

SectorOIL & GAS EXPLORATION COMPANIESChase Research

research@chasesecurities.com
+92-21-35293054-60

Symbol: **MARI**

Current Price: **PKR 628.35**

Market Cap (PKR bn): **754.41**

Total Shares (bn): **1.20**

Free Float (mn): **240.12**

52 Week High: **PKR 795.00**

52 Week Low: **PKR 544.56**

Mari Energies Limited (MARI)

Mari Energies Company Limited (MARI) reported earnings per share of PKR 72.36 for FY26, compared to earnings per share of PKR 54.45 in FY25. Furthermore, in 4QFY26, the company reported earnings per share of PKR 30.95, compared to earnings per share of PKR 15.70 in the same period last year (SPLY).

To address the natural decline in the HRL reservoir, management implemented a USD 250 million compression project, installing 27 compressors across the field alongside horizontal drilling. These initiatives extended the field's life, increased total reserves by 30%, and established swing volume capacity of 60 million mmscfd.

Raw gas production increased from 65 million mmscfd to over 200 million mmscfd, resulting in sales gas volumes exceeding 90 million mmscfd.

Management described Ghazij as one of Pakistan's largest gas discoveries in the past 10–15 years. The discovery was fast tracked into production using existing infrastructure and currently produces approximately 78 mmscfd, with plans to increase output to over 220 million mmscfd.

The Federal Government has officially allocated Ghazij gas to the fertilizer sector. According to management, this allocation will secure indigenous gas supplies for all fertilizer plants nationwide for the next 10 years, reducing reliance on expensive imported urea.

To reduce capital expenditure and the surface environmental footprint, Mari completed Pakistan's first three well pad drilling program, adapting a technique used globally in shale and tight gas operations.

Shams-1 was discovered in the Mari Gas Field. Tibri-1, located in the Kalat / Culture South block operated by United Energy, was brought on stream within 90 days of discovery, with initial production of 30–35 million mmscfd.

Management aims to achieve aggregate production capacity of 1 billion cubic feet per day within the next 12–24 months.

For FY27, management targets average annual production of approximately 117,000 BOEPD.

Unit finding costs declined to USD 1.30 per BOE, with management working toward a global benchmark of USD 1.00 per BOE. To manage E&P risk, the company aims to keep its five year rolling average finding and development costs below USD 15.00 per BOE.

Operating in frontier and security sensitive areas adds USD 0.20–0.30 per barrel in dedicated security costs. However, management highlighted that Waziristan gas generates PKR 5.0–5.5 billion in monthly revenue, while equivalent imported RLNG would cost PKR 15.0–17.0 billion per month, implying savings of over PKR 10 billion per month for the national exchequer.

Drilling is underway across licences in Central Chagai, including Blocks 322, 323, and the Sadiq area.

Management noted that mineral mine development globally takes an average of 16.5 years from discovery to first production, underscoring the need for a patient, ESG aligned development strategy.

Mari has formally inaugurated its first enterprise data centre in Islamabad, with a second facility expected to launch shortly in Karachi.

Mari has partnered with TPAO for onshore and offshore exploration in Pakistan and is assisting the company in establishing its regional office in Islamabad.

Mari has partnered with ADNOC, PPL, and POL for offshore exploration in the UAE.

Following the Federal Constitutional Court's landmark ruling, Mari reversed PKR 17.0 billion in accumulated super tax provisions during the recent quarter. Management stated that no further super tax provisions are required to be carried forward.

Offshore 2D/3D seismic acquisition is relatively less expensive than drilling in complex onshore mountainous terrain, averaging USD 15,000–20,000 per line km, depending on vessel availability, Persian Gulf insurance costs, and logistics.

Spinwam and Shewa are fully back online, with combined production of approximately 105 million scfd. Mari is coordinating with law enforcement agencies, provincial governments, and SNGPL to deploy dedicated security personnel along the pipeline corridor.

Commercial operations for the methane-to-LNG and CO₂ capture project are targeted for July–August 2027.

The first shallow water offshore well is targeted for September–October 2027, subject to a suitable weather window, at an estimated cost of USD 15–30 million.

PKR 'Mn (Consolidated)	FY25	FY26	YoY	4QFY25	4QFY26	YoY
Net sales	177,097	191,664	8%	44,802	53,364	19%
Royalty	-35,611	-45,717	28%	-10,454	-12,552	20%
Operating/field costs	-41,113	-44,452	8%	-9,530	-12,768	34%
Gross profit	100,373	101,495	1%	24,818	28,045	13%
Gross Margin	57%	53%		55%	53%	
Exploration costs	-14,862	-17,233	16%	-5,235	-8,281	58%
Operating profit	85,511	84,263	-1%	19,584	19,764	1%
Depreciation & amortisation	14,932	17,429	17%	723	4,468	N/A
EBITDA	100,443	101,692	1%	20,307	24,232	19%
Financial charges	-3,489	-4,490	29%	-938	-1,526	63%
Other income	11,640	8,398	-28%	3,151	1,562	-50%
Other charges	-5,359	-4,838	-10%	-648	-1,070	65%
Share of associates' profit/(loss)	291	-304	N/A	629	52	N/A
Profit before tax	88,593	83,029	-6%	21,778	18,783	-14%
Taxation	-23,212	3,796	N/A	-2,928	18,335	-726%
Profit after tax	65,381	86,825	33%	18,850	37,119	97%
Profit after tax a/t non-controlling interest	12	-53		0	-40	
Profit after tax a/t company owners	65,369	86,878		18,849	37,159	
Net Margin	37%	45%		42%	70%	
EPS - Basic	54.45	72.36		15.70	30.95	
DPS	21.7	27.0		21.7	18.7	

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