

Oil & Gas Exploration Companies

1QFY27: E&P Sector Earnings to Increase by +43%y/y

- IGI E&P universe earnings are expected to increase by +43%y/y during 1QFY27 to PKR 113.6bn compared to PKR 79.5bn in the same period last year. Earnings accretion is anticipated on the back of higher oil prices and gas production owing to lower availability of imported LNG. On sequential basis, earnings are expected to drop by 47%q/q owing to decline in average oil prices and one-off tax reversal booked in 4QFY26 while only 1 dry well was booked in Ishraq X-1 operated by PPL.
- We expect Mari Petroleum Company Limited's (MARI) to register earnings of PKR 19.54bn (EPS: PKR 16.3), up by +25%y/y. We expect Pakistan Oilfields Limited (POL) to report earnings of PKR 9.9bn (EPS: PKR 34.9) during 1QFY27, up by +82%y/y.
- We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 56.18bn (EPS: PKR 13.1), up by +47%y/y. We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 27.96bn (EPS: PKR 10.3), up by +39%y/y.

E&P Sector: Earnings to increase by +43%y/y to PKR 113.6bn during 1QFY27

IGI E&P universe earnings are expected to increase by +43%y/y during 1QFY27 to PKR 113.6bn compared to PKR 79.5bn in the same period last year. Earnings accretion is anticipated on the back of higher oil prices and gas production owing to lower availability of imported LNG. On sequential basis, earnings are expected to drop by 47%q/q owing to decline in average oil prices and one-off tax reversal booked in 4QFY26 while only 1 dry well was booked in Ishraq X-1 operated by PPL.

Exhibit: E&P sector profit after tax preview for 1qFY27					
Period end = Jun					
EPS	Sep/26	Jun/26	q/q	Sep/25	y/y
PPL	10.3	13.7	-25%	7.4	39%
MARI	16.3	31.2	-48%	13.0	25%
OGDC	13.1	29.6	-56%	8.9	47%
POL	34.9	43.7	-20%	19.1	82%
Total (in PKRbn)	113.6	214.3	-47%	79.5	43%
DPS	Sep/26	Jun/26	q/q	Sep/25	y/y
PPL	2.8	6.0		2.0	
MARI	0.0	18.7		0.0	
OGDC	5.0	6.0		3.5	
POL	0.0	72.5		0.0	

Source: Company Financials, IGI Research

Analyst

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MARI: Earnings to increase by +25%/y to PKR 16.3/share during 1QFY27e

We expect Mari Petroleum Company Limited's (MARI) to register earnings of PKR 19.54bn (EPS: PKR 16.3), up by +25%/y during 1QFY27 compared to PKR 15.64bn (EPS: PKR 13.0) in the same period last year. On quarterly basis, earnings are estimated to drop by 48%q/q likely in the absence of tax reversal and lower average oil prices. We attribute this growth in earnings on yearly basis during 1QFY27 to higher average oil prices and higher production owing to higher production from Shewa and commencement of production from Spinwam despite higher exploration cost owing to seismic acquisition at Harnai. We do not expect MARI to announce cash dividend along with the result in line with its payout policy.

POL: Earnings to increase by +82%/y during 1QFY27e to PKR 34.9/share

We expect Pakistan Oilfields Limited (POL) to report earnings of PKR 9.9bn (EPS: PKR 34.9) during 1QFY27, up by +82%/y, compared to PKR 5.4bn (EPS: PKR 19.1) in the same period last year. On a quarterly basis, earnings are expected to decline by 20%q/q likely owing to higher tax rate and lower realized oil prices. We attribute this yearly growth in earnings during 1QFY27 to higher oil prices and lower exploration cost. We do not expect POL to announce cash dividend along with the result in line with its payout policy.

OGDC: Profitability to augment by 47%/y to PKR 13.1/share during 1QFY27e

We expect Oil & Gas Development Company Limited (OGDC) to post earnings of PKR 56.18bn (EPS: PKR 13.1), up by +47%/y during 1QFY27 compared to PKR 38.31bn (EPS: PKR 8.9) in the same period last year. On sequential basis, earnings are expected to decline by 56%q/q likely owing to hefty tax reversal booked in 4QFY26 and lower average realized oil prices. We attribute this yearly growth in earnings during 1QFY27 to higher oil prices, commencement of production from new discoveries especially Baragzai and despite higher exploration cost owing to higher prospecting expense. We expect the Company to announce cash dividend of PKR 5.0/share along with the result

PPL: Earnings to increase by +39%/y to PKR 10.3/share during 1QFY27e

We expect Pakistan Petroleum Limited (PPL) to post earnings of PKR 27.96bn (EPS: PKR 10.3), up by +39%/y during 1QFY27 compared to PKR 20.09bn (EPS: PKR 7.4) in the same period last year. On a quarterly basis, earnings are expected to decline by 25%q/q likely owing to super tax

reversal booked in 4QFY26 and lower average realized oil prices. We attribute this increase in earnings on yearly basis during 1QFY27 to higher oil prices and oil/gas production owing to lower LNG availability and commencement of production from new discoveries such as Faiz and Baragzai. However, earnings growth is likely to be limited by higher exploration expense owing to dry well incurred Ishraq X-1. We expect PPL to announce cash dividend of PKR 2.75/share along with the result.

Exhibit: E&P sector quarterly earnings (PKRbn)

E&P sector earnings to increase by +43%/y.

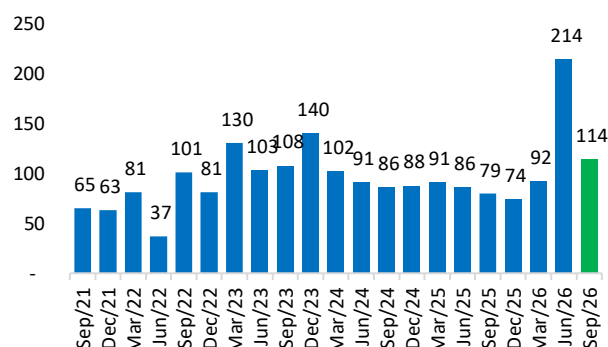


Exhibit: International oil prices (USD/bbl)

Oil prices on average increased by +22%/y and down by 16%q/q during 1QFY27.



Exhibit: Quarter-wise exchange gains/(losses) (PKRmn)

E&P sector witnessed slight up-tick in exchange losses during 4QFY26. Marginal exchange losses again expected in 1QFY27

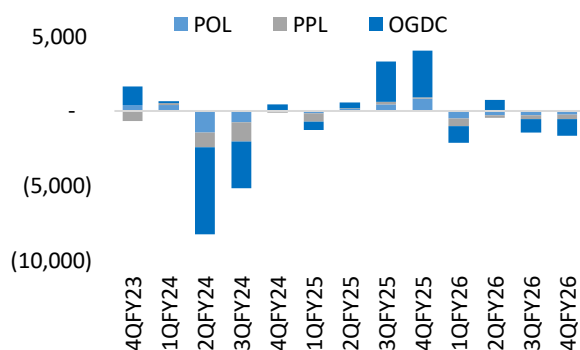
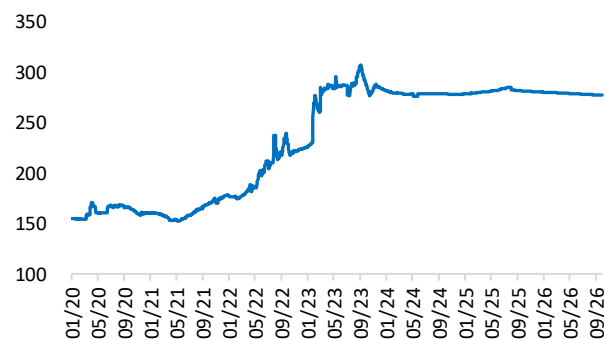


Exhibit: Exchange rate movement

PKR appreciated by almost 1.8%/y and 0.4%q/q on average during 1QFY27.



Source: Bloomberg, Company Financials, IGI Research

9 Important Disclaimer and Disclosures

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