

Oil & Gas Exploration Companies

MARI: FY26 Management Call Takeaways

- Mari Energies Limited (MARI) held an investor briefing session to discuss FY26 financial results. Management also provided further details on key developments and future outlook for the Company.
- MARI 4QFY26 earnings of PKR 37.5bn (EPS PKR 31.2), up by +99%/y, compared to PKR 18.8bn (EPS PKR 15.69) in the similar period last year. On quarterly basis, profitability is up by +77%/y. This brings total profitability for FY26 to PKR 87.1bn (EPS PKR 72.52), up by +34%/y, compared to PKR 65.1bn (EPS PKR 54.25) in the same period last year. Earnings growth mainly due to increase in net revenue on the back of rise in oil price and tax reversal.
- The Company booked tax reversal of PKR 18.3bn in 4QFY26 on account of super tax bringing total tax reversal for FY26 to PKR 3.8bn. The management does not expect any further tax reversals going forward. MARI's 2P+2C reserves has grown from 642mmboe to 1,029mmboe over the last five years and 2P reserve replacement ratio stands at 375% with 21 years of reserve life.
- The Government has approved 36-year renewal of Mar D&P Lease to 2065 which was set to expire in 2029. The Company has signed a Joint Venture (JV) with Ghani for GHG emission project and financing has been signed with HBL. The project is targeted to be commissioned by Jul-2027.

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MARI reported earnings growth of +99%/y to PKR 31.2/share during 4QFY26

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Earnings growth during 4QFY26 mainly due to increase in net revenue on the back of rise in oil price, and tax reversal related to super tax charged previously. Tax reversal stood at PKR 18.3bn in 4QFY26 bringing total tax reversal for FY26 to PKR 3.8bn.

Analyst

Abdullah Farhan
Abdullah.farhan@igi.com.pk

Exhibit: MARI Financial Highlights For the period 4QFY26								
PKRmn	4QFY26	4QFY25	y/y	3QFY26	q/q	FY26	FY25	y/y
Net Sales	53,363	44,802	19%	48,178	11%	191,663	177,097	8%
Royalty	12,552	10,454	20%	11,242	12%	45,717	35,611	28%
Operating Expense	12,292	9,380	31%	10,650	15%	43,338	40,863	6%
Exploration Expense	8,281	5,235	58%	4,876	70%	17,233	14,862	16%
Gross Profit	19,169	19,086	0%	20,149	-5%	80,538	80,402	0%
Other Income / (loss)	(160)	436	n/m	1,193	n/m	2,015	1,046	93%
EBIT	19,009	19,522	-3%	21,342	-11%	82,553	81,447	1%
Finance Income	1,567	2,487	-37%	1,236	27%	5,461	9,913	-45%
Finance Cost	1,511	929	63%	987	53%	4,462	3,478	28%
PBT	19,117	21,708	-12%	21,431	-11%	83,248	88,174	-6%
PAT	37,457	18,835	99%	21,171	77%	87,069	65,136	34%
EPS (PKR)	31.20	15.69		17.63		72.52	54.25	
DPS (PKR)	18.7	21.7		0.0		27.0	21.7	
Source: IGI Research and Company Financials						No of Shares: 1,200.62mn		

Key highlights from management conference call

- The Company booked tax reversal of PKR 18.3bn in 4QFY26 on account of super tax bringing total tax reversal for FY26 to PKR 3.8bn. The management does not expect any further tax reversals going forward.
- MARI's 2P+2C reserves has grown from 642mmboe to 1,029mmboe over the last five years and 2P reserve replacement ratio stands at 375% with 21 years of reserve life.
- The Government has approved 36-year renewal of Mar D&P Lease to 2065 which was set to expire in 2029.
- The Company has signed a Joint Venture (JV) with Ghani for GHG emission project and financing has been signed with HBL. The project is targeted to be commissioned by Jul-2027.
- The Company drilled 8 exploration and appraisal wells during FY26 which resulted in 2 discoveries. First discovery was made in Shams-1 well under Mari D&P lease which came online within 90 days and is currently producing 35mmcf of gas. Second discovery was in Tibri in Kalchas South.
- Waziristan block is now back online and the Company has deployed additional security. Spinwam-1 and Shewa were commissioned in Apr-26 with production potential of 40mmcf of

gas and 250bopd of oil. The Company plans to start Spinwam-2 while Shewa-3 has been completed and currently producing 12-16mmcf of gas. The block is currently producing 100mmcf of gas from 3 wells.

- Ghazij is not fully developed and has secured gas supply for the fertilizer sector for the next decade. However, the full potential of the field would depend on enhancement of production capacity by the fertilizer sector.
- SML-3 and PKL-9 are currently being drilled at Mari field. Facilities at Sujawal and Shah Bandar are ongoing with potential of 20mmcf and 30mmcf respectively while Pateji-2 is in planning phase.
- The Company is currently acquiring seismic data at Karak, Kohat, Harnai and Ziarat block while drilling is in progress at Ghauri East -1 and Rahi X-1. Seismic survey is likely to commence in Nov-2026 on offshore front while first well in Indus Block-C is targeted for early FY28. Seismic data acquisition cost for offshore will likely be around US\$ 15-20k/L.Km, relatively lower than onshore while drilling cost would stand around US\$ 10-20mn for shallow and US\$ 40mn for frontier.

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Saher Hussain	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	saher.hussain@igi.com.pk
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001
Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69

LSE Plaza
Office No.1A at North Mezzanine Floor of the LSE
Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.
Tel: (+92-42) 38303565

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad
Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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