



We are pleased to present to you un-audited financial statements for the 3<sup>rd</sup> quarter ended March 31, 2007.

### **Financial Results**

Gross sales for the 3<sup>rd</sup> quarter amounted to Rs 5,462.7 million whereas gross sales for nine months to March 31, 2007 aggregated Rs 16,900.9 million against cumulative sales for the corresponding period of Rs 14,434.2 million. The operating results in the financial statements for 3<sup>rd</sup> quarter show profit after tax of Rs 227.9 million as against Rs 94.2 million for the corresponding quarter of the previous income year. The cumulative profit after tax for the nine months to March 31, 2007 is Rs 459.7 million against Rs 161.4 million of the corresponding period of the previous income year mainly because of increased sale, higher interest income and decrease in exploration expenditure (activity based). Increase in sales is on account of increase in average selling price from Rs. 112.79/MMSCF to Rs. 130.30/MMSCF and increased production from 470 MMSCFD to 484 MMSCFD. Presently the shareholders are entitled to guaranteed rate of return of 30% per annum. The return to shareholders shall be escalated in the event of increase in the Company's gas 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, additional return at 2.18% was provided for in the annual financial statements of the Company for the year ended June 30, 2006. Any adjustment / variance do not affect the minimum guaranteed rate of return.

### **Operating Results**

The company continued un-interrupted gas supply throughout the quarter under review to all its customers namely, Engro Chemical Pakistan Limited, Fauji Fertilizer Company Limited, Water and Power Development Authority (WAPDA) and Sui Southern Gas Co. Ltd (SSGCL). The gas produced during 3<sup>rd</sup> quarter ended March 31, 2007 was 43,555 million standard cubic feet (MMSCF) at a daily average of 484 MMSCF as against 42,319 MMSCF at daily average of 470 MMSCF for the corresponding period of last year as per the requirements of the customers.

Regular maintenance of gas gathering network and production facilities was carried out and production optimization plans were followed as per the good oil/gas field practices, to avoid any water coning and loss in production through effective production and reservoir management system.

### **Future Challenges**

#### **Wellhead Compression of Mari Habib Rahi Shallow Reservoir**

Terms of Reference (TOR) for hiring the services of consultant was floated to six International consultants of which three consultants submitted their proposals. Two consultants were technically qualified and their financial proposals are being reviewed against the deliverables.

#### **Reservoir Simulation Study of Mari Habib Rahi Formation**

In order to update the simulation model of Mari Habib Rahi Reservoir, TOR for conducting the reservoir study was floated to seven international vendors of which three (3) have responded. All the three vendors were technically qualified and financial evaluation of their bids is expected to be completed by the end of April 2007.

## **Mari Deep Production Facilities and Drilling of 3 wells**

After Government of Pakistan's (GOP) allocation of 109 MMSCFD raw gas to IPPs from Goru- "B" reservoir, the project was approved by BOD and GOP. Tenders for supply of materials and services were floated and technical evaluations of bids are being carried out. Meanwhile the Gas Sales Agreements with IPP's are being negotiated.

### **SML & Pirkoh Reservoir**

Three Mari Pirkoh wells were drilled. Two wells i.e. PKL-1 & PKL-3 were completed as gas producer whereas PKL-2 was plugged and abandoned. These two wells have been hooked up with indigenous resources and 6 MMSCFD gas is being produced and added to the existing gas network.

The drilling operations of Bhattai Well # 1, Qalandar Well # 1 and Watayo Well# 1 in the SML Formation at Mari Field are expected to commence in the last week of April 2007.

### **Zarghun Gas Field**

After signing the Gas Sales Agreement (GSA) with SSGCL on August 28, 2006, TORs were issued for hiring the consultancy services for Front End Engineering Design (FEED) study to seven (7) vendors of which 5 vendors have submitted their proposals. Technical evaluation of these vendors is in progress.

Interpretation of the newly processed 2D seismic data is in progress to finalize the location of development well Zarghun South # 3.

## **Welfare Projects**

### **a. Mobile Dispensaries**

The existing three mobile dispensaries continued operating in the Mari D&P lease area. During the period, about 19,000 patients were treated and medicines were provided free of cost.

### **b. Mass Vaccination against Hepatitis "B"**

Vaccination campaign against Hepatitis "B" (phases I & II) have been completed in UC Dad Leghari & Keenjhur, wherein 54,636 people were vaccinated. Third phase of vaccination free of cost to the local population was undertaken in UC Beruta and 14,793 people were given 1st doze and vaccination of 2nd doze is in progress.

## **Exploration Activities**

The Company's working interest share in onshore exploration licenses is as follows:

i)	Ziarat Exploration License	60.00%	Operator/Partner
ii)	Karak Exploration License	100.00%	Operator
iii)	Noor Exploration License	100.00%	Operator
iv)	Hanna Exploration License	100.00%	Operator
v)	Harnai Exploration License	100.00%	Operator
vi)	Sujawal Exploration License	100.00%	Operator
vii)	Sukkur Exploration License	65.00%	Operator/Partner
viii)	Dadhar Exploration License	27.67%	J.V. Partner
ix)	Hala Exploration License	35.00%	J.V. Partner
x)	Zamurdan Exploration License	20.00%	J.V. Partner
xi)	Kohlu Exploration License	30.00%	J.V. Partner
xii)	Kalchas Exploration License	20.00%	J.V. Partner
xiii)	Kot Sarang Exploration License	25.00%	J.V. Partner
xiv)	Kohat Exploration License	20.00%	J.V. Partner
xv)	Bannu West Exploration License	10.00%	J.V. Partner

## Operated Blocks

Locations of exploratory well Shahrig # 1 and appraisal well Khost # 2 have been staked on ground in Ziarat Block. Joint venture plans to drill the wells back to back during 3rd quarter, 2007.

Processing/ reprocessing of Karak vintage seismic data have been completed. The newly acquired data of few seismic lines is not satisfactory due to complex geology; therefore the data is being reprocessed.

Acquisition of 416 line km 2D seismic data in Sukkur Block commenced on April 2, 2007. Reprocessing of 900-line km vintage 2D seismic data shall be undertaken shortly.

Interpretation of vintage 2D seismic data has been completed in Sujawal Block. Reprocessing of about 500 line km 2D data shall commence by May 2007.

Geological fieldworks have been completed in Hanna and Harnai blocks and compilation of reports is in progress.

Processing of newly acquired 164 line km 2D seismic data in Noor Block has been completed and its interpretation is in progress.

## Non-Operated Blocks

Exploratory Well Adam-1 in Hala Block is planned to be drilled in April 2007 to test the potential of Lower Goru Sands.

Application for one-year extension in the license period of Dadhar Block has been submitted to DGPC due to postponement of well drilling because of security concerns and non-availability of the drilling rig.

Exploratory Well Sarang X-1 was drilled down to TD of 4775m into Khewra Formation. Based on the log data, four zones were tested as none of them flowed commercial hydrocarbons, the well was plugged and abandoned.

Processing of newly acquired seismic data of Kohat Block is in progress.

There are no significant exploration activities in Kohlu, Kalchas and Bannu West blocks because of security problems.

The Joint Venture is of the unanimous view that no viable prospect has been identified in Zamurdan Block.

The Company continues to pursue identifying new exploration areas and prospects.

For and on behalf of the Board



Islamabad  
April 20, 2007

Lt Gen Syed Arif Hasan HI(M) (Retd)  
Chairman



**MARI GAS COMPANY LIMITED**  
**BALANCE SHEET (UNAUDITED)**  
**AS AT MARCH 31, 2007**

	Note	31.03.2007 (Rupees in thousand)	30.06.2006
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 250,000,000 ordinary shares of Rs 10 each		<u>2,500,000</u>	<u>2,500,000</u>
Issued, subscribed and paid up capital		367,500	367,500
General reserve		2,046	2,046
Undistributed percentage return reserve		275,261	275,261
Profit and loss account	4	<u>2,416,715</u> <u>3,061,522</u>	<u>2,037,839</u> <u>2,682,646</u>
<b>NON - CURRENT LIABILITIES</b>			
Long term financing - secured	5	-	112,100
Provision for decommissioning cost		1,294,481	1,294,481
		1,294,481	1,406,581
<b>DEFERRED LIABILITIES</b>			
Deferred taxation		-	47,920
Other deferred liabilities		80,097	73,886
		80,097	121,806
<b>CURRENT LIABILITIES</b>			
Current maturity of long term financing - secured		112,100	224,200
Accrued and other liabilities	6	3,876,945	3,193,510
Provision for taxation - net		935,436	589,205
		4,924,481	4,006,915
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		<u>9,360,581</u>	<u>8,217,948</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

**Lt Gen Imtiaz Shaheen (Retd)**  
**CHIEF EXECUTIVE**

**Qaiser Javed**  
**DIRECTOR**



**MARI GAS COMPANY LIMITED**  
**BALANCE SHEET (UNAUDITED)**  
**AS AT MARCH 31, 2007**

	Note	<u>31.03.2007</u> (Rupees in thousand)	<u>30.06.2006</u>
<b>FIXED ASSETS</b>			
Property, plant and equipment - tangible	8	3,333,413	3,325,033
Intangible assets		<u>69,356</u>	<u>70,259</u>
		<u>3,402,769</u>	<u>3,395,292</u>
<b>LONG TERM LOANS AND ADVANCES</b>			
- considered good		3,566	5,826
<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>			
		8,645	4,195
<b>DEFERRED TAXATION</b>			
		36,082	-
<b>CURRENT ASSETS</b>			
Stores and spares		177,363	166,947
Trade debts - considered good		1,439,574	1,211,969
Loans and advances - considered good		390,218	207,269
Short term prepayments		22,161	24,343
Other receivables		37,923	36,796
Cash and bank balances		3,842,280	3,165,311
		5,909,519	4,812,635
		<u>9,360,581</u>	<u>8,217,948</u>



**MARI GAS COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR NINE MONTHS ENDED MARCH 31, 2007**

	Note	Three months ended		Nine months ended	
		31.03.2007	31.03.2006	31.03.2007	31.03.2006
(Rupees in thousand)					
Gross Sales - to customers		5,461,641	5,118,510	16,896,629	14,431,019
- own consumption		1,047	845	3,999	3,191
		<u>5,462,688</u>	<u>5,119,355</u>	<u>16,900,628</u>	<u>14,434,210</u>
Less:					
Gas development surcharge		3,422,610	3,394,685	10,744,680	9,359,817
General sales tax		712,524	668,069	2,204,430	1,882,025
Excise duty		162,786	158,179	484,539	477,916
Provisional adjustment as per the Mari Gas Wellhead Price Agreement		322,024	258,663	1,019,315	753,052
		<u>4,619,944</u>	<u>4,479,596</u>	<u>14,452,964</u>	<u>12,472,810</u>
Sales - net		842,744	639,759	2,447,664	1,961,400
Less: Royalty		105,343	79,970	305,958	245,175
		<u>737,401</u>	<u>559,789</u>	<u>2,141,706</u>	<u>1,716,225</u>
Operating expenses	9	280,395	313,598	810,841	813,610
Exploration expenditure		93,182	47,744	405,458	529,120
		<u>373,577</u>	<u>361,342</u>	<u>1,216,299</u>	<u>1,342,730</u>
Operating profit		363,824	198,447	925,407	373,495
Other operating income		116,393	92,168	323,261	233,307
		<u>480,217</u>	<u>290,615</u>	<u>1,248,668</u>	<u>606,802</u>
Finance costs		5,492	10,619	36,580	35,922
Other charges		34,475	25,095	103,346	50,403
		<u>39,967</u>	<u>35,714</u>	<u>139,926</u>	<u>86,325</u>
Profit before taxation		440,250	254,901	1,108,742	520,477
Taxation	10	212,318	160,681	649,016	359,100
Profit after taxation		<u>227,932</u>	<u>94,220</u>	<u>459,726</u>	<u>161,377</u>
<b>Earnings per share - basic and dilutive</b>					
Earning per share on the basis of distributable profit - (Rupees)		<u>1.42</u>	<u>1.18</u>	<u>4.27</u>	<u>3.53</u>
Earnings per share on the basis of Profit and Loss account (Rupees)		<u>6.20</u>	<u>2.56</u>	<u>12.51</u>	<u>4.39</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

**Lt Gen Imtiaz Shaheen (Retd)**  
**CHIEF EXECUTIVE**

**Qaiser Javed**  
**DIRECTOR**



**MARI GAS COMPANY LIMITED**  
**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR NINE MONTHS ENDED MARCH 31, 2007**

	Note	31.03.2007	31.03.2006
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	1,409,693	751,703
Decrease/(increase) in long term loan and advances		2,260	458
(Increase)/decrease in long term deposits and prepayments		(4,450)	394
Increase in deferred credits		-	(5,349)
Employee benefits paid		(2,900)	(731)
Taxes paid		(386,786)	(157,999)
Net cash from operating activities		1,017,817	588,476
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(299,148)	(69,326)
Proceeds from sale of property, plant and equipment		888	1,649
Interest received		320,040	224,655
Net cash from investing activities		21,780	156,978
<b>Cash flows from financing activities</b>			
Repayment of long term finance		(224,200)	(224,200)
Finance cost paid		(37,088)	(36,332)
Dividends paid		(101,340)	(69,005)
Net cash used in financing activities		(362,628)	(329,537)
Increase in cash and cash equivalents		676,969	415,917
Cash and cash equivalents at beginning of period		3,165,311	2,939,965
Cash and cash equivalents at end of period		3,842,280	3,355,882

The annexed notes from 1 to 14 form an integral part of these financial statements.

**Lt Gen Imtiaz Shaheen (Retd)**  
**CHIEF EXECUTIVE**

**Kaiser Javed**  
**DIRECTOR**





**1. LEGAL STATUS AND OPERATIONS**

Mari Gas Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are listed on the Karachi, Lahore and Islamabad stock exchanges. The Company is principally engaged in drilling, exploration, production and sale of natural gas. The gas price mechanism is governed by Mari Gas Well Head Price 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, 3<sup>rd</sup> Road, G-10/4, Islamabad.

**2. ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting".

The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2006.

**3. GAS PRICE MECHANISM**

In terms of Mari Gas Well Head Price Agreement ("the Agreement") dated December 22, 1985 between the President of Islamic Republic of Pakistan and Mari Gas Company Limited, 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 meeting specified ratios and deductibles. The return to shareholders shall be escalated in the event of increase in the Company's gas 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 01, 2001, the Government of Pakistan has authorized the Company to incur expenditure not exceeding the 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 result in additional oil and gas production, the revenues generated from such additional oil or gas production shall be credited to and treated as revenue under the Agreement referred to above.

**4. PROFIT AND LOSS ACCOUNT**

The amount of Rs 2,416.715 million (June 2006: Rs 2,037.839 million) represents the following:

**4.1 Undistributable balance**

The amount of Rs 2,332.768 million (June 2006: Rs 2,029.827 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 June 30, 2006	Generated during the period ended March 31, 2007	Total
	(Rupees in thousand)		
a) Rupee element of capital expenditure (net of depreciation/ amortization) and repayment of borrowings	1,765,056	260,842	2,025,898
b) Maintenance of debt service ratio	90,234	-	90,234
c) Maintenance of current ratio	174,537	42,099	216,636
<b>Total</b>	<b>2,029,827</b>	<b>302,941</b>	<b>2,332,768</b>
Year ended June 30, 2006	2,026,354	3,473	2,029,827



	<u>31.03.2007</u>	<u>30.06.2006</u>
4.2 Distributable balance	(Rupees in thousand)	
Undistributed guaranteed return	<u>83,947</u>	<u>8,012</u>

This represents guaranteed profit of Rs 83.285 million @ 32.42% on shareholders' funds for nine months to March 31, 2007. It also includes the balance amount of additional return of Rs. 0.662 million @ 0.18% guaranteed to shareholders on account of increased gas production for the year ended June 30, 2006.

## 5. LONG TERM FINANCING - SECURED

The Company is in the process of finalizing the Term Financing Agreement amounting to Rs 3.5 billion, with a syndicate of banks led by Bank Alfalah Limited for the purpose of exploration, development and appraisal activities in various blocks.

	<u>31.03.2007</u>	<u>30.06.2006</u>
<b>6. ACCRUED AND OTHER LIABILITIES</b>	(Rupees in thousand)	
Gas development surcharge	2,169,548	2,350,350
General sales tax	238,852	227,708
Excise duty	55,829	53,959
Interest on long term loan	317	825
Workers' welfare fund	151,884	109,143
Workers' profits participation fund	60,604	33,303
Staff retirement funds	40,769	31,853
Retention and earnest money deposits	6,145	6,580
Payable to joint venture partners	22,369	18,590
Other accrued liabilities	91,376	105,489
Unclaimed/unpaid dividend	19,937	40,427
Provisional adjustment under the provisions of the Agreement	1,019,315	215,283
	<u>3,876,945</u>	<u>3,193,510</u>

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Interest on delayed payments

Interest on delayed payments from WAPDA and interest on delayed payments of development surcharge to the Government as at March 31, 2007 amounted to Rs 374.198 million (June 30, 2006: Rs 314.187 million) and Rs 112.392 million (June 30, 2006: Rs 112.392 million) respectively, which will be taken into account when it is actually received / paid. However, it does not affect the current year or future years' profit after taxation which includes the return available to shareholders under the Agreement.

### 7.2 Other contingencies

	<u>31.03.2007</u>	<u>30.06.2006</u>
	(Rupees in thousand)	
Indemnity bonds given to Collector of Customs against duty concessions on import of equipment and materials	187,805	255,229



7.3 Commitments	31.03.2007	30.06.2006
	(Rupees in thousand)	
(a) Capital expenditure		
Share in joint ventures	1,757,798	1,743,928
Others	839,527	110,611
	2,597,325	1,854,539
(b) Operating lease rentals due:		
Less than one year	12,092	4,524
More than one year but less than five years	30,576	6,042
	42,668	10,566

8. PROPERTY, PLANT AND EQUIPMENT -TANGIBLE	Nine months ended	
	31.03.2007	31.03.2006
	(Rupees in thousand)	
Opening book value	3,213,002	3,487,635
Additions during the period - note 8.1	84,261	76,467
Written down value of disposals - note 8.2	(719)	(192)
Depreciation for the period	(290,052)	(291,317)
Closing book value	3,006,492	3,272,593
Add: Capital work in progress	326,921	160,608
	3,333,413	3,433,201

### 8.1 Additions

Land	201	319
Building	24,745	4,709
Roads and bridges	4,252	20,105
Plant, machinery and equipment	24,839	27,744
Drilling expenditure	-	8,519
Gathering lines	2,621	-
Computers	4,082	239
Furniture and fixture	2,288	5,132
Motor vehicles	21,233	9,700
	84,261	76,467

### 8.2 Disposals

Plant, machinery and equipment	364	192
Computer	79	-
Furniture and fixture	38	-
Motor vehicles	238	-
	719	192



9. OPERATING EXPENSES	Three months ended		Nine months ended	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	(Rupees in thousand)			
Salaries, wages and benefits	98,439	116,561	266,727	251,230
Employees' retirement benefits	13,844	12,693	41,254	37,954
Rent, rates and taxes	975	845	4,625	7,224
Legal and professional services	4,597	1,270	9,459	2,758
Fuel, light, power and water	5,991	8,315	23,256	28,533
Maintenance and repairs	7,164	8,931	18,145	31,238
Insurance	9,933	8,033	26,385	24,083
Depreciation and amortization	97,081	97,446	290,954	292,207
Employees medical and welfare	10,463	12,882	36,340	33,673
Security and other services	24,594	23,838	72,474	67,162
Travelling	2,192	1,812	7,311	3,185
Communications	1,221	1,604	4,949	5,519
Office supplies	1,847	2,343	5,425	5,141
Technical software	22	-	2,891	1,667
Auditor's remuneration	18	86	135	86
Stores and spares consumed	6,056	9,192	18,805	23,881
Mobile dispensary and social welfare	9,864	5,728	17,564	32,077
Training	1,220	6,001	10,061	8,531
Advertisement	346	957	2,573	1,632
Books and periodicals	84	115	337	293
Miscellaneous	1,826	964	5,377	3,868
	<u>297,777</u>	<u>319,616</u>	<u>865,047</u>	<u>861,942</u>
Less: Recoveries from Joint ventures	<u>17,382</u>	<u>6,018</u>	<u>54,206</u>	<u>48,332</u>
	<u>280,395</u>	<u>313,598</u>	<u>810,841</u>	<u>813,610</u>

#### 10. TAXATION

Current tax	184,174	190,260	733,018	374,860
Deferred tax	<u>28,144</u>	<u>(29,579)</u>	<u>(84,002)</u>	<u>(15,760)</u>
	<u>212,318</u>	<u>160,681</u>	<u>649,016</u>	<u>359,100</u>

#### 11. CASH GENERATED FROM OPERATIONS

	Nine months ended	
	31.03.2007	31.03.2006
	(Rupees in thousand)	
Profit before taxation	1,108,742	520,477
Adjustment for non cash charges and other items:		
Depreciation and amortization	290,954	292,207
Profit on disposal of property, plant and equipment	(170)	(1,458)
Employees' retirement benefits	9,109	8,007
Interest income	(321,186)	(229,714)
Finance cost	36,580	35,922
Working capital changes - note 11.1	285,664	126,262
	<u>1,409,693</u>	<u>751,703</u>



11.1 Working capital changes	Nine months ended	
	31.03.2007	31.03.2006
	(Rupees in thousand)	
(Increase)/decrease in current assets		
Stores and spares	(10,416)	(1,804)
Trade debts	(227,605)	(299,169)
Loans and advances	(182,949)	(192,104)
Short term prepayments	2,182	(12,847)
Other receivables	19	506
	<u>(418,769)</u>	<u>(505,418)</u>
Increase/(decrease) in current liabilities		
Accrued and other liabilities	704,433	631,680
	<u>704,433</u>	<u>631,680</u>
	<u>285,664</u>	<u>126,262</u>

## 12. TRANSACTIONS WITH RELATED PARTIES

Fauji Foundation holds 40% shares of the Company, therefore all subsidiaries and associated undertakings of Fauji Foundation are related parties of the Company. Other related parties comprise of associated companies, directors, major shareholders, key management personnel and employees' retirement benefit funds, all state owned profit oriented entities and exclude relationships with the Government being a shareholder in the Company. Transactions with related parties are as follows:

	Nine months ended	
	31.03.2007	31.03.2006
	(Rupees in thousand)	
Sale of gas to Fauji Fertilizer Company Limited	7,236,898	6,508,632
Sale of gas to Water and Power Development Authority	6,734,649	5,344,647
Sale of gas to Sui Southern Gas Company Limited	8,851	5,854
Sale of material to Oil & Gas Development Company Limited	-	6,391
Contribution to employees' retirement benefit funds	33,730	32,652
Remuneration including benefits and perquisites of Chief Executive	3,446	3,049
Remuneration including benefits and perquisites of Executive Director : No of Director 2007: 01(2006: 01)	2,542	2,576
Remuneration including benefits and perquisites of Executives No of Executives 2007: 64 (2006: 63)	141,306	136,650

	31.03.2007	30.06.2006
	(Rupees in thousand)	
<b>Receivable balances with related parties are as follows:</b>		
Fauji Fertilizers Company Limited	417,633	379,262
Water And Power Development Authority	855,234	679,979
Sui Southern Gas Company Limited	2,140	1,304

Transactions with related parties are based on the normal commercial practices between independent businesses.

### 13. CORRESPONDING FIGURES

Previous year's figures have been re-arranged, wherever necessary, for the purpose of comparison. Operating expenses of exploration department and related recoveries from joint ventures have been re-classified with relevant heads of operating expenses.

### 14. GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

14.2 These are unaudited financial statements and being submitted as required under Section 245 of the Companies Ordinance, 1984.

14.3 These financial statements were authorized for issue on April 20, 2007 by the Board of Directors of the Company.

**Lt Gen Imtiaz Shaheen (Retd)**  
CHIEF EXECUTIVE

**Qaiser Javed**  
DIRECTOR