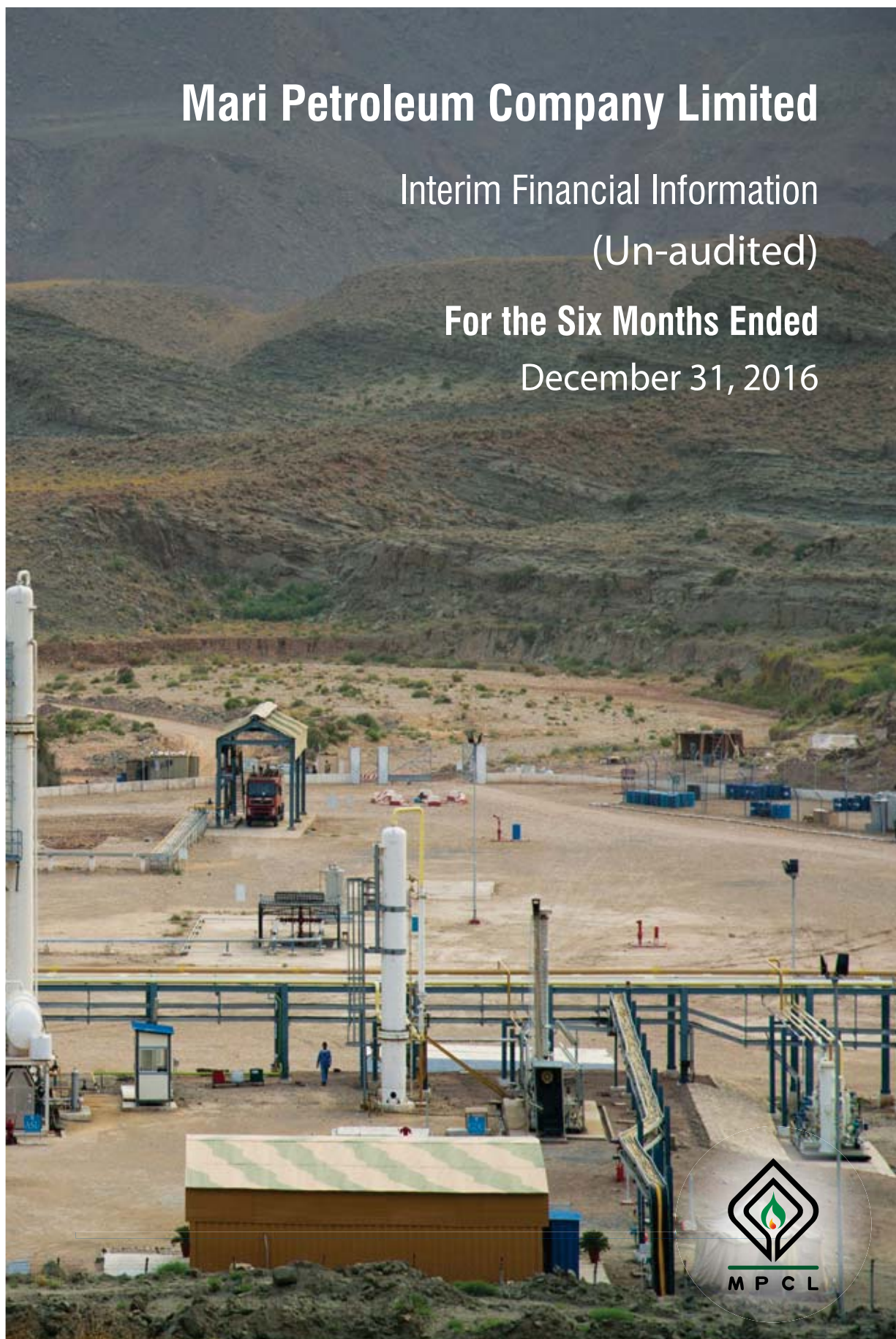


Mari Petroleum Company Limited

Interim Financial Information
(Un-audited)

For the Six Months Ended
December 31, 2016



MPCL

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BOARD OF DIRECTORS

1. **Lt Gen Khalid Nawaz Khan (Retd)** **Chairman**
Managing Director, Fauji Foundation
2. **Lt Gen Ishfaq Nadeem Ahmad (Retd)**
Managing Director/CEO, Mari Petroleum Company. Ltd.
3. **Mr Qaiser Javed**
Director Finance, Fauji Foundation
4. **Dr Nadeem Inayat**
Director Investment, Fauji Foundation
5. **Maj Gen Mumtaz Ahmad Bajwa (Retd)**
Director Welfare (Health), Fauji Foundation
6. **Brig Raashid Wali Janjua (Retd)**
Director P&D, Fauji Foundation
7. **Mr Sabino Sikandar Jalal**
Joint Secretary (A/CA), Ministry of P&NR
8. **Qazi Mohammad Saleem Siddiqui**
Director General (Gas), Ministry of P&NR
9. **Mr Shahid Yousaf**
Director General (LG), Ministry of P&NR
10. **Mr Zahid Mir**
Managing Director/CEO, OGDCL
11. **Mr Ahmed Hayat Lak**
General Manager (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

Lt Gen Ishfaq Nadeem Ahmad (Retd) appointed as Managing Director/CEO of Mari Petroleum Company Limited with effect from January 26, 2017.

DIRECTORS' REVIEW

MARI PETROLEUM COMPANY LIMITED

DIRECTORS' REVIEW

We are pleased to present to you Directors' review along with financial information for the six months ended December 31, 2016.

FINANCIAL RESULTS

Gross sales for the second quarter amounted to Rs. 23,798 million whereas gross sales for six months ended December 31, 2016 aggregated to Rs. 49,823 million as against cumulative sales of Rs. 45,454 million for the corresponding period. Net sales for six months ended December 31, 2016 were Rs. 13,060 million as against Rs. 9,627 million for the comparative period. The financial information for second quarter show profit for the period of Rs. 1,846 million as against Rs. 585 million for the corresponding quarter. The cumulative profit for the six months to December 31, 2016 is Rs. 4,612 million as against Rs. 2,054 million of the corresponding period. Increase in net sales, and decrease in exploration and prospecting expenditure and finance cost were the major reasons for increase in profitability. This was partially offset with increase in operating expenses, royalty, provision for taxation and decrease in other income as well as finance income.

OPERATIONS

The Company continued un-interrupted gas supply from Mari Field for the period from July 01, 2016 to December 31, 2016 to all its customers namely, Engro Fertilizer Limited (EFL), Fauji Fertilizer Company Limited (FFC), Fatima Fertilizer Company Limited (FFCL), Foundation Power Company Daharki Limited (FPCDL), Central Power Generation Company Limited (CPGCL), Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL). A cumulative 115,200 MMSCF of gas at a daily average of 626 MMSCF and 7,360 barrels of condensate (40 barrels per day) were produced from Mari Field during the period as against 109,269 MMSCF of gas at daily average of 594 MMSCF and 11,948 barrels of condensate (65 barrels per day) for the corresponding period as per the requirement / withdrawal of the customers. In addition, 234,002 barrels of crude oil (1,272 barrels per day), 35,757 barrels of condensate (194 barrels per day) and 6,225 MMSCF of gas (34 MMSCF per day) was produced and sold from joint ventures during this period, whereas 186,260 barrels of crude oil (1,012 barrels per day), 38,295 barrels of condensate (208 barrels per day), 5,034 MMSCF of gas (27 MMSCF per day) and 17 metric tons of LPG (0.09 metric ton 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, Pak Arab Refinery Limited, Western Power Company (Pvt) Limited, Petrosin CNG (Private) Limited, SSGCL, SNGPL and Foundation Gas.

Regular maintenance of gas gathering network, production and process facilities at all MPCL operated fields was carried out and production optimization plans were adopted as per good oil/gas field practices for uninterrupted production and better reservoir management.

EXPLORATION, OPERATIONAL AND DEVELOPMENT ACTIVITIES

Wells Planned for 2016-17

Two exploratory wells and one Appraisal/Development well have already been drilled during the current period out of the total plan to drill 06 exploratory wells and 03 Appraisal/Development wells (total 09 wells) during 2016-17. Total targeted risked GIIP (Gas Initial In Place) is 170 BCF.

Reserves Led Growth Strategy Through Aggressive and Prudent Exploration

The Company within GPA cost plus formula regime was depleting its reserves at a fast rate of more than 200 BCF/annum, while; adding an average of 34 BCF/annum only. In fact, the Company was facing shortage of funds for exploration and production activities due to Mari GPA.

Subsequent to dismantling of GPA, a paradigm shift in exploration and production approach was adopted since 2014 after using cutting edge technologies, which included extensive 3D seismic data acquisition campaign followed by interpretation and its integration in different blocks/assets to evaluate their full potential. The Company revamped its approach to focus on reserves lead growth strategy through aggressive and prudent exploration. To achieve the envisaged objectives, prospective areas were prioritized, mega seismic campaigns were initiated by acquiring more than 2000 sq.km 3D and 688 Line km 2D seismic data. This seismic campaign enabled the Company to generate prospect inventory of 33 exploratory Prospects, 25 leads including 10 locations for Appraisal/Development wells for production enhancement out of which 12 prospects have been decided so far to chase additional hydrocarbon reservoirs.

The availability of funds has started yielding immediate benefits to the Company and these benefits are expected to grow fast in years to come. Based on prospect inventory, drilling activities have been enhanced and the Company drilled six wells during the last year (2015-16) and plan to drill 9 wells during 2016-17 with aim to chase 170 BCF (GIIP Risked) and make concerted efforts to replenish at some extent the depleting reserves. Further, the Company aims to chase 272 BCF (Risked GIIP) during 2017-18 and similarly 237 BCF (Risked GIIP) during 2018-19. Accordingly, three years exploration drilling plan has been chalked out.

The above said generated prospect inventory is although enough for drilling of wells for 03 years @ 9wells/year, but to maintain the prospect inventory and to ensure sustainability in reserves growth beyond 2019, the Company direly needs to expand exploration portfolios now. This can be achieved through two ways; either by bidding process or by JV possibilities in prospective blocks with other E&P Companies. Although bidding round has not been held since 2013, however, the Company has submitted nine applications to DGPC for grant of Exploration License during the forthcoming bidding round. On the other hand; JV possibilities are also being evaluated and pursued. Currently, detail evaluation of these blocks is in progress for which vintage seismic data has been purchased for reprocessing and in-house interpretation, which will help to understand hydrocarbons potential and prospectivity of the blocks and will also enhance confidence level for offering work program while submitting bid proposals to DGPC.

The Company is consistently reviewing the data of different local and international blocks for possible farm-in opportunities as Joint Venture Partner. Proposal has been submitted to PPL for farming-in Kotri Block with 35% working interest after due-diligence of technical data. PPL response is awaited.

Currently, evaluation of Block-28 (M/s Tullow as operator) and Yasin Block (M/s Hycarbex as operator) is in progress for possible farm-in opportunity.

Mari D&P Lease

G&G Studies

Phase-II interpretation of 3D seismic data has been completed. Additional prospects have been identified at different reservoir levels, which will be drilled in next 2-3 years to chase significant new hydrocarbon reserves in Mari D&P Lease Area. Phase-III interpretation of the said data is in progress to evaluate stratigraphic potential of Mari D&P Lease area.

Production Enhancement from Mari Field Daharki

Although MPCL increased production levels from Habib Rahi Limestone (HRL) formation from 525 MMSCFD to \pm 580 MMSCFD, however, field production rates remained largely dependent on daily gas off takes by fertilizer customers and CPGCL. Subsequent to a number of unscheduled plant outages in addition to planned annual turnarounds taken by customers, the average daily production from HRL reservoir of Mari field stands at 572 MMSCFD as against the minimum threshold limit of 577.5 MMSCFD for incentive qualification, during the period Feb 09 to Dec 31, 2016. Field infrastructure availability and production potential was supportive of maintaining daily production targets above 580 MMSCFD, however, production targets were not met for 85 days during 2016 owing to low off takes by customers. No downtime of Mari field was recorded although routine maintenance jobs on wells, pipelines and facilities were carried out as per set schedules without hampering gas sales at manifolds.

Economic Co-ordination Committee (ECC) of the Federal Cabinet has allocated 50 MMSCFD to CPGCL for TPS Guddu and 26 MMSCFD available additional gas being supplied to Engro fertilizer's old plant from HRL reservoir. ECC has also allowed the Company to supply unutilized gas of HRL reservoir, which becomes available due to operational exigencies from time to time to its existing consumers, preferably to the fertilizer sector. The Company is negotiating contract with CPGCL for supplying 50 MMSCFD additional gas allocated by GOP (total of 110 MMSCFD) to TPS Guddu and it is envisaged that subject to compressor installation, TPS Guddu would be in the position of receiving additional gas volume by third quarter of 2016 -17. Term sheet with Engro Fertilizer is also being negotiated for additional gas allocation of 26 MMSCFD.

Drilling of four SML wells

In order to explore and appraise multiple prospects of shallow formations, four wells were planned in Sui Main Limestone (SML) and Sui Upper Limestone (SUL) in Mari D&P lease.

Exploratory well Shahbaz-1 was spud-in on July 26, 2016 and was successfully drilled down to the depth of 1180M into Sui Main Limestone (SML). The well was drilled with the objective to test the hydrocarbon potentials of SML and SUL formations in Mari D&P lease. During Drill Stem Testing (DST), the well flowed gas at a combined rate of 10.866 MMSCFD at WHFP of 936 Psi at 48/64" inch choke size subsequent to acid job. Based on DST results and its integration with wireline log data, it is estimated that Shahbaz-1 Well holds potential of \sim 35 BCF In-places volumetric, which needs confirmation of production data. The well is completed as gas producer and hooked up with existing pipeline infrastructure of SML/SUL gas via 6" gas line from wellhead within 3 days after rig release. Well is ready to deliver around 10 MMSCFD gas against system pressures and allocation and necessary GoP approvals are in process.

Well designing, planning and budgeting for the drilling of additional one exploratory well (Shaheen-1) and two appraisal wells in SML/SUL has been completed. After completion of wellsite works, Rig has been mobilized at well Shaheen-1 location. Well was spud-in on January 05, 2017 with target depth of 1175M down to SML formation. Well is planned for 27 drilling days.

Civil works for preparation of location at two appraisal wells has also been completed and are ready for rig mobilization.

Four SML wells are expected to add 35-40 MMSCFD gas during production and shall be connected to a dedicated pipeline and metering. Production from these wells will be eligible for gas price in accordance with 2012 Petroleum Policy.

Zarghun South D&P Lease

Drilling of Development Well Zarghun South # 3 (ZS-3)

ZS-3 development well was spud-in on September 20, 2016 to meet the production commitment and to optimally drain Dunghan tight gas reservoir. The well was successfully drilled down to the depth of 1820M MD in Dunghan Formation. This was the first ever horizontal well drilled by the Company. Well was drilled within the budgeted amount despite facing many unforeseen problems during the process. Well was completed with 3 ½" tubing & completion assembly and Rig Mari-1 was released on December 09, 2016. ZS-3 was tied-in with the central manifold facilities at Zarghun field via 6" line x 200 meters within 15 days from rig release. Based on the Logs and drilling data, the well was perforated and completed as gas producer. During flow after flow test, the well flowed 15.1 MMSCFD gas @40/64 inch choke size (Post-acid) having heating value of 930 BTU/SCF. After hook up with central processing facilities, the gas is being injected into SSGCL network. ZS-3 is now supplying ~ 8-9 MMSCFD gas in national pipeline grid after processing for CO₂ control at Zarghun gas facilities and helping to meet Company's ACQ commitments with SSGCL.

OPERATED BLOCKS

Ziarat Block

Based on the results of test line reprocessing, Partners have agreed to reprocess the entire seismic volume of southern part of the block. Currently, reprocessing of ~220 Line km 2D seismic data is in progress at M/s GT Poland to firm up Bolan West Lead or otherwise.

Karak Block

G&G Studies

Processing of newly acquired 2D seismic data (148.3 Line km and 37.5 Line km wide line) is in progress at M/s GRI China and is expected to be completed by end January 2017. Simultaneously in-house interpretation on vintage and newly processed seismic data is in progress to firm up the identified leads as prospects or otherwise. Third exploratory well shall be drilled in 2017-18, subject to firming up of viable prospect.

Kalabagh-1A

Gas production facilities are planned to be installed at the well aiming at producing around 6-7 MMSCFD gas and 200 barrels of condensate per day. Design and engineering development study is in progress after reserves evaluation, which was completed on the basis of short duration production testing. JV Partners concurred with the development strategy presented by the Company i.e. rental equipment and accordingly the budget was approved. Procurement and mobilization of contractors at site is in process. In parallel, terms and conditions are being settled with SNGPL on gas specifications whereas condensate shall be supplied to ARL.

Halini Field

Halini Deep-1 and Halini X-1 wells remained on normal production naturally and through Artificial gas lift system respectively. Both wells are producing around 2,000 BOPD. Associated gas from oil being produced from Halini X-1 and Halini Deep well was earlier supplied to WPCL. After the

expiry of contract with the said customer in September 2016 and on the basis of competitiveness in gas price offered to the Company, the contract was awarded to M/s Petrosin.

After completing the installation of compressors and pipelines, M/s Petrosin started taking partial volumes of gas i.e. up to 1 MMSCFD in November 2016 however, recently they have commissioned large capacity compressor and increased their gas lifting capacity to 2 MMSCFD. Customer is willing to take around 2.5 MMSCFD gas (total available volume for sales) by February 2017.

Ghauri Block

G&G Studies

3D seismic data interpretation has been completed and three prospects (Ghauri East, Harno and East Missa Keswal) have been identified at target reservoir levels. Second exploratory well shall be drilled in 2017-18.

Ghauri X-1 well

Ghauri X-1 well crude oil production has been sustained through optimization of production parameters besides curtailment of operating expenditures, thus improving the project economics substantially. Well is currently producing around 450 BOPD. The cumulative crude oil production of well has reached 0.63 million Barrel valuing USD 37 million.

Sujawal Block

G&G Studies

Processing/reprocessing of 728 sq. km 3D seismic data has been completed. Lead specific interpretation has also been completed, whereas detailed structural interpretation is in progress which would be followed by AVO/ Inversion before placing the planned wells. Based on the interpretation of newly acquired 3D seismic data, Aqeeq -1 exploratory well was marked on ground on December 2, 2016 and is expected to be spud-in during March 2017. Well has been planned to test hydrocarbon potential of Lower Goru Upper Sands.

35 Line Km 2D seismic data was acquired during December 2016 to enhance confidence level of target reservoir for firming up Mirpur Bataro Lead.

Sujawal Deep-1 well

Well was spud-in on May 07, 2016 to test the hydrocarbon potential of Upper, Middle, Basal and Massive Sands of Lower Goru Formation. Well Target Depth (TD) of 4135M (MD)/ 3855M (TVD) was achieved on December 05, 2016 in Massive Sands. It was a directional S Type well with step out of 872M and max inclination of ± 47 degree in the hard and abrasive formations of the area, which was a challenge for the Company. The well was made vertical prior to entering the lower targets.

Currently well is under production testing and five DSTs are planned. DST-1 in Massive Sands has been completed without any continuous hydrocarbon flow, whereas, second DST is in progress.

Front End Compressor at Sujawal X-1

Cumulative production level of 25 MMSCFD was maintained from Sujawal field. Envisaging continuous decline in Sujawal X-1 well production as well as flowing pressure, the Company has

placed an order for procurement of 1 x 10 MMSCFD compressor from M/s AG Equipment USA which is likely to be shipped in March 2017. After completion of detailed engineering, preparation works for installation of compressor at site is in progress. Upfront compressor shall ensure the gas production from Sujawal to be maintained at around 10 MMSCFD with discharge pressures as high as 1200 psig which will enable optimal depletion of reservoir.

NON-OPERATED BLOCKS

Hala Block

G&G Studies

Merged processing and inversion of 525 Sq. Km seismic data is in progress at M/s Western Geco, which shall be completed by May 2017 and said processing would be followed by interpretation to finalize the location of Hala-6 exploratory well.

Bashar X1 ST-1 and Hala X-8 (Zarbab X-1)

Bashar X1 ST-1 has been declared as gas discovery.

Hala X-8 (Zarbab X-1) exploratory well is planned to test hydrocarbon potential of Lower Goru Massive Sands and is expected to spud-in during March-April 2017.

Kalchas Block

Award of contract to lowest bidder is in progress for acquisition of about 306 Line km firm and 119.5 Line km contingent 2D seismic data to firm up the prospects or otherwise.

Kohat Block

Processing of 87 sq. km 3D seismic data over Shekhan has been completed at OGDCL Seismic Data Processing Centre, whereas processing of 232 sq. km 3D seismic data over Tanda-Jabbi area and 2D seismic data is in progress at OGDCL Processing Centre. Acquisition of 240 Line km 2D seismic data has been completed on December 30, 2016. The said seismic data will help to delineate additional prospects for drilling of exploratory wells or otherwise.

Bannu West Block

Deed of Assignment (DOA) for transfer of Operatorship and additional 20% working interest from Tullow Pakistan is in progress.

Shah Bandar Block

Farm out Agreement (FOA) has been signed with PPL to acquire 32% Working Interest and Deed of Assignment (DOA) is in progress.

MARI SERVICES DIVISION (MSD)

MSD is well poised to cater for growing services requirements consisting of state of the art technology drilling rigs, 2D/3D seismic data acquisition unit, 2D/3D seismic data processing unit

by maintaining world class quality and international oilfield standards.

Mari Seismic Unit (MSU)

MSU established in 2012, has completed three 3D/2D projects and remains in quest to capture local E&P market as a business priority. Recent induction of state of the art Sercel 508 XT (topnotch recording system), Tractor Mounted Drill Rigs (HY-T100D), Jacrobes / Man Portable Rigs, Atlas Copco Compressors (XAVS 206C) and Cobra Combi Jackhammers is testimony to this fact. This equipment induction does not only serve as a force multiplier for MSU acquiring high quality data but also makes MSU the most modernized crew amongst contemporary outfits.

Adherence to the best industry practices/international standards, implementation of stringent measures to ensure data protection are always accorded highest priorities. Nonetheless, the seasoned professionals of MSU play a pivotal role in ensuring the smooth sailing of MSU ship.

In November 2016, MSU was assigned to acquire 35 Line kms 2D Data in Sujawal Block. The project was successfully completed on December 10, 2016; (5 recording days only) well ahead of the target date. This was the first 2D data acquisition project of MSU.

Mari Drilling Unit (MDU)

MDU consists of three drilling rigs; Rig Mari 1 (1500HP), Rig Mari 2 Sky Top Brewster (300 HP) and Rig Mari 3 (2500 HP) providing the capability to drill onshore wells between the depths of 500 meters up to 8,000 meters.

Rig Mari 1 completed drilling Zarghun South -3 development well in December 2016, and is currently engaged in drilling of wells in Mari field.

Rig Mari 2 Sky Top went through major Mid-life Upgrade, enhancing its capacity to drill wells up to 900 meters and potential to carryout work over jobs.

Rig Mari 3 has completed drilling of Sujawal Deep Exploration well in December 2016.

Mari Seismic Processing Center (MSPC)

MSPC has carried out 2200 Line Kms 2D Seismic Time Domain Data processing so far. Currently, the Processing center has a 24 core system which is only sufficient for 2D processing and small 3D processing projects. Upgradation of processing center from 24 Core to 256 Core is underway. Through this upgradation, MSPC will not only be increasing its computing and storage capacity, but also will become capable to handle Depth Domain Data Processing, providing additional valuable services to the Company.

Additionally, MSPC has taken further challenge in Seismic Reservoir Characterization by AVO / Inversion. This quantitative approach to delineate the reservoirs by using techniques for direct HC indicators is becoming industry standard practice. Currently 1080 sq.km of Simultaneous Elastic Inversion is on-going for Mari 3D.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

MPCL's Paradigm Shift in CSR Strategic Direction

MPCL was able to strengthen its CSR programs by bringing two key implementing partners from the development sector i.e., Pakistan Poverty Alleviation Fund (PPAF) and Mountain and Glacier Protection Organization (MGPO). By bringing these partners on board, MPCL CSR was able to move ahead from

its brick and mortar approach to development, and now focuses not only on the hard component but also on the provision of service delivery, resulting in an all-inclusive and sustainable CSR programs.

CSR at JV Blocks and Mari Field Daharki

a) Completed Projects:

Four projects worth Rs 44 million have been completed in second quarter of FY2016-17:

i. Rehabilitation of GGHS, Harnai:

Under the School Improvement Program, Rehabilitation of Government Girls High School, Harnai with a budget of Rs. 5.4 million. Repair/renovation of the existing building was carried out, along with the provision of furniture, computers, sewing machines etc. Furthermore, solar panels have been installed for uninterrupted supply of power during school hours.

ii. Tele Taleem (T2):

Tele-Taleem (a digital distant learning initiative) is also operational. Through this initiative teachers will be provided online / distant trainings in science subjects and students of classes 8th, 9th and 10th will be taught Maths, Physics and English subjects through direct learning / teaching component of the program.

iii. Contribution of One Million to GGHS, Pail Mirza:

This amount will be utilized by the Principal and School Management Committee (SMC) for school's uplifting, as required.

iv. Primary School, Karkan:

MPCL has recently commissioned a school in Karkan (Baluchistan), comprising 47 student of class KG and Class 1. MD has directed to upgrade the school to Primary level for which the instructions have been passed and a requisite implementation plan has been rolled out by CSR Department. Furthermore, a nutritional intervention is also under formulation to address the problem of malnutrition.

b) Engagement with Implementing Partner (MGPO) at Mari Field Daharki:

- MA Mobile and HMIS: MGPO has operationalized Ma Mobile at our Maternal & Newborn Healthcare Centre, Dad Leghari, whereby, a patient's (expecting mother) and newborn child's database will be maintained through the Health Management Information System (HMIS) component of the tool. The other component of this tool is the two way communication between the patient and the remote server, which will be sending critical healthcare messages to the expecting mothers (throughout various phases of their pregnancy), also reminding them about their next visits to the doctors.
- Mari Early Education Tool (MEET): MEET has been installed and operationalized at Shaheen High School, adjacent to Well # 8, village Abdul Rasheed Leghari. In the first phase, 4 modules (Alphabets / Letter Recognition, Phonics, Vowels & Consonants and Learning Alphabets through stories) have been developed and deployed in class KG.

c) Ongoing Projects:

Six projects are in progress at various locations at MPCL operated JV blocks:

- Construction of Primary School, Karkan (Project Cost: Rs. 7 million)
- Construction of Water Channel, Dilwani (Project Cost: Rs. 7.1 million)
- Rehabilitation of GPS Ziarat Kach, Khost (Project Cost: Rs. 4.5 million)
- Construction of 2 classrooms & lavatory at Primary School, Muhammad Siddique Manganhar (Project Cost: Rs. 2.4 million)
- Construction of Sweet Water Pond at Haji Mandhrio (Project cost: Rs. 1 million)
- Rehabilitation of Rural Health Centre, Tabi Sar (Project Cost: Rs. 3.07 million)

ACKNOWLEDGEMENT

The Board of Directors would like to express its appreciation for the efforts and dedication of all employees of the Company, which enabled the management to run the Company efficiently during the period resulting in continued production and supply of hydrocarbons to its customers.

For and on behalf of the Board



Islamabad
January 20, 2017

Lt Gen Khalid Nawaz Khan, HI (M), SE, (Retd)
Chairman

AUDITORS' REPORT

TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Mari Petroleum Company Limited (the Company) as at December 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the financial information for the six months then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2016.

Scope of review

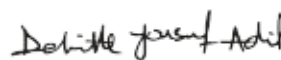
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended December 31, 2016, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter paragraph

The financial statements of the Company for the year ended June 30, 2016 and financial information for the six months ended December 31, 2015 were audited and reviewed respectively by another firm of Chartered Accountants whose reports dated August 11, 2016 and February 23, 2016 expressed an unqualified opinion/conclusion on those financial statements and financial information respectively.



Islamabad
January 20, 2017

Deloitte Yousuf Adil
Chartered Accountants
Engagement Partner: Shahzad Ali

Condensed Interim Balance Sheet (Un-Audited)
AS AT DECEMBER 31, 2016

| | Note | 31.12.2016 | 30.06.2016 |
|--|------|-------------------|-------------------|
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 250,000,000 (June 30, 2016: 250,000,000) ordinary shares of Rs 10 each | | 2,500,000 | 2,500,000 |
| 1,059,000,100 (June 30, 2016: 1,059,000,100) preference shares of Rs 10 each | | 10,590,001 | 10,590,001 |
| | | 13,090,001 | 13,090,001 |
| Issued, subscribed and paid up capital | 5 | 1,102,500 | 1,102,500 |
| Undistributed percentage return reserve | 6 | 314,633 | 426,867 |
| Capital redemption reserve fund | 7 | 10,590,001 | 10,590,001 |
| Other reserves | 8 | 9,339,383 | 4,846,555 |
| | | 21,346,517 | 16,965,923 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 9 | 3,727,273 | 1,000,000 |
| Deferred liabilities | 10 | 7,106,536 | 6,576,575 |
| | | 10,833,809 | 7,576,575 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 39,376,944 | 34,669,221 |
| Current maturity of long term financing | | 415,263 | 151,774 |
| Interest accrued on long term financing | | 225,566 | 196,154 |
| | | 40,017,773 | 35,017,149 |
| CONTINGENCIES AND COMMITMENTS | 12 | 72,198,099 | 59,559,647 |

The annexed notes 1 to 31 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

Condensed Interim Balance Sheet (Un-Audited)
As at December 31, 2016

| | Note | 31.12.2016 | 30.06.2016 |
|---|------|-------------------|------------|
| (Rupees in thousand) | | | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 13 | 11,246,806 | 11,023,452 |
| Development and production assets | 14 | 2,930,783 | 3,002,063 |
| Exploration and evaluation assets | 15 | 10,885,412 | 10,084,055 |
| Long term loans, advances, deposits and prepayments | | 56,705 | 42,173 |
| Deferred income tax asset | | 2,336,799 | 2,680,622 |
| | | 27,456,505 | 26,832,365 |
| CURRENT ASSETS | | | |
| Stores and spares | | 2,070,158 | 2,167,328 |
| Trade debts | 16 | 35,720,034 | 26,887,469 |
| Loans, advances, prepayments and other receivables | 17 | 2,115,129 | 1,542,943 |
| Income tax paid in advance | | 1,000,431 | 1,503,388 |
| Cash and bank balances | 18 | 3,835,842 | 626,154 |
| | | 44,741,594 | 32,727,282 |
| | | 72,198,099 | 59,559,647 |


 Qaiser Javed
 Director

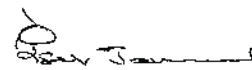
Condensed Interim Profit and Loss Account (Un-Audited)
For the Six Months Ended December 31, 2016

| | Note | Three months ended | | Six months ended | |
|--|------|----------------------|------------|----------------------|------------|
| | | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| | | (Rupees in thousand) | | (Rupees in thousand) | |
| Gross sales to customers | 19 | 23,797,566 | 22,884,347 | 49,823,112 | 45,453,906 |
| Gas development surcharge | | 6,090,622 | 6,929,857 | 12,377,073 | 12,670,369 |
| General sales tax | | 3,383,329 | 3,237,022 | 7,076,946 | 6,431,336 |
| Excise duty | | 433,496 | 397,150 | 890,035 | 831,988 |
| Gas infrastructure development cess | | 8,093,549 | 7,786,336 | 16,419,549 | 15,693,322 |
| Wind fall levy | | - | 86,232 | - | 200,023 |
| | | 18,000,996 | 18,436,597 | 36,763,603 | 35,827,038 |
| Sales - net | | 5,796,570 | 4,447,750 | 13,059,509 | 9,626,868 |
| Royalty | | 724,572 | 566,647 | 1,633,230 | 1,228,389 |
| | | 5,071,998 | 3,881,103 | 11,426,279 | 8,398,479 |
| Operating expenses | 20 | 1,925,418 | 1,407,749 | 3,513,747 | 2,708,382 |
| Exploration and prospecting expenditure | 21 | 422,677 | 1,901,437 | 897,936 | 3,344,056 |
| Other charges | | 117,762 | 45,684 | 404,921 | 166,421 |
| | | 2,465,857 | 3,354,870 | 4,816,604 | 6,218,859 |
| | | 2,606,141 | 526,233 | 6,609,675 | 2,179,620 |
| Other (expenses) / income | 22 | (94,324) | 394,460 | (119,874) | 680,963 |
| Operating profit | | 2,511,817 | 920,693 | 6,489,801 | 2,860,583 |
| Finance income | 23 | 52,515 | 51,528 | 86,462 | 178,071 |
| Finance cost | 24 | 207,068 | 352,225 | 413,355 | 780,085 |
| Profit before taxation | | 2,357,264 | 619,996 | 6,162,908 | 2,258,569 |
| Provision for taxation | 25 | 510,815 | 34,885 | 1,550,789 | 204,516 |
| Profit for the period | | 1,846,449 | 585,111 | 4,612,119 | 2,054,053 |
| Earnings per share - basic and diluted | | | | | |
| Earnings per ordinary share (Rupees) | 26 | 16.75 | 5.31 | 41.83 | 18.63 |
| Distributable earnings per ordinary share (Rupees) | 26 | 1.43 | 1.32 | 2.93 | 2.73 |

The annexed notes 1 to 31 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

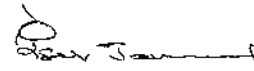
Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the Six Months Ended December 31, 2016

| | Three months ended | | Six months ended | |
|---|----------------------|------------|----------------------|------------|
| | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| Profit for the period | 1,846,449 | 585,111 | 4,612,119 | 2,054,053 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 1,846,449 | 585,111 | 4,612,119 | 2,054,053 |

The annexed notes 1 to 31 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