

AHL Brief Note: E&P

Mari Petroleum Company Limited

Corporate Briefing Takeaways

The management of Mari Petroleum Company Limited held a corporate briefing session on 22nd Oct'24 to discuss the FY24 financial result and future outlook.

Brief Takeaways

- To recall, the company posted a the highest ever profit after tax (PAT) of PKR 77bn (EPS: PKR 64.37 @1,201mn share) in FY24 against PKR 56bn (EPS: PKR 46.75) in FY23, up by 38% YoY. The jump in earnings came amid i) a 19% YoY jump in the wellhead price of Mari Gas Field and ii) 13% and 6% YoY growth in gas and oil production, respectively.
- In FY24, the company achieved its highest annual production of 39mn BoE, reflecting an 18% YoY increase.
- The management estimates the company's reserve life to be 17 years. Meanwhile, 2P reserves and 2C resources collectively reached 816 in FY24 from 682 in the SPLY, with growth primarily contributed by the Ghazij, Shawal, and HRL fields..
- During FY24, MARI spud 4 exploratory, 5 appraisal, and 2 development wells.
- Regarding HRL Pressure Enhance Facilities/debottlenecking project, the management shared that in phase I 17 loops have been completed while 3 loops are in progress. Whereas, phase II is in process while work on compression station ongoing.
- The company also made new discoveries in FY24 at Maiwand X-1, Shewa-II, Shawal-I, and Jhim East, with Shewa-II ready to commence production soon.
- Regarding the Ghazij Appraisal and Development, one exploratory and four development wells were drilled and brought online in FY24, producing 40mmcf of gas. The development well Ghazij-6 has been drilled and tested, with hook-up pending, while Ghazij-7 is currently in the testing phase.
- Additionally, the Shewa Early Production Facility is undergoing pipeline hydro-testing for the pipeline laid by SNGP. However, the management highlighted that the security situation and local dynamics will determine the commencement of production.
- The government has approved the renewal of Mari D&P Lease until 10th Nov'29. As part of this renewal, MARI will be required to pay an additional 15% of the wellhead value of gas produced to the federal government.
- The company has launched a subsidiary Mari Technologies Limited on 25th Sep'24, which will be focusing on data centre, cloud computing, artificial intelligence, and other petroleum and mining related technologies.
- Regarding gas production curtailment, the government is focused on managing the number of cargoes and gas volumes required by Sui companies to resolve intake issues.
- As for bonus shares, the management mentioned that the company is receiving bonus tax payments from many shareholders. However, for shareholders unable to make the tax payment, the bonus shares will be sold at market price, and any shortfall in value will be compensated by adjusting the additional 10% of shareholders' shares held by the company.

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