

## Foundation Alert

### MARI: Sachal Gas Processing Complex completed testing phase

#### Event

- MARI Petroleum Company Limited (MARI) has successfully achieved testing of processing of low Btu gas from Sachal Gas Processing Complex phase-II.

#### Impact

- MARI has achieved the phased commissioning and performance testing of the Sachal Gas Processing Complex (SGPC) Phase-II facility.
- MARI completed the construction of SGPC Phase-II facilities in Jan'23 to process low Btu gas from Goru-B reservoir of Mari Gas Field in Daharaki, Sindh Province.
- Currently, company is supplying 95 mmcfd of pipeline specification gas to SNGP network.
- The gas is being supplied by company's own 20 inch, 25 km long, cross country gas transmission pipeline connecting SGPC to SNGP valve assembly (QV-2) at Mahammadpur.
- Post integration of SGPC Phase I & II and after commissioning of the remaining wells which is ongoing, the plant will reach its full potential in due course.
- We expect, Phase-II of SGPC would add ~Rs50/130 per share to company's profitability of FY23/FY24.

#### Outlook

- Enhanced probability of continuation of flows on incremental pricing from HRL, immunity to circular debt, dollar hedged topline, aggressive exploration drive in hydrocarbon rich areas and offshore expansion compel us to have "Outperform" stance on the stock with Dec'23 TP of Rs 2,096.6.

#### Analyst

Muhammad Awais Ashraf, CFA  
+92 21 3561 2290-94

m.awais@fs.com.pk  
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If	
Expected return >+10%	Outperform.
Expected return from -10% to +10%	Neutral.
Expected return <-10%	Underperform.