30, 2014 was 10.88% (June 30, 2014: 10.60%) per annum. The loan is repayable in ten equal semi-annual installments after a grace period of 24 months from the date of first disbursement. Seven installments amounting to Rs 612 million have been paid upto June 30, 2014. Loan is secured by a first pari passu charge over present and future assets of the

Company by way of hypothecation, equitable mortgage and floating charge of an amount of Rs 2.12 billion.

- 8.3** A long term finance facility amounting to Rs 1,000 million has been availed from Allied Bank Limited for financing of Seismic Data Acquisition Equipment. The entire amount of the facility was drawn on June 28, 2013. Mark-up for the said loan is to be paid quarterly in arrears on the outstanding facility amount at six months KIBOR + 0.25% per annum. The effective mark-up rate for the period ended September 30, 2014 was 10.42% (June 30, 2014: 9.87%) per annum. The loan is repayable in three equal semi-annual installments after 12 months from the date of first disbursement. Installment amounting to Rs 333 million has been paid upto September 30, 2014. The loan is secured by an exclusive charge of Rs 1.33 billion over Seismic Data Acquisition Equipment and exclusive hypothecation charge by way of assignment of receivables of Rs 200 million under the services rendered by the Seismic Data Acquisition Equipment. To meet additional requirements, the loan limit has been enhanced by Rs 150 million as approved by the Board in its meeting held on September 30, 2014.

	Note	30.09.2014	30.06.2014
(Rupees in thousand)			
9. DEFERRED LIABILITIES			
Provision for decommissioning cost		4,247,050	4,247,050
Provision for employee benefits - unfunded		343,237	340,341
Provision for compensated leave absences		122,487	125,805
Deferred income		1,639	1,402
		<u>4,714,413</u>	<u>4,714,598</u>
10. TRADE AND OTHER PAYABLES			
Creditors		608,170	879,202
Accrued liabilities		1,881,255	2,413,480
Retention and earnest money deposits		50,046	63,810
Gratuity funds		55,851	801,014
Unclaimed dividend		9,403	9,410
Unpaid dividend		1,620	93,550
Gas development surcharge		4,810,242	5,895,110
General sales tax		1,271,836	845,762
Excise duty		125,849	128,884
Gas infrastructure development cess	10.1	33,418,744	23,933,942
Workers' Welfare Fund		729,655	685,129
Workers' Profit Participation Fund		119,517	235,010
Joint venture partners		103,107	192,703
		<u>43,185,295</u>	<u>36,177,006</u>

- 10.1** Gas infrastructure development cess includes an amount of Rs 33,419 million (June 30, 2014: Rs 23,934 million) which is being withheld by the customers due to stay orders/ restraining orders issued by various courts resulting in a corresponding payable to the Government on account of GIDC.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- (i) The Company has not recognized interest income of Rs 6,665.28 million (June 30, 2014: Rs 6,462.46 million) on amounts due from Pakistan Electric Power Company (PEPCO) and has also not made any provision in this condensed interim financial information for related interest expense of Rs 3,220.83 million (June 30, 2014: Rs 3,220.83 million) payable to the Government of Pakistan (GoP) on account of late payment of Gas Development Surcharge. However, such non-recognition does not affect the current period or future years' profit after taxation which includes the guaranteed return to shareholders under the Agreement due to the gas price mechanism.
- (ii) Indemnity bonds given to Collector of Customs against duty concessions on import of vehicles amounted to Rs 5.23 million (June 30, 2014: Rs 5.23 million).
- (iii) Contractor's claim not acknowledged as debt of Rs 20.35 million (June 30, 2014: Rs 20.35 million).

11.2 Commitments

	<u>30.09.2014</u>	<u>30.06.2014</u>
	(Rupees in thousand)	
(i) Capital expenditure:		
- Share in joint ventures	7,270,848	8,111,269
- Mari field	700,053	800,718
	<u>7,970,901</u>	<u>8,911,987</u>
(ii) Operating lease rentals due:		
- Less than one year	33,579	28,171
- More than one year but less than five years	64,533	57,319
	<u>98,112</u>	<u>85,490</u>

	Three months ended 30.09.2014	Year ended 30.06.2014
(Rupees in thousand)		
12. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	8,671,909	5,858,512
Movement during the period / year:		
Additions	177,091	3,431,008
Revision due to change in estimates of decommissioning costs	-	5,799
Written down value of disposals	(410)	(12,545)
Depreciation charge	(203,319)	(610,865)
	(26,638)	2,813,397
Closing book value	8,645,271	8,671,909
13. DEVELOPMENT AND PRODUCTION ASSETS		
Opening book value	3,621,571	2,072,821
Movement during the period / year:		
Additions	103,905	1,634,080
Revision due to change in estimates of decommissioning costs	-	29,509
Amortization charge	(36,890)	(114,839)
	67,015	1,548,750
Closing book value	3,688,586	3,621,571
14. EXPLORATION AND EVALUATION ASSETS		
Opening book value	4,584,270	4,186,644
Movement during the period / year:		
Additions	1,358,113	2,300,513
Cost of dry and abandoned wells written off	-	(751,396)
Impairment of well cost	-	(951,985)
Disposal of working interest in concessions	-	(88,711)
Depreciation charge	(36,384)	(110,795)
	1,321,729	397,626
Closing book value	5,905,999	4,584,270

15. TRADE DEBTS

30.09.2014

30.06.2014

(Rupees in thousand)

Due from related parties - considered good

Pakistan Electric Power Company	402,866	402,866
Foundation Power Company Daharki Limited	4,644,622	5,828,668
Fauji Fertilizer Company Limited	20,993,401	16,309,108
Sui Southern Gas Company Limited	427,635	487,582
Sui Northern Gas Pipelines Limited	66,404	48,237
Foundation Gas	5,900	3,874
	26,540,828	23,080,335

Due from others - considered good

Engro Fertilizer Limited	9,923,157	6,763,328
Fatima Fertilizer Company Limited	2,358,712	413,925
Byco Petroleum Pakistan Limited	614,192	614,192
National Refinery Limited	105,651	82,195
Attock Refinery Limited	525,890	153,224
Pakistan Refinery Limited	34,095	55,811
Western Power Company Limited	7,738	2,779
	40,110,263	31,165,789

15.1 Trade debts due from related parties are net of provision for doubtful debts amounting to Rs 359 million (June 30, 2014: Rs 345 million).

15.2 Trade debts include Rs. 33,419 million (June 30, 2014: 23,911 million) on account of GIDC withheld by customers as explained in note 10.1.

	Note	30.09.2014	30.06.2014
(Rupees in thousand)			
16. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Due from related parties			
Rig rentals - Sujawal joint venture		263,830	263,830
Rig rentals - Karak joint venture		141,833	39,500
Due from others			
Loans and advances		431,385	326,771
Advances to joint venture partners		1,247,647	1,130,764
Short term prepayments		180,465	55,857
Interest accrued	16.1	4,799	5,824
Royalty paid in advance		43,650	118,376
Receivable under Mari Gas Well Head Price Agreement		369,801	133,949
Unclaimed exploration and evaluation expenditure		-	608,960
Other receivables		413	1,449
		2,683,823	2,685,280

- 16.1 Interest accrued include Rs 0.84 million (June 30, 2014: 0.72 million) from Askari Bank Limited, a related party.
17. Cash and bank balances include Rs 1,449 million (June 30, 2014: Rs 3,273 million) held with Askari Bank Limited, a related party.

	Note	30.09.2014	30.09.2013
(Rupees in thousand)			
18. GROSS SALES TO CUSTOMERS			
Sale of:			
Gas	18.1	21,588,773	16,316,999
Crude Oil	18.2	638,516	336,039
Less: Transportation charges		8,230	12,928
		630,286	323,111
Condensate	18.3	197,578	169,786
Less: Transportation charges		3,924	3,307
		193,654	166,479
LPG	18.4	7,735	-
Own consumption		11,630	9,779
		22,432,078	16,816,368

30.09.2014 30.09.2013

(Rupees in thousand)

18.1 This represents sale of gas as per detail below:

Mari Field	21,082,652	15,927,189
Sujawal block	373,373	290,950
Hala block	99,008	62,444
Sukkur block	27,356	36,416
Karak block	6,384	-
	21,588,773	16,316,999

18.2 This represents sale of crude oil as per detail below:

Karak block	339,331	329,564
Ghauri block	299,185	-
Ziarat block	-	6,475
	638,516	336,039

18.3 This represents sale of condensate as per detail below:

Mari Field	74,154	72,646
Sujawal block	67,408	66,769
Hala block	56,016	30,371
	197,578	169,786

18.4 This represents sale of LPG from Hala block.

18.5 Sale of gas includes sale from Sujawal, Sukkur and Hala blocks invoiced on provisional prices. There may be adjustment in gross sales upon issuance of final wellhead prices notification by Oil and Gas Regulatory Authority (OGRA), impact of which cannot be determined at this stage.

	30.09.2014	30.09.2013
	(Rupees in thousand)	
19. OPERATING EXPENSES		
Salaries, wages and benefits	443,024	319,098
Employee benefits	66,863	39,460
Rent, rates and taxes	3,072	4,477
Legal and professional services	1,409	738
Fuel, light, power and water	33,693	25,998
Maintenance and repairs	54,136	35,576
Insurance	13,290	15,856
Depreciation	239,703	140,088
Amortization	36,890	22,383
Employees medical and welfare	45,923	39,882
Field and other services	131,408	139,661
Travelling	7,966	6,913
Communications	3,815	615
Printing and stationery	1,356	546
Office supplies	2,535	1,373
Technical software	-	770
Auditor's remuneration	2,301	437
Mobile dispensary and social welfare	42,622	27,459
Training	18,970	3,891
Advertisement	230	160
Books and periodicals	150	84
Public relations and social activities	563	747
Directors' fee and expenses	1,543	2,065
Freight and transportation	647	530
Subscription	2,562	1,300
Rig	165,319	69,128
Research and development	18,589	1,392
Mari Seismic Unit	208,754	44,761
Sukkur block	6,257	5,928
Ghuri block	15,283	-
Hala block	25,130	11,887
Karak block	17,168	21,941
Ziarat block	14,304	22,941
Sujawal block	31,706	18,423
Zarghun block	4,190	-
Provision for doubtful debts - related parties	13,509	-
Miscellaneous	987	737
	1,675,867	1,027,245
Less: Recoveries from joint ventures	188,804	154,229
	1,487,063	873,016

30.09.2014 30.09.2013

(Rupees in thousand)

20. EXPLORATION AND PROSPECTING EXPENDITURE

Mari Field

3D Seismic data acquisition 269,182 1,124

Joint Ventures

Prospecting expenditure 162,177 508,817

431,359 509,941

21. OTHER INCOME

Mari Seismic Unit Income 263,618 -

Rig rental income 102,333 157,450

Line heaters rental income 9,063 9,276

Miscellaneous 1,278 1,404

376,292 168,130

22. FINANCE INCOME

Income on bank deposits 109,828 109,557

Interest income on delayed payments from Foundation
Power Company Daharki Limited 103,853 59,674

Exchange gain 32,444 -

246,125 169,231

23. FINANCE COST

Mark-up on long term financing - secured 26,879 19,729

Interest expense on delayed payments to the
Government of Pakistan 90,969 -

Exchange loss - 8,685

Interest on Workers' Profit Participation Fund 16,424 7,870

Bank charges 393 115

134,665 36,399

24. PROVISION FOR TAXATION

Current 530,382 724,623

Deferred (109,933) (209,954)

420,449 514,669

25. TRANSACTIONS WITH RELATED PARTIES

	30.09.2014	30.09.2013
--	------------	------------

(Rupees in thousand)

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

Pakistan Electric Power Company	-	567,648
Foundation Power Company Daharki Limited (FPCDL)	1,862,102	1,852,423
Fauji Fertilizer Company Limited	8,989,155	7,179,092
Sui Southern Gas Company Limited	478,951	358,813
Sui Northern Gas Pipelines Limited	144,419	201,277
Foundation Gas	7,735	-
Line heaters rental income - FPCDL	9,063	9,276
Interest income on delayed payments- FPCDL	103,853	59,674
Interest income on bank accounts - Askari bank limited	62,633	53,861
Provision for doubtful debts	13,509	-
Remuneration of chief executive and key management personnel	593,659	353,102
Cost of funded employee benefit plans	67,528	44,449

26. OPERATING SEGMENTS

This condensed interim financial information has been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 18.

Revenue from five major customers of the Company constitutes 96% of the total revenue during the period ended September 30, 2014 (September 30, 2013: 94%).

27. CORRESPONDING FIGURES

Following changes have been made in corresponding figures to confirm to current period presentation:

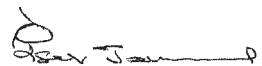
	(Rupees in thousand)
(i) 3D seismic data acquisition expenses reclassified from 'operating expenses' to 'exploration and prospecting expenditure'	1,124
(ii) Interest income on delayed payments reclassified from 'other income' to 'finance income'	59,674
(iii) Exchange loss reclassified from 'finance income' to 'finance cost'	8,685

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 31, 2014.



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



Qaiser Javed
DIRECTOR



ISO 9001 : 2008

ISO 14001 : 2004

OHSAS 18001 : 2007

ISO/IEC 27001:2005



Head Office:

21 Mauve Area, 3rd Road, G-10/4,
Islamabad-44000, Pakistan

UAN: +92-51-111-410-410 Fax: +92-51-2352859

www.mpcl.com.pk

Daharki Field Office:

Daharki, District Ghotki, Pakistan
UAN: +92-723-111-410-410
Fax: +92-723-641038

Karachi Liaison Office:

D-87, Block-4, Kehkashan
Clifton, Karachi-75600, Pakistan
UAN: +92-21-111-410-410
Fax: +92-21-35870273

Quetta Liaison Office:

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