MPCL

Interim Financial Information

(Un-audited)

For the Six Months Ended December 31, 2013









Mari Petroleum Company Limited

Mari Petroleum Company Limited

Vision & Mission Statement

Vision

Be the leader in the oil and gas market in Pakistan by expanding and developing the petroleum value chain including exploration, production, transmission, extraction, processing, distribution and marketing such processes, products and services in order to bridge the gap of the increasing demand of petroleum products and the needs of the existing and potential customers.

Mission

Mari Petroleum Company Limited will be customer focused and competitive with a view to contributing substantially to the national economy, while ensuring continuous growth and viability of the Company and the payment of profitable dividends to the stakeholders. We will achieve our mission by:

- Providing uninterrupted petroleum products supply to customers.
- Maintaining best and safe operational practices.
- Adopting advanced technology, cost effective/efficient operations, increasing operating efficiency and adherence to high environmental standards.
- Exploring and enhancing the potential of our human resources.
- Aligning the interests of our shareholders, human resources, customers and other stakeholders to create significant business value characterized by excellent financial results, outstanding professional accomplishments and superior performance.
- Attaining self-sufficency in seismic acquisition and drilling operations.

IMS Policy

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

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BOARD OF DIRECTORS

1. **LT GEN MUHAMMAD MUSTAFA KHAN (RETD)** — **Chairman**
   Managing Director, Fauji Foundation

2. **LT GEN (R) RAZA MUHAMMAD KHAN** — **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. **BRIG (R) DR GULFAM ALAM**
   Director P&D, Fauji Foundation

6. **MAJ GEN (R) NASIR MAHMOOD**
   Director Welfare Education, Fauji Foundation

7. **MR MOHAMMAD NAEEM MALIK**
   Additional Secretary, Ministry of P&NR

8. **QAZI MOHAMMAD SALEEM SIDDIQUI**
   DG Admin & Special Projects, Ministry of P&NR

9. **MR PERVAIZ AKHTAR**
   Financial Advisor, Ministry of P&NR

10. **MR MUHAMMAD RIAZ KHAN**
    Managing Director/CEO, OGDCL

11. **MR MUHAMMAD RAFI**
    Executive Dir (Fin)/CFO, OGDCL

12. **MR MANZOOR AHMED**
    Managing Director, 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 six months ended December 31, 2013.

FINANCIAL RESULTS

Gross sales for the second quarter amounted to Rs. 16,495 million whereas gross sales for six months ended December 31, 2013 aggregated to Rs. 33,312 million as against cumulative sales of Rs. 30,918 million for the corresponding period. The increase is mainly due to increase in gas sale volume and increase in average selling price. The operating results in the financial information for second quarter show profit for the period of Rs. 83.60 million as against Rs. 403.13 million for the corresponding quarter. The cumulative profit for the six months to December 31, 2013 is Rs. 1,661.21 million as against Rs. 782.65 million of the corresponding period. The main reason for increase in profit is due to increase in well head value, other income and finance income which is partially offset by increase in royalty, operating expenses, exploration and prospecting expenditure 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 @ 39.66% per annum has been provisionally accounted for in the financial information for the six months ended December 31, 2013. Any adjustment/ variance does not affect the minimum guaranteed rate of return to the shareholders.

OPERATIONS

The Company continued un-interrupted gas supply from July 01, 2013 to December 31, 2013 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), Sui Northern Gas Pipelines Limited (SNGPL) and Western Power Company Limited (WPCL). The cumulative gas of 110,677 MMSCF at a daily average of 602 MMSCF and 12,207 barrels of condensate (66 barrels per day) were produced from Mari Field during the period as against 105,128 MMSCF of gas at a daily average of 571 MMSCF and 14,136 barrels of condensate (77 barrels per day) for the corresponding period as per the requirement/withdrawal of the customers. In addition, 56,002 barrels of crude oil (304 barrels per day), 19,637 barrels of condensate (107 barrels per day), 2,575 MMSCF of gas (14 MMSCF per day) and 75 metric ton of LPG (0.41 metric ton per day) was produced and sold from joint ventures during this period, whereas 77,836 barrels of crude oil (423 barrels per day), 8,753 barrels of condensate (48 barrels per day), 381 MMSCF of gas (2 MMSCF per day) and 370 metric ton of LPG (2 metric ton per day) was produced and sold from joint ventures in the comparative period.

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

Drilling of Two Pirkoh Wells

In order to enhance the production from Mari D&P lease, two appraisal wells in Pirkoh Limestone formation will be drilled. Accordingly, purchase requisitions relating to Long Lead Items (LLI's) have been approved by the Management and technical evaluation of the various proposals received from suppliers is underway. These wells will be hooked up in existing gathering network and accordingly, the field production will be enhanced.

Diversion of 60 MMSCFD Gas

In order to meet the gas requirement of the fertilizer industry for the country during the Kharif crop and as per Government of Pakistan (GoP) directives dated July 10, 2013, 60 MMSCFD gas was diverted to EFL. The uninterrupted gas supply is being maintained to EFL since July 20, 2013. The subject diversion helped producing additional 50,000 tons fertilizer per month to meet the requirement of the country for Kharif crop.

Tapping in Additional Gas Volume

Necessary surface production facilities and spur lines have been installed for recently drilled three wells in Pirkoh Limestone formation. MPCL has requested GoP to allocate this gas to power or fertilizer sector at fuel price. Subsequent to GoP approval, gas will be injected in existing gas gathering network.

Acquisition / recording of 3D seismic data

Currently, survey for acquisition / recording of 1,000 sq. km 3D seismic data is in progress by Mari Seismic Unit (MSU). So far, recording of 74.83 sq. km 3D seismic data has been completed as of February 16, 2014.

Acquired data will be processed subsequently, followed by in-house interpretation/ mapping to place the additional wells at SML/SUL and Lower Goru levels to drain the reservoirs optimally. Further, 3D seismic data would also help to identify the prospects at Pirkoh/SML Limestone levels, up-side potential in Lower Goru Sands and potential in Sembar Sands and Chiltan Limestone.

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

MPCL, despite all odds is actively pursuing gas field development activities at its Zarghun South D&P lease. SSGCL has started laying 12" dia, 64 km pipeline for the purpose. Field development activities at Zarghun South are in progress and expected to be completed by March 31, 2014. Foregoing activities on completion would help in supplying initially 18-20 MMSCFD gas exclusively to Quetta city; a unique feature where gas produced and consumed is in the same area.

Purchase of 2,500 HP VFD Land Drilling Rig

Keeping in view the MPCL's future drilling programs and limited availability of 2,500 Horse Power (HP) rigs in Pakistan, MPCL's own 2,500 HP land drilling Rig is being purchased. After preparation of technical specification and detailed evaluation of submitted bids, purchase order in favor of manufacturer was issued. The subject rig is under assembly at manufacturer's facility and is expected to be delivered by April-May 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	Hanna Exploration License	100%	MPCL
5	Harnai Exploration License	40%	MPCL
6	Sujawal Exploration License	100%	MPCL
7	Ghauri Exploration License	35%	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

A multi-disciplinary subsurface study for appraisal and development of Khost oil and gas field is in progress, which would help to chalk out way forward of the field and block. The study is expected to be completed by March 2014.

MPCL intends to invite fresh bids for 2D seismic data acquisition as the seismic contractor is un-willing to mobilize its crew in the area.

Karak Block

Extended Well Testing (EWT) operations at well Halini-1 are underway. In order to enhance the capacity of surface production facilities, various activities were completed and the field crude oil handling capacity was increased from 3,000 barrels to 6,000 barrels. The foregoing development work was completed in record time without shutting down the production from field. MPCL will increase the crude oil production from 500 Barrels of Oil Per Day (BOPD) to 900 BOPD to meet the energy requirement of the country.

Instead of flaring 0.4 MMSCFD low pressure associated natural gas, MPCL has commenced gas sale to WPCL on November 18, 2013.

In order to perform the work-over operation and to install the Gas Lift System at the well, a technical proposal was prepared by MPCL and approved by JV partners. The purchase order for downhole gas lift system has been placed. In addition, Terms of Reference (TOR) was prepared and the consultant was hired to conduct the conceptual and detailed engineering study for Compression Package and Gas Lift surface facilities. The draft report has been issued by the Consultant. The work-over operation to install the downhole gas lift components is planned during second quarter of 2014.

2D seismic data acquisition of 242 line km is in progress to evaluate the remaining/additional hydrocarbons' potential of the block. As of February 16, 2014, 215 line km data has been acquired.

Processing of 332 sq. km 3D seismic data is in progress, which is expected to be completed by the end February 2014. The data processing would be followed by in-house interpretation / mapping for placing appraisal well over Halini discovery area and an exploratory well in the block, subject to firming-up of a viable prospect.

Sukkur Block

Joint Venture has agreed to carry out Sequence Stratigraphy study in order to evaluate the hydrocarbons' potential of the deeper prospects, especially Lower Goru Mound feature. The contract has been awarded to commence the study.

Hanna Block

Drilling operations at well Hanna X-1 were completed successfully and three Drill Stem Tests were conducted to test the hydrocarbons' potential of Chiltan, Mughal kot/Moro and Dunghan formations. The well was precisely drilled within a time frame in line with the prognosis contained in the GDO prepared prior to drilling the exploration well.

Post well evaluation of Hanna X-1 well is in progress to evaluate/understand the reasons of failure and accordingly to decide way forward of the block. Therefore, a geochemical study on ditch cutting samples of Hanna X-1 has been initiated to evaluate the source rock potential.

Harnai Block

During technical workshop held on October 31, 2013, it was agreed by Harnai JV Partners to carry out processing of one seismic line free of cost, which would help to decide way forward on the block. Processing of said seismic line was carried out by the consultant and its results are being reviewed.

Sujawal Block

The un-interrupted gas supply of 9-10 MMSCFD to SSGCL and 65-70 barrels per day condensate to PRL/PARCO is maintained from Sujawal Field in accordance with the allocation by GoP. Development activities for installation of Amine Sweetening unit and hydrocarbon Dew point are underway.

Processing/re-processing of newly acquired and vintage 2D seismic data of ~ 1,050 line km has been completed by the consultant. Based on the interpretation of newly acquired and selected reprocessed seismic data, location of second exploratory well Sujjal X-1 in the block has been stacked on the ground to test the hydrocarbons' potential of Upper Sands of Lower Goru Formation down to the depth of + 2,600m. The foregoing well is 20 km away from well Sujawal X-1. Rig mobilization activity was commenced on December 20, 2013. The well was spud-in on January 26, 2014 and as of February 16, 2014 the well has reached at 2,100 m and further drilling is in progress. The pre-spud activities including civil structure in a water logged area was achieved in 45 days.

In-house interpretation / mapping of remaining processed / reprocessed data is in progress to evaluate the remaining hydrocarbon potential.

Ghauri Block

In order to meet the increasing energy demand of country, Ghauri X-1 exploratory is another initiative of MPCL. Despite various odds relating to the deliveries of equipments, the Company timely arranged the same after putting in strenuous efforts.

Ghauri X-1 was spud-in on November 04, 2013 over Shahab Prospect to be drilled down to a total depth of + 4,250m to test the hydrocarbons' potential of primary reservoir targets of Sakesar and Khewra formations and secondary/ tertiary reservoir targets of Lower part of Murree and Chorgali formations. As of February 16, 2014, the well has reached at 3,645m into Murree Formation and further drilling is in progress.

In order to select the best vendor from five selected vendors, test line re-processing over Boski Structure and its in-house evaluation has been completed. However, JV Partner has requested to re-process it in-house at its processing centre to validate the results produced by the vendors, which is in progress.

In-house interpretation / mapping of 2D seismic data over Chak Meyun has been completed, whereas interpretation of Kallar structure is in progress.

Khetwaro Block

MPCL has acquired 51% working interest in Khetwaro Block from Saif Energy Limited. Assignment of agreement was approved by DGPC on February 01, 2014. Currently, an out-source study for review and interpretation of stratigraphic features for placing exploratory well at optimum location has been planned for which technical and commercial bid evaluation is in progress. Moreover, in-house detailed seismic interpretation has been started using 3D seismic and well data.

Peshawar East Block

Peshawar East Block has been provisionally awarded to MPCL as a result of bidding round held by the Government. Necessary documentation has been initiated in this regard.

NON-OPERATED BLOCKS

Hala Block

Hala joint venture is planning to drill third exploratory well over Hala West Prospect during second quarter of 2014.

Zindan Block

Contract is being awarded to the consultant for conducting re-processing of 445 line km in order to get better image using CRS technology to place first exploratory well at optimum location over Marwat Prospect.

Kohlu Block

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

Kalchas Block

Civil works for drilling of Kup Well-1 over the Kup Structure and Kalchas-1 over Mari structure is in progress. Both well locations have already been marked on the ground. It is expected that Kalchas Well-1 would be spud-in during second quarter of 2014.

Kohat Block

Kohat Joint Venture intends to acquire ~ 317 sq. km 3D seismic data (87 sq. km on Sheikhan area and 230 sq. km on Tanda-Jabbi area) and 256 line km 2D seismic data in remaining parts of the block over identified leads during first quarter 2014 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

The Company continues to pursue its evaluation of potential sedimentary

basins of the country to identify new exploration areas as well as assessing prospects and negotiating terms for Company's participation in the already awarded blocks through farm-in agreements with other companies.

In addition, evaluation of international blocks for possible farm-in opportunities is also continued.

MARI SERVICES DEPARTMENT

The Mari Services Department comprises of 2D and 3D Seismic Data Acquisition Unit (MSU), Land Drilling Units, slick line unit and other allied services. The MSU was successfully commissioned in June 2013 and is currently engaged on its maiden yet monumental 1,000 sq. km 3D seismic acquisition project in the Mari D&P Lease area. This seismic campaign is expected to be completed by December 2014 / first quarter of 2015, following which, the MSU is expected to be deployed at another 3D Seismic campaign, the details of which are currently being evaluated. Apart from utilization of MSU services within the Company at competitive rates, it is also planned to market MSU services to other E&P companies, which will help diversify the operations of the Company.

2D/3D Seismic Data Processing Centre

MPCL 2D/3D Seismic Data Processing Center, inaugurated by MD/CEO MPCL on Friday, 10th of January 2014 at MPCL's newly constructed HQ premises in Islamabad, is powered by the latest high end Geovation software application suite that brings together the latest geophysical technology across the full spectrum of seismic processing and imaging to provide results that are best-in-class. The 2D/3D Seismic Data Processing Center will function independently under the MPCL's Services Department (MSD), aimed at offering local and international E&P companies an opportunity to perform 2D and 3D Seismic Data Processing/ Re-processing with International quality results.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At MPCL, CSR is the continuing commitment of our business in order to contribute to the well being and quality of life of our workforce, local community and society at large. CSR remains an ever evolving and continuous process at the heart of MPCL's management that tries its best to accommodate the local needs on priority basis. Our CSR philosophy is anchored in our tripartite approach of development, involving the community, local government and the MPCL to ensure continuity and sustainability to our CSR programs.

Our CSR strategy is part of the Company culture and vision to enhance the sustainable development programs, in and around the operational areas to meet the pressing needs of local communities.

i. Education

Education being an important facet of corporate social activity, the Company is spending a substantial amount on construction, renovation and maintenance of various schools at all JV blocks as well as its own operating areas.

Mari Education and Medical Complex, Daharki

In addition to existing education facilities provided by MPCL at Mari Field Daharki, Mari Education and Health Complex has been completed at the cost of Rs. 180 million and the Complex was formally inaugurated by MD/ CEO MPCL on December 04, 2013.

ii. Health

MPCL spent more than Rs. 190 million in the last 5 years in promoting health care projects which is the testimony of our commitment to provide quality health care services to our work force and the community.

The recent highlights of MPCL's health projects include construction of additional rooms, purchase of laboratory and therapy equipment at Kamerser dispensary (Karak Block) and establishment of exclusive dispensary in Daharki for the treatment of Tuberculosis patients.

The other major CSR projects in the area of health include:

- Field dispensaries operating in different MPCL blocks on daily basis and providing treatment to thousands of poor patients at their door steps.
- Maternity home at Dad Leghari has a turnover of about 200 to 250 patients on daily basis.
- Mother and Child Healthcare Centre at Civil Hospital Mir Pur Mathhelo is providing costly postnatal treatment to children and mothers of the area.
- Free medical camps twice a week at BHU Khost and Dilwani Dispensary.

iii. Water Supply Schemes

Provision of safe drinking water to the local community is part of MPCL's CSR projects. MPCL has an elaborate system of providing clean drinking water to the far flung areas.

Currently, water supply scheme at village Kot Dhameek (Ghauri block) is under development.

iv. Communication Network

MPCL is committed to provide better means of communication for easier access to far flung villages. A huge amount has been spent on different communication network projects in various blocks located in different parts of the country. Some of these projects are:

- Approximately 400 km road network with 13 bridges have been constructed at different locations of JV blocks and Daharki at the cost of Rs. 300 million.
- Maintenance and operating expense of communication networks is Rs.14 million per year in the Zarghun, Sujawal and Daharki.

- In Mianwali District, road from Kamerser to Alimahi village has been constructed.
- Repair of track from Shaidan to Dilwani in Baluchistan has been carried out at the cost of Rs. 1.7 million.

v. Future Projects

Following projects will be implemented in near future:

a) Hanna Block: Construction of additional class rooms and wash rooms in Primary School Kili Muhammad Sher, Urak and boys High School Hanna are in progress at the cost of Rs. 2.475 million.

b) Sukkur Block: Construction of rooms at Primary Girls School Rahim Abad, Koonj and Primary School Muhammad Yousaf in Sindh are in progress at the cost of Rs. 2.44 million.

c) Ghauri Block: Major CSR programs have been conceived in collaboration with the District Government and other stakeholders with an estimated cost of Rs. 10 million which will start in near future.

d) Construction / renovation of school buildings at Sujawal, Karak, Zarghun and Sukkur blocks will commence soon.

Joint Bank Accounts for CSR

Based on the orders of Supreme Court of Pakistan, DGPC has instructed all the E&P companies to open a joint bank account with the DCO(s) in their respective concessions in order to discharge social welfare obligations. In this regard, concerned DCO(s) were engaged through Chief Secretaries for opening of bank accounts in different MPCL concession areas. MPCL has opened the joint bank accounts in seven out of its eight operated concessions namely Karak, Hanna, Harnai, Zarghun, Ziarat, Ghauri and Sukkur and a cumulative amount of Rs. 35 million has been transferred for discharge of Social Welfare Obligations to the respective joint accounts. The bank account for discharge of Social Welfare obligations in Sujawal Petroleum Concession is being opened and the funds will be transferred in due course of time.

For and on behalf of the Board



Islamabad
February 17, 2014

Lt Gen Muhammad Mustafa Khan (Retd)
Chairman

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Mari Petroleum Company Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information for the six months period 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 quarters ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

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 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 period ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



A.F.Ferguson & Co.
Chartered Accountants
Islamabad
Date: February 17, 2014

Engagement partner: Sohail M Khan

MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2013

	Note	31.12.2013	Restated 30.06.2013	Restated 01.07.2012
		(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	2,500,000
Issued, subscribed and paid up capital		918,750	918,750	918,750
Undistributed percentage return reserve	5	186,127	578,994	420,048
Exploration and evaluation reserve		4,931,483	4,186,644	4,150,409
Reserve for Mari Seismic Unit	6	1,121,074	920,000	-
Profit and loss account	7	8,060,504	6,952,345	5,986,939
		15,217,938	13,556,733	11,476,146
NON CURRENT LIABILITIES				
Long term financing - secured	8	1,022,093	1,543,207	946,667
Deferred liabilities	9	4,244,343	3,816,104	4,416,048
		5,266,436	5,359,311	5,362,715
CURRENT LIABILITIES				
Trade and other payables	10	24,885,052	13,993,723	16,170,566
Current maturity of long term financing	8	1,379,172	961,603	442,222
Interest accrued on long term financing		48,558	42,039	56,273
Provision for income tax		410,983	403,360	-
		26,723,765	15,400,725	16,669,061
CONTINGENCIES AND COMMITMENTS	11			
		47,208,139	34,316,769	33,507,922

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



Lt Gen (R) Raza Muhammad Khan
Managing Director/CEO

	Note	31.12.2013	Restated 30.06.2013	Restated 01.07.2012
			(Rupees in thousand)	
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	12	7,378,808	5,858,512	4,472,186
Development and production assets	13	2,322,226	2,072,821	3,424,616
Exploration and evaluation assets	14	4,931,483	4,186,644	4,150,409
		14,632,517	12,117,977	12,047,211
Long term loans, advances, deposits and prepayments		24,098	21,383	16,641
Deferred income tax asset		1,749,560	1,705,124	567,644
		16,406,175	13,844,484	12,631,496
CURRENT ASSETS				
Stores and spares		793,139	820,648	806,905
Trade debts	15	20,794,790	11,878,669	15,606,293
Loans, advances, prepayments and other receivables	16	1,627,641	1,264,409	1,318,196
Income tax paid in advance		-	-	194,216
Cash and bank balances	17	7,586,394	6,508,559	2,950,816
		30,801,964	20,472,285	20,876,426
		47,208,139	34,316,769	33,507,922

Qaiser Javed
Director

MARI PETROLEUM COMPANY LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Note	Three months ended		Six months ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
		(Rupees in thousand)		(Rupees in thousand)	
Gross sales to customers	18	16,495,268	15,631,463	33,311,636	30,917,986
Gas development surcharge		4,904,982	5,584,280	10,265,725	11,020,952
General sales tax		2,322,139	2,085,580	4,694,591	4,124,770
Excise duty		401,744	379,251	805,467	745,501
Gas infrastructure development cess		4,895,516	4,605,438	9,678,484	9,158,740
Wind fall levy		141,391	145,166	278,321	297,817
Provisional adjustment as per the Agreement		808,959	194,411	745,212	822,190
		13,474,731	12,994,126	26,467,800	26,169,970
Sales - net		3,020,537	2,637,337	6,843,836	4,748,016
Royalty		394,508	346,257	889,537	627,496
		2,626,029	2,291,080	5,954,299	4,120,520
Operating expenses	19	1,095,852	916,231	1,968,868	1,780,317
Exploration and prospecting expenditure	20	990,378	653,107	1,500,319	797,898
Other charges		30,761	54,233	184,766	125,542
		2,116,991	1,623,571	3,653,953	2,703,757
		509,038	667,509	2,300,346	1,416,763
Other income	21	200,782	47,239	368,912	64,550
Operating profit		709,820	714,748	2,669,258	1,481,313
Finance income	22	160,444	118,686	329,675	225,250
Finance cost	23	547,095	333,266	583,494	382,343
Profit before taxation		323,169	500,168	2,415,439	1,324,220
Provision for taxation	24	239,565	97,036	754,234	541,569
Profit for the period		83,604	403,132	1,661,205	782,651
Profit for the period represents the following:					
Distributable profits		148,052	127,487	297,002	251,560
Exploration and evaluation reserve		(56,283)	143,728	744,839	159,296
Reserve for Mari Seismic Unit		(111,656)	-	(139,968)	-
Profit and loss account - undistributable balance		103,491	131,917	759,332	371,795
		83,604	403,132	1,661,205	782,651
Earnings per share - basic and diluted					
Earnings per share on the basis of distributable profits (Rupees)		1.61	1.39	3.23	2.74
Earnings per share on the basis of profit and loss account (Rupees)		0.91	4.39	18.08	8.52

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

Lt Gen (R) Raza Muhammad Khan
Managing Director/CEO

Qaiser Javed
Director

MARI PETROLEUM COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Three months ended		Six months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	83,604	403,132	1,661,205	782,651
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	83,604	403,132	1,661,205	782,651

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

Lt Gen (R) Raza Muhammad Khan
Managing Director/CEO

Qaiser Javed
Director

MARI PETROLEUM COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Six months ended	
	31.12.2013	31.12.2012
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	24,476,032	27,973,946
Cash paid to the Government for government levies and surplus payable as per the Agreement	(16,365,231)	(21,646,662)
Cash paid to suppliers, employees and others	(2,826,555)	(2,509,282)
Income tax paid	(791,047)	(705,964)
Cash flow from operating activities	4,493,199	3,112,038
Cash flows from investing activities		
Capital expenditure	(3,351,568)	(686,406)
Proceeds from disposal of property, plant and equipment	-	7
Interest received	249,315	225,540
Cash flow from investing activities	(3,102,253)	(460,859)
Cash flows from financing activities		
Long term financing received	210,590	300,000
Long term financing repaid	(314,135)	(221,111)
Finance cost paid	(117,979)	(98,294)
Dividends paid	(91,587)	(91,470)
Cash flow from financing activities	(313,111)	(110,875)
Increase in cash and bank balances	1,077,835	2,540,304
Cash and bank balances at beginning of the period	6,508,559	2,950,816
Cash and bank balances at end of the period	7,586,394	5,491,120

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

Lt Gen (R) Raza Muhammad Khan
Managing Director/CEO

Qaiser Javed
Director

MARI PETROLEUM COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Issued, subscribed and paid up capital	Undistrib-uted percentage return reserve	Explora-tion and evaluation reserve	Reserve for Mari Seismic Unit	Profit and loss account	Total
			(Rupees in thousand)			
Balance as at June 30, 2012, as previously reported	918,750	420,048	4,150,409	-	5,986,939	11,476,146
Remeasurement loss on employees retirement benefit plans - net of tax (note 3)	-	-	-	-	(143,216)	(143,216)
Receivable from the Government under Mari Gas Well Head Price Agreement	-	-	-	-	143,216	143,216
Balance as at June 30, 2012, as restated	918,750	420,048	4,150,409	-	5,986,939	11,476,146
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	782,651	782,651
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	782,651	782,651
Transfer from profit and loss account to exploration and evaluation reserve	-	-	159,296	-	(159,296)	-
Balance as at December 31, 2012	918,750	420,048	4,309,705	-	6,610,294	12,258,797
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	1,638,425	1,638,425
Other comprehensive income / (loss):						
Remeasurement loss on employees retirement benefit plans - net of tax	-	-	-	-	(87,686)	(87,686)
Receivable from the Government under Mari Gas Well Head Price Agreement	-	-	-	-	87,686	87,686
	-	-	-	-	1,638,425	1,638,425
Dividends	-	-	-	-	(340,489)	(340,489)
Transfer from profit and loss account to undistributed percentage return reserve	-	158,946	-	-	(158,946)	-
Transfer from exploration and evaluation reserve to profit and loss account	-	-	(123,061)	-	123,061	-
Transfer from profit and loss account to reserve for Mari Seismic Unit	-	-	-	920,000	(920,000)	-
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	-	-	-	-	1,661,205	1,661,205
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	1,661,205	1,661,205
Transfer from profit and loss account to exploration and evaluation reserve	-	-	744,839	-	(744,839)	-
Transfer from undistributed percentage return reserve to reserve for Mari Seismic Unit	-	(392,867)	-	392,867	-	-
Prior period loss transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	(51,825)	51,825	-
Net loss for the period transferred from profit and loss account to reserve for Mari Seismic Unit	-	-	-	(139,968)	139,968	-
Balance as at December 31, 2013	918,750	186,127	4,931,483	1,121,074	8,060,504	15,217,938

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

Lt Gen (R) Raza Muhammad Khan
Managing Director/CEO

Qaiser Javed
Director

MARI PETROLEUM COMPANY LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

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 six months period ended December 31, 2013 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, 2013 except for the change as follows:

Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Company has changed its accounting policy wherein, the remeasurement gains/losses on employees' retirement benefit plans are recognized immediately in other comprehensive income. Previously, these gains/losses in excess of the corridor limit were recognized in the profit and loss account over the expected remaining working lives of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have been restated. The effect of restatement is summarized below:

Profit and loss account

The restatement does not affect the current period or prior periods' profit and the guaranteed return to the shareholders under the Agreement due to the gas price mechanism.

Statement of comprehensive income

There is no impact on statement of comprehensive income for the six months ended December 31, 2013 since actuarial valuation is carried out on annual basis.

	Effect for the year ended June 30, 2013	Cumulative effect upto June 30, 2013
Statement of changes in equity	(Rupees in thousand)	
Remeasurement loss on employees retirement benefit plans - net of tax	(87,686)	(230,902)
Receivable from the Government under Mari Gas Well Head Price Agreement	87,686	230,902
Net effect	-	-
Balance sheet		
Increase in trade and other payables - Gratuity funds	(137,417)	(357,309)
Decrease in deferred liabilities - Provision for employee benefits (unfunded)	2,516	2,076
Increase in deferred income tax asset	47,215	124,331
Decrease in payable under Mari Gas Well Head Price Agreement	87,686	230,902
Net effect	-	-

Cash flow statement

There is no impact on cash flow statement.

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.

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.

	Note	Six months ended 31.12.2013	Year ended 30.06.2013
		(Rupees in thousand)	
Opening balance		578,994	420,048
Transferred to reserve for Mari Seismic Unit	5.1	(392,867)	-
Transferred from profit and loss account		-	158,946
Closing balance		186,127	578,994

5.1 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.

	31.12.2013	30.06.2013
	(Rupees in thousand)	
6. RESERVE FOR MARI SEISMIC UNIT		
Government's investment in Mari Seismic Unit	920,000	920,000
Shareholders' investment in Mari Seismic Unit (transferred from undistributed percentage return reserve)	392,867	-
Unappropriated loss on Mari Seismic Unit		
Prior period loss transferrd from profit and loss account	(51,825)	-
Net loss for the period transferred from profit and loss account	(139,968)	-
Balance carried forward	(191,793)	-
	1,121,074	920,000

7. PROFIT AND LOSS ACCOUNT

The amount of Rs 8,060.504 million (June 30, 2013: Rs 6,952.345 million) represents the following:

7.1 Undistributable balance

The amount of Rs 7,691.473 million (June 30, 2013: Rs 6,932.141 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 30.06.2013	Generated during six months ended December 31,2013	Generated upto December 31, 2013
		(Rupees in thousand)		
a)	Rupee element of capital expenditure (net of depreciation /amortization) and repayment of borrowings	6,667,370	759,332	7,426,702
b)	Maintenance of debt service ratio	90,234	-	90,234
c)	Maintenance of current ratio - note 7.1.1	174,537	-	174,537
	Total	6,932,141	759,332	7,691,473
	Year ended June 30, 2013	5,922,076	1,010,065	6,932,141

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 14,423 million receivable from the customers and the amount of Rs 14,423 million payable to the Government on account of GIDC as at December 31, 2013 have not been taken into account for the purpose of maintenance of current ratio.

	31.12.2013	30.06.2013
	(Rupees in thousand)	
7.2 Mari Seismic Unit		
Pre-operating expenses charged to profit and loss account	-	(51,825)

This loss has been transferred to Reserve for Mari Seismic Unit during the period.

7.3 Distributable balance		
Undistributed guaranteed return	369,031	72,029

This represents guaranteed return of Rs 297.002 million @ 39.66% per annum on Shareholders' Funds for six months ended December 31, 2013. It also includes the additional return of Rs 72.029 million @ 7.84% per annum guaranteed to shareholders on account of increase in hydrocarbons production for the year ended June 30, 2013.

	Note	Six months ended 31.12.2013	Year ended 30.06.2013
		(Rupees in thousand)	
8. LONG TERM FINANCING - SECURED			
Loan for Mari field development	8.1		
Opening balance		760,000	1,140,000
Amount repaid during the period / year		(190,000)	(380,000)
		570,000	760,000
Amount repayable within next twelve months shown as current maturity of long term financing		(380,000)	(380,000)
		190,000	380,000
Loan for Zarghun South field development	8.2		
Opening balance		744,810	248,889
Amount received during the period / year		210,590	601,000
Amount repaid during the period / year		(124,135)	(105,079)
		831,265	744,810
Amount repayable within next twelve months shown as current maturity of long term financing		(332,506)	(248,270)
		498,759	496,540
Loan for Mari Seismic Unit	8.3		
Opening balance		1,000,000	-
Amount received during the period / year		-	1,000,000
		1,000,000	1,000,000
Amount repayable within next twelve months shown as current maturity of long term financing		(666,666)	(333,333)
		333,334	666,667
Long term financing - secured		1,022,093	1,543,207
Amount repayable within next twelve months shown as current maturity of long term financing		1,379,172	961,603

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 is revised downward to six months KIBOR + 0.75% per annum from December 1, 2013. The effective mark-up rate for the period ended December 31, 2013 was 10.54% per annum (June 30, 2013: 12.00% 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 1,330 million have been paid upto December 31, 2013 (June 30, 2013: Rs 1,140 million). 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 another Term Finance Loan of Rs 1,112 million from Habib Bank Limited. Entire amount of the facility has been drawn upto December 31, 2013 (June 30, 2013: Rs 901 million). The mark-up is payable semi-annually in arrears on the outstanding facility amount at the average of the six months KIBOR + 1.35% per annum. The effective mark-up rate for the period ended December 31, 2013 was 10.65% per annum (June 30, 2013: 11.62% 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. Five installments amounting to Rs 280 million have been paid upto December 31, 2013 (June 30, 2013: Rs 156 million). 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 the six months KIBOR + 0.25% per annum. The effective mark-up rate for the period ended December 31, 2013 was 9.36% per annum (June 30, 2013: 9.34% per annum). The loan is repayable in three equal semi-annual installments after 12 months from the date of first disbursement. The loan is secured by an exclusive charge of Rs 1,333.33 million 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. The loan was disbursed against a ranking hypothecation charge, which has now been converted to an exclusive charge after obtaining NOCs from existing charge holders.

		31.12.2013	30.06.2013
		(Rupees in thousand)	
9.	DEFERRED LIABILITIES		
	Provision for decommissioning cost	4,053,945	3,597,174
	Provision for employee benefits - unfunded	128,342	125,467
	Provision for compensated leave absences	61,061	84,529
	Deferred income	995	8,934
		4,244,343	3,816,104

		Note	31.12.2013	30.06.2013
			(Rupees in thousand)	
10.	TRADE AND OTHER PAYABLES			
	Creditors		556,956	758,963
	Accrued liabilities		1,473,079	924,456
	Retention and earnest money deposits		60,485	42,070
	Gratuity funds		425,781	536,018
	Unclaimed dividend		8,290	7,091
	Unpaid dividend		1,230	94,016
	Gas development surcharge		5,236,672	3,096,471
	General sales tax		704,093	742,894
	Excise duty		136,700	131,704
	Gas infrastructure development cess	10.1	14,422,548	4,744,065
	Workers' Welfare Fund		652,332	597,576
	Workers' Profit Participation Fund		130,010	190,965
	Joint venture partners		562,566	623,936
	Payable to the President of Pakistan as per the Agreement	10.2	514,310	1,503,498
			24,885,052	13,993,723

10.1 Islamabad High Court passed an order whereby the levy and collection of Gas Infrastructure Development Cess (GIDC) was declared void and unlawful. Subsequently, as a result of an appeal against the above judgement, the order was suspended by the Islamabad High Court. On the basis of above, the amount of GIDC was being withheld by the customers from April to December 2013 resulting in a payable to the Government of Rs 14,423 million (June 30, 2013: Rs 4,464 million) on account of GIDC. The Supreme Court of Pakistan vide its order dated December 26, 2013 suspended the operation of prior judgement regarding GIDC. Accordingly, GIDC amounts withheld by customers stand payable to Government immediately after recovery from customers.

10.2 Payable to the President of Pakistan as per the Agreement

	(Rupees in thousand)
Payable as at June 30, 2013, as previously reported	1,734,400
Receivable on account of remeasurement loss on employees' retirement benefit plans - note 3	(230,902)
Payable as at June 30, 2013, as restated	1,503,498
Amount paid during the period	(1,734,400)
Surplus for the current period as per profit and loss account	745,212
Payable as at December 31, 2013	514,310

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

(i) The Company has not recognized interest income of Rs 6,089.04 million (June 30, 2013: Rs 5,695.09 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 3,220.61 million (June 30, 2013: Rs 3,154.62 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, 2013: Rs 5.23 million).

(iii) Contractor's claim not acknowledged as debt of Rs 33.92 million (June 30, 2013: Rs 33.92 million).

	31.12.2013	30.06.2013
	(Rupees in thousand)	
11.2 Commitments		
(i) Capital expenditure:		
- Share in joint ventures	4,604,240	5,857,811
- Mari field	2,556,644	434,197
- Mari Seismic Unit	22,705	1,738,336
	7,183,589	8,030,344
(ii) Operating lease rentals due:		
- Less than one year	25,880	20,724
- More than one year but less than five years	56,046	41,871
	81,926	62,595

		Six months ended 31.12.2013	Year ended 30.06.2013
		(Rupees in thousand)	
12.	PROPERTY, PLANT AND EQUIPMENT		
	Opening book value	5,858,512	4,472,186
	Movement during the period / year:		
	Additions	1,793,401	2,041,556
	Revision due to change in estimates of decommissioning costs	-	(100,374)
	Written down value of disposals	(9,080)	(58,572)
	Depreciation charge	(264,025)	(496,284)
		1,520,296	1,386,326
	Closing book value	7,378,808	5,858,512
13.	DEVELOPMENT AND PRODUCTION ASSETS		
	Opening book value	2,072,821	3,424,616
	Movement during the period / year:		
	Additions	293,951	263,457
	Revision due to change in estimates of decommissioning costs	-	(1,456,304)
	Amortization charge	(44,546)	(158,948)
		249,405	(1,351,795)
	Closing book value	2,322,226	2,072,821
14.	EXPLORATION AND EVALUATION ASSETS		
	Opening book value	4,186,644	4,150,409
	Movement during the period / year:		
	Additions	1,521,048	855,971
	Cost of dry and abandoned wells written off	(717,485)	(13,727)
	Impairment of well cost	(12,831)	(732,401)
	Depreciation charge	(45,893)	(73,608)
		744,839	36,235
	Closing book value	4,931,483	4,186,644

	31.12.2013	30.06.2013
	(Rupees in thousand)	
15. TRADE DEBTS		
Due from related parties - considered good		
Pakistan Electric Power Company	433,288	2,559,640
Foundation Power Company Daharki Limited	4,475,045	2,796,177
Fauji Fertilizer Company Limited	9,262,272	3,576,763
Sui Southern Gas Company Limited	283,489	399,481
Sui Northern Gas Pipelines Limited	100,035	100,231
Foundation Gas	8,039	-
	14,562,168	9,432,292
Due from others - considered good		
Engro Fertilizer Limited	4,884,150	1,322,643
Fatima Fertilizer Company Limited	400,555	227,264
Byco Petroleum Pakistan Limited	614,192	614,192
National Refinery Limited	128,624	97,949
Attock Refinery Limited	152,113	139,855
Pak Arab Refinery Limited	15,317	44,474
Pakistan Refinery Limited	35,647	-
Western Power Company Limited	2,024	-
	20,794,790	11,878,669

15.1 Trade debts include Rs 14,423 million (June 30, 2013: Rs 4,464 million) on account of GIDC withheld by customers as explained in note 10.1.

15.2 Trade debts (excluding receivable on account of GIDC) of Rs 3,008 million (June 30, 2013: Rs 4,280 million) were past due but not impaired.

15.3 Trade debts due from related parties are net of provision for doubtful debts amounting to Rs 333 million (June 30, 2013: Rs 309 million).

	31.12.2013	30.06.2013
	(Rupees in thousand)	
16. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Due from related parties		
Rig rentals - Hanna joint venture	129,054	59,280
Rig rentals - Zarghun South joint venture	-	62,584
Due from others		
Loans and advances	767,414	509,128
Advances to joint venture partners	306,919	204,660
Short term prepayments	174,791	66,871
Interest accrued	23,502	28,750
Royalty paid in advance	223,989	142,083
Unclaimed exploration and evaluation expenditure	-	188,320
Other receivables	1,972	2,733
	1,627,641	1,264,409

17. Cash and bank balances include Rs 4,000 million (June 30, 2013: Rs 2,935 million) held with Askari Bank Limited, a related party.

	Note	Three months ended		Six months ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
		(Rupees in thousand)		(Rupees in thousand)	
18. GROSS SALES TO CUSTOMERS					
Sale of:					
Gas	18.1	15,954,655	15,099,984	32,271,654	29,859,550
Crude Oil	18.2	317,726	408,454	653,765	816,362
Less: Transportation charges		6,349	12,021	19,277	23,572
		311,377	396,433	634,488	792,790
Condensate	18.3	216,644	110,895	386,430	225,708
Less: Transportation charges		2,923	(2,561)	6,230	7,029
		213,721	113,456	380,200	218,679
LPG	18.4	8,039	16,553	8,039	35,115
Own consumption		7,476	5,037	17,255	11,852
		16,495,268	15,631,463	33,311,636	30,917,986

		Three months ended		Six months ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
		(Rupees in thousand)		(Rupees in thousand)	
18.1	This represents sale of gas as per detail below:				
	Mari Field	15,488,463	15,039,885	31,415,652	29,735,509
	Sujawal block	327,409	-	618,359	-
	Hala block	100,604	20,796	163,048	46,603
	Sukkur block	35,296	36,891	71,712	72,747
	Karak block	2,883	-	2,883	-
	Kohat block	-	2,412	-	4,691
		15,954,655	15,099,984	32,271,654	29,859,550
18.2	This represents sale of crude oil as per detail below:				
	Karak block	315,044	408,454	644,608	816,362
	Ziarat block	2,682	-	9,157	-
		317,726	408,454	653,765	816,362
18.3	This represents sale of condensate as per detail below:				
	Mari Field	82,180	78,184	154,826	150,257
	Sujawal block	78,308	-	145,077	-
	Hala block	56,156	32,711	86,527	75,215
	Kohat block	-	-	-	236
		216,644	110,895	386,430	225,708

18.4 This represents sale of LPG from Hala block.

18.5 Sale of gas includes sale from Sujawal, Sukkur, Hala, Karak and Kohat 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.

		Three months ended		Six months ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
		(Rupees in thousand)		(Rupees in thousand)	
19.	OPERATING EXPENSES				
	Salaries, wages and benefits	316,461	310,850	635,559	612,736
	Employee benefits	37,054	38,808	76,514	77,465
	Rent, rates and taxes	625	1,369	5,102	3,773
	Legal and professional services	1,056	418	1,794	1,843
	Fuel, light, power and water	29,065	23,196	55,063	43,639
	Maintenance and repairs	29,325	61,899	64,901	99,386
	Insurance	18,990	11,231	34,846	22,528
	Depreciation	169,830	139,158	309,918	277,413
	Amortization	22,163	38,764	44,546	75,208
	Employees medical and welfare	46,897	30,880	86,779	71,256
	Field and other services	112,778	114,604	252,439	202,271
	Travelling	13,685	9,179	20,598	13,783
	Communications	3,398	2,988	4,013	5,618
	Printing and stationery	3,245	4,478	3,791	5,577
	Office supplies	1,598	1,423	2,971	2,819
	Technical software	6,651	9,370	7,421	10,783
	Auditor's remuneration	360	1,946	797	1,946
	Mobile dispensary and social welfare	22,048	17,592	49,507	36,206
	Training	4,914	9,811	8,805	14,716
	Seismic re-processing	-	25,446	-	25,446
	Advertisement	1,133	357	1,293	852
	Books and periodicals	94	195	178	299
	Public relations and social activities	341	1,426	1,088	1,822
	Directors' fee and expenses	1,803	1,466	3,868	3,071
	Freight and transportation	1,740	1,042	2,270	2,029
	Subscription	200	535	1,500	1,771
	Rig	54,450	63,583	123,578	110,344
	Research and development	1,453	33,812	2,845	36,924
	Mari Seismic Unit	242,276	-	287,037	-
	Sukkur block	9,421	13,483	15,349	25,010
	Hala block	32,698	21,809	44,585	68,319
	Kohat block	3,910	1,056	3,910	5,613
	Karak block	43,666	95,867	65,607	161,036
	Ziarat block	25,888	-	48,829	-
	Sujawal block	35,568	-	53,991	-
	Provision for doubtful debts - related parties	23,994	-	23,994	-
	Miscellaneous	778	1,577	1,515	3,632
		1,319,556	1,089,618	2,346,801	2,025,134
	Less: Recoveries from joint ventures	223,704	173,387	377,933	244,817
		1,095,852	916,231	1,968,868	1,780,317

	Three months ended		Six months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	(Rupees in thousand)		(Rupees in thousand)	
20. EXPLORATION AND PROSPECTING EXPENDITURE				
Mari Field				
3D Seismic data acquisition	196,771	-	197,895	-
Joint Ventures				
Cost of dry and abandoned wells written off	717,485	-	717,485	-
Impairment of well cost	12,831	122,485	12,831	122,485
Prospecting expenditure	63,291	530,622	572,108	675,413
	793,607	653,107	1,302,424	797,898
	990,378	653,107	1,500,319	797,898
21. OTHER INCOME				
Mari Seismic Unit Income	190,138	-	190,138	-
Rig rental income	(8,006)	25,767	149,444	25,767
Line heaters rental income	9,627	8,667	18,903	17,190
Miscellaneous	9,023	12,805	10,427	21,593
	200,782	47,239	368,912	64,550
22. FINANCE INCOME				
Income on bank deposits	134,510	118,686	244,067	225,250
Interest income on delayed payments from Foundation Power Company Daharki Limited	25,934	-	85,608	-
	160,444	118,686	329,675	225,250
23. FINANCE COST				
Mark-up on long term financing - secured	62,168	35,619	81,897	79,658
Interest expense on delayed payments to the Government of Pakistan	59,534	-	59,534	-
Unwinding of discount on provision for decommissioning cost	197,845	289,754	197,845	289,754
Exchange loss	227,428	7,829	236,113	7,829
Interest on Workers' Profit Participation Fund	-	-	7,870	4,973
Bank charges	120	64	235	129
	547,095	333,266	583,494	382,343
24. PROVISION FOR TAXATION				
Current	74,047	476,439	798,670	986,077
Deferred	165,518	(379,403)	(44,436)	(444,508)
	239,565	97,036	754,234	541,569

25. TRANSACTIONS WITH RELATED PARTIES	Six months ended	
	31.12.2013	31.12.2012
	(Rupees in thousand)	
Gross sale of gas and LPG to related parties is as follows:		
Pakistan Electric Power Company	567,648	5,288,912
Foundation Power Company Daharki Limited (FPCDL)	3,473,066	3,496,053
Fauji Fertilizer Company Limited	14,243,234	13,771,722
Sui Southern Gas Company Limited	792,971	55,553
Sui Northern Gas Pipelines Limited	392,686	376,981
Foundation Gas	8,039	35,115
Line heaters rental income - FPCDL	18,903	17,190
Interest income on delayed payments- FPCDL	85,608	-
Deferred interest income on delayed payments- FPCDL	-	364,958
Interest income on bank accounts - Askari bank limited	121,874	105,745
Remuneration of chief executive and key management personnel	696,329	633,117
Contribution to employee benefit funds	85,207	79,087

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 94% of the total revenue during the period ended December 31, 2013 (December 31, 2012: 95%).

27. CORRESPONDING FIGURES

27.1 Comparative figures have been restated as a result of restatement of prior year financial statements as referred in note 3.

27.2 Comparative figures of finance income and finance cost have been changed due to reclassification of exchange loss of Rs 7.829 million.

27.3 Cash flow statement presentation has been changed from indirect method to direct method.

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on February 17, 2014.

Lt Gen (R) Raza Muhammad Khan
Managing Director/CEO

Qaiser Javed
Director

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