

AHL Brief Note:

Mari Energies Limited

Corporate Briefing Takeaways

Mari Energies Limited conducted its corporate briefing session to discuss recent performance metrics and the strategic direction of the company.

Brief Takeaways

- **Financial Performance (9MFY25):** Mari Petroleum Company Limited (MARI) announced its financial result, posting a bottom line of PKR 46,301mn (EPS: PKR 38.56) during 9MFY25 against PKR 51,629mn (EPS: PKR 43.00) in 9MFY24, down 10% YoY. On a quarterly basis, the company's profitability arrived at PKR 15,905mn (EPS: PKR 13.25), up 13% YoY owing to higher exploration cost incurred in SPLY, which offset the impact of the incremental royalty imposed on the revenue from the Mari D&P Lease.
- **Abu Dhabi Block – Strategic Reorganization :** ADNOC has exercised its contractual option to raise its ownership stake in the Abu Dhabi Block to 60%, while the remaining 40% remains with the Pakistani consortium.
- **Shewa Field Development (Waziristan Block):** Production commenced on 23rd Mar'25. Although the field was designed to deliver 70 mmcf/d, actual output has been constrained to 50 mmcf/d due to curtailments imposed by the sui gas companies.
- **Spinwam-1 Well Outlook:** Management has not yet finalized a development plan for Spinwam-1. However, initial reserve estimates indicate a resource base of approximately 0.8 trillion cubic feet (TCF) of natural gas.
- **PEF Project and HRL Supply Assurance :** The company reaffirmed its participation in the PEF initiative in collaboration with fertilizer manufacturers to ensure a consistent supply of Mari HRL gas at competitively structured prices. No quantitative guidance on committed volumes was provided.
- **Operational Constraints and Strategic Risk:** Key impediments identified include regional security instability, accumulation of circular debt, gas allocation limitations, shortages in skilled labour and technical equipment, and difficulties in accessing foreign exchange and working capital financing.
- **Exploration Activities – Mari West:** Despite security concerns in Khyber Pakhtunkhwa and Balochistan, exploration efforts continue at the Mari West block, albeit at a slower pace.
- **FY25 Drilling Activities:** The company spudded multiple wells during this fiscal year, comprising:
 - 2 exploratory wells (Ghazij CF-A1 and Soho-1)
 - 2 appraisal wells (Ghazij-6 and Shawal-2)
 - 9 development wells (including 2 HRL horizontal wells, 3 Ghazij wells, Bhitai-6, MD-23, ZS-5, and Bolan East-2)
 - 2 water disposal wells (WDW-4 and WDW-5)
- **Technology and Infrastructure Investments:** Mari Energies holds a 60% equity interest in Sky47 Limited, a data and technology-focused subsidiary. Construction of a 5MW data centre in Islamabad is currently in progress as part of its digital infrastructure expansion.

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