



WE CARE

MOL Pakistan Social Welfare Program
2010-12 - Review

MOL Pakistan Oil & Gas Co. B V



MOL PAKISTAN - ACREAGE MAP



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Acronyms & Abbreviations

BHU	Basic Health Unit
B D Shah	Banda Daud Shah
BS	Bachelor of Science
CSR	Corporate Social Responsibility
CEO	Chief Executive Officer
D&P Lease	Development & Production Lease
DCO	District Coordination Officer
DGPC	Directorate General of Petroleum Concessions
EPA	Environmental Protection Agency
E&P	Exploration & Production
ERS	Electrical Resistivity Survey
FATA	Federally Administered Tribal Area
GHS	Government High School
GHPL	Government Holdings Private Limited
JV Partners	Joint Venture Partners
KG	Kindergarten
MMSCFD	Million Standard Cubic Feet per Day
OGDCL	Oil & Gas Development Company Limited
POL	Pakistan Oilfields Limited
PPL	Pakistan Petroleum Limited
PKR	Pakistani Rupee
TCF	The Citizens Foundation
US \$	United States Dollar



VISION

MOL Group keeps people moving ahead by discovering new ways of serving their energy needs better and creating value for generations to come.

MISSION

Operating across and from Central Europe, MOL Group will systematically overcome all frontiers, inspired by its management and relying on the expertise of its people.

MESSAGE BY
ERNŐ LIPTÁK
FORMER CEO/MD
MOL PAKISTAN



Dear Readers,

MOL Pakistan has been in Pakistan for over 13 years now. Over this period, while we, with support from our joint venture partners, have excelled in our oil & gas operations with amazing results, we have not been oblivious of our social responsibilities that we owe to the people of the area where we work. Thus we along with our joint venture partners have made enormous efforts to bring about projects that would have lasting effects on the communities as a real time help. Our ventures have been successfully accomplished in health, education, drinking water, infrastructure improvement including road construction, supporting government initiated projects to the extent of helping it jointly with OGDCL and also in construction of mega projects like Khushal Garh bridge, that on completion, would be main communication link between Khyber Pakhtunkhwa and Punjab. This bridge would facilitate and ease traffic between the two provinces and generate colossal commercial activities.

We are satisfied with the funds that are being spent on these important sectors that have direct bearing on the well being of the people of the area. We are quite hopeful that additional investments in such development sectors will be made in days to come.

This report, first of its kind, gives you a brief preview of what we have been doing in these prioritised sectors during last three years and also sets a new benchmark for us in our commitment of continuing to work for the betterment of the communities that we consider our hosts in the area.

Thanks and Good Bye

MESSAGE BY
FERENC JUHASZ
MANAGING DIRECTOR/CEO



MOL Pakistan, member of MOL Group is into Fourteenth year of its presence in Pakistan and operating across three continents in more than 40 countries worldwide.

MOL Pakistan, as a socially responsible corporate entity, has always given special emphasis to the welfare of the area where it operates. In recent years CSR has become a fundamental business practice of MOL Pakistan and has gained much attention from Managing Director, Board of Directors and Executive Management Team.

They understand that a strong CSR program is an essential element in achieving good business practices and effective leadership. So be it earthquake or floods in North of Pakistan or torrential rains in South, MOL Pakistan has always excelled in its CSR activities where required.

Dear readers, although government is doing a lot in provision of basic amenities to the local communities, MOL Pakistan never lags behind in terms of providing financial support for various programs/projects in its operational area.

A brief of such programs and projects is part of this report. MOL Pakistan stays committed to the long term energy future of Pakistan and will continue its work in the field of hydrocarbon exploration.

Thanks

This report is necessarily a snap-shot, and cannot be a complete portrayal of all the endeavors carried out during this period. However, an effort has been made to accommodate and include a sample list of welfare initiatives successfully accomplished by MOL Pakistan during the year 2010,2011 & 2012. It may not probably give complete details of internal and external efforts on which we have worked. For example, one of the projects, I am particularly excited about is construction and running of a network of schools in Tal Block. Through this project, we are leveraging the knowledge and experience of one of the esteemed not-for-profit service providers – The Citizens Foundation (TCF). It will help us build a culture in which the reality of our future vision for welfare of local communities and area will be accurately reflected.

There were of course, much more activities carried out during 2010-2012 in which we take pride and some of them include:

- Intermediate and Technical Scholarship Program
- Drinking water supply and sanitation schemes
- Free medical and eye camps
- Construction of infrastructure in government educational institutions and health facilities
- Construction of model school
- Sponsorship of sports activities
- Plantation campaigns and construction of water harvesting structures
- Provision of relief items to calamity hit people .

It is evident from nature of the above projects that three sectors of education, health and provision of drinking water remained focus of the social welfare program during the Five Years Plan (2008-2012) prepared with local community. However taking cognizant of the fact, MOL Pakistan did include livelihood as the fourth pillar of the program in 2012.

Each of these efforts, reflect what we know about our neighboring communities and creating the conditions of program success for vulnerable groups in the broader community and what we know about ourselves and advancing our craft of social responsibility. Together these create the opportunities for the practical application of knowledge that can fuel the process of helping people help themselves.

In the end, I would say, MOL Pakistan is proud to be working with local communities and organizations and will come up with a variety of interventions by maximizing its investments and implying different approaches for sustainable development of the operational areas.

MESSAGE BY AHMAD NAWAZ DIRECTOR OPERATIONS



Thank You

COMPANY PROFILE COMMUNITY DEVELOPMENT PROGRAM

MOL Pakistan, a member of MOL Group (headquartered in Budapest, Hungary) is into fourteenth year of its presence in Pakistan. Today, MOL Group has operations across three continents in more than 40 countries with a workforce of more than 31,000 employees. Its shares are listed on the Budapest, Luxembourg and Warsaw Stock Exchanges and the Depository Receipts are traded on London's International Order Book and on OTC in the US.

Ever since its presence in Pakistan, MOL Pakistan has been the operator of the Tal Block, and also of Margalla and Margalla North since 2006, maintaining a very strong relationship with its Joint Venture partners by gaining their trust. Tal Block is spread over the areas of districts Kohat, Karak, Hangu and Bannu of Khyber Pakhtunkhwa and some areas of North Waziristan and Orakzai agencies. MOL Pakistan successfully marked six discoveries during the last decade which is considered a very high success rate within MOL Group and even by international industry standards.

Manzalai was the first discovery followed by the Makori, Mami Khel, Maramzai, Tolanj and Makori East. So far, 2.7 TCF of gas reserves and 92 MMBOE oil reserves have been estimated from the Tal Block. More reserves will be added after the completion of the appraisal and development of the Mami Khel, Maramzai, Tolanj and Makori East discoveries.

MOL Pakistan is also operating under Petroleum Exploration Licenses for Margalla and Margalla North Blocks in the area of the Federal Capital and parts of the Punjab and Khyber Pakhtunkhwa since November 2006. It also has 40% share in the Karak Block where the first discovery was made in 2011.

MOL Pakistan, as a socially responsible corporate entity, has always given special emphasis to the social welfare of the area in which it operates. The company along with its joint venture partners has spent US\$ 6 million on the construction of the roads and by-passes in the Tal Block whereas it has also paid US\$ 5.64 million as production bonus including US\$ 2.64 million in 2012 to the federal government which is being utilized on developmental schemes of the areas falling in the Tal Block of Khyber Pakhtunkhwa Province.

Besides above, about US\$ 1.2 million has already been spent on different projects from the social welfare allocation of the company for the area along with allocation for the projects undertaken each year by MOL Pakistan as CSR Projects over and above its obligation.

Among the identified needs of community, drinking water supply, health and education were prioritized and have remained top priority of its social welfare programs in the area. People of Pakistan in general and Khyber Pakhtunkhwa in particular are well aware of the kind of services rendered by MOL Pakistan which aim at improved life standards.

Recently MOL Pakistan took another step towards attaining CSR objective when it signed MoU with The Citizen Foundation (TCF) for construction and running of three schools for the children of communities living in the area of Tal Block. One of these three schools has already been constructed and is fully functional imparting quality education to over 100 students of Gurguri village. On construction and completion of the other two, a substantial change in the lives of people of Tal Block area is expected. Another example of CSR initiative by

MOL Pakistan is commencement of construction work of Khushal Garh Bridge which on completion will act as a main link of communication between Southern Khyber Pakhtunkhwa and Punjab province. The existing bridge is inadequate to take heavy loads, is not broad enough for two way traffic and being old has gone dangerous. The heavy transportation loads in spite of oil and gas discoveries necessitated the imperative requirement of a modern new bridge.

Initiation of construction work of the new Khushal Garh bridge was result of a tripartite agreement signed among NHA, OGDCL and MOL through which MOL and OGDCL are extending financial assistance amounting up to Rs 700 million for this purpose. The ground breaking ceremony of the new bridge was carried out by the then Honorable Prime Minister of Pakistan after which construction work started in early 2012. It is hoped this new Khushal Garh Bridge once completed would be beneficial for the communities at large and provide a boost to the economy of the Khyber Pakhtunkhwa province.

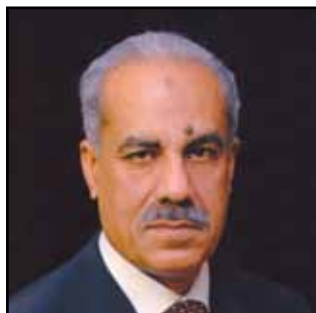
MOL Pakistan stays committed to the long term energy future of Pakistan and will continue its work in the field of hydrocarbon exploration. Besides that, it will invest in the communities to make them have a feel of ownership of their natural resources.



Mr. Ferenc Juhasz
Managing Director / CEO



Mr. Ahmad Nawaz
Director Operations



Lt. Col. (R) Engr. Niaz Safdar
Head, Community Development



Mr. Said Kamal Khan
Deputy Chief-CD

MOL PAKISTAN

Approach to Community Development Program



A view of old Khushal Garh bridge

Living standard of the Pakistani people is lower than the people of other countries, where MOL Pakistan is traditionally, or, as a result of its expansion strategy present. For this reason, special attention is paid so as to improve the living standard of the local communities in the blocks operated by MOL Pakistan through various social and welfare investments.

MOL Pakistan since its inception has made strenuous efforts to promote the welfare of the community and is actively engaged in undertaking community development projects in its concession areas.

In order to develop ownership, the social welfare schemes are identified and prioritized with the local community by using different tools for the purpose.

Community involvement right from the planning till the implementation and completion process is the main focus of MOL Pakistan because MOL believes that the projects and schemes are more sustainable and more productive when the community owns the project.

MOL Pakistan considers public representatives, local elders, including Nazim, Councilors as important stakeholders and keeps them fully involved in the identification, prioritization and implementation of the social welfare projects.

Along with support from local community these schemes are supported & monitored by both district administration and MOL Pakistan.

Community Development Projects (Overview of 2010-2012)

MOL Pakistan is working on an integrated strategy and gives due importance to each sector of development inter-alia its importance for community. However as identified and assessed with local communities and district administration, more emphasis is given to education, water supply and health sectors.

While MOL Pakistan has successfully completed several projects in its concession area, this report will portray a sector wise review of social welfare schemes completed during 2010-12.

EDUCATION





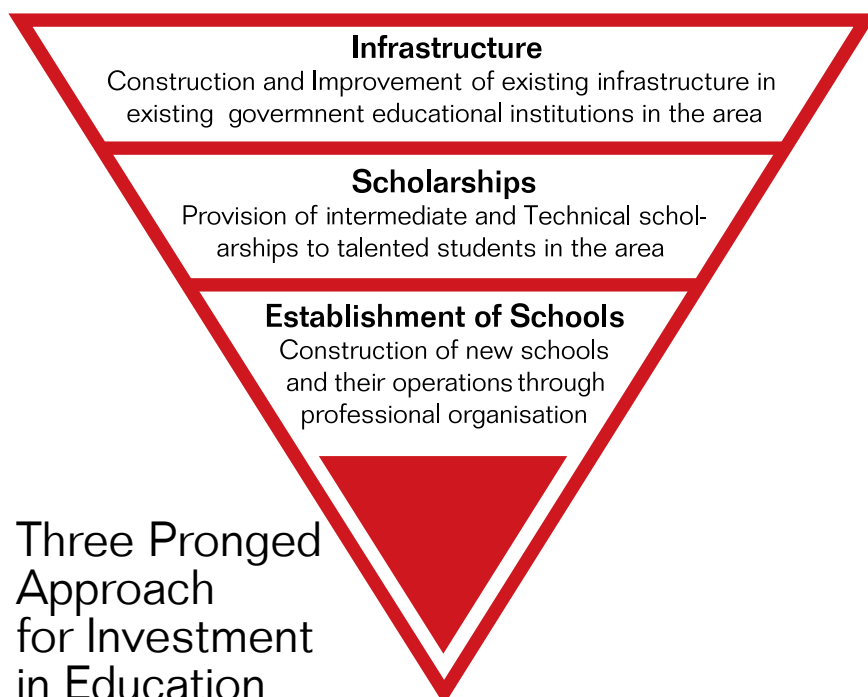
Although provision of basic educational facilities to local communities is the responsibility of the government but due to meager allocation of funds for this sector, the government's facilities are insufficient in terms of providing required infrastructure and teaching staff.

The situation of educational facilities gets more aggravated in far flung rural areas of Khyber Pakhtunkhwa and particularly in rural areas of Tal Block.

In order to bring visible socio-economic change in the lives of the people of the area of its operation, MOL Pakistan considers education as the most powerful instrument that brings positive change in the attitude and behavior of the people and helps in alleviating poverty by producing skilled manpower. Since its inception, MOL Pakistan been

interested to invest more in this sector, considering it to be the best way of helping the rural poor communities to help themselves and sustain their life on permanent basis

In this sector MOL Pakistan has adopted three-pronged approach by improving the existing infrastructure/facilities in government educational institutions, through construction of additional infrastructure, offering merit based scholarships to the students of operational area and provision of quality education after construction of purpose-built schools and handing them over to private professional organization for future operation and maintenance .



EDUCATION INFRASTRUCTURE

Construction of Examination Hall at Government High School Teri, District Karak

Government High School, Teri is the oldest school in District Karak and has strength of about 700 students. However, the school was lacking the most needed examination hall. The local community and principal of the school requested MOL Pakistan for construction of the said facility which was approved in 2010 for implementation through Works and Services Department Karak and subsequently completed in March, 2011.

After completion, the building was inaugurated by Commissioner Kohat and handed over to the Executive District Officer (Education) for future operation and maintenance.

also provide an opportunity for the co-curricular activities of the school and District Education Department in the nearby area.



Main Features of the Project

- Building structural and finishing works.
- Provision and installation of water supply network.
- Construction of sewerage system.
- Provision of internal and external electrification

Beneficiaries

The hall will not only provide enough space for holding annual examinations in a controlled environment but will





MOL SCHOLARSHIP PROGRAM

MOL operates in Kohat, Karak and Hangu (Tal Block) which are one of the deprived districts of Khyber Pakhtunkhwa province and apart from other problems lack educational facilities.

The main responsible factors are lack of quality institutions, professional educators, teaching aids, learning materials, and educational technologies.

Although Pakistan has a number of educational institutions of repute, but mostly in big cities. To meet the social and economic costs of these institutions is next to impossible for students from Tal Block. Taking cognizance of this situation and as requested by the locals of the area, MOL Pakistan launched its scholarship program on experimental basis in 2005.

As was in practice since 2007, two types of scholarship were being offered to the students of Tal Block i.e. Intermediate Scholarships & Technical Scholarships

Intermediate Scholarships

Since 2005 Intermediate Scholarship program has been awarded to students of Intermediate level (FA and FSc.) for two years from specified areas in three districts of Tal Block.

The scholarship program was launched by MOL Pakistan for four sessions till 2012 and has benefited 87 students who have successfully completed the sessions.

Under this scholarship program Rs. 4,000/- per month were offered over

a period of two years which was paid to the students in instalments on six monthly basis.

Technical Scholarships

After successful experience of Intermediate Scholarship program, and as desired by the local communities of the area, MOL Pakistan also started its Technical Scholarship program in 2007. Initially the program was restricted to the students of District Karak and Hangu and later on was extended to District Kohat also.

The scholarship aims at providing financial assistance to students who are bright, have secured admission for a degree course in university and have successfully completed 2nd year of study in Engineering and Geology/ Geophysics disciplines or for a three years diploma (DAE) (have completed 1st year) from a recognized technical training institute/college.

The Technical Scholarship were offered to Engineering and Geology/ Geophysics Students for PKR. 10,000 per month and PKR 7,000 per month for DAE students over a period of two years, paid in instalments.

So far 36 students have benefited from this program out of which twenty three (23) scholarships were for Bachelor of Engineering (B.E) students, ten for students of Technical Diploma (DAE) and three for Bachelor of Science (BS) in Geology/Geophysics. 13 scholars of Engineering and Diploma of Associate Engineer (DAE) after completing their studies were offered employment as trainees and later on confirmed as



employees of MOL Pakistan.

Completion Ceremony of Scholarship Program

On completion of the scholarships, after every two years, a certificate distribution ceremony is organized and completion certificates are distributed among the scholars in a graceful



Mr. Liptak former MD/CEO MOL Pakistan awarding certificate to a young scholar

ESTABLISHMENT OF SCHOOL IN TAL BLOCK

manner.

Besides, supporting the district administration in provision of proper infrastructure in government educational institutions, MOL Pakistan also embarked upon construction and establishment of schools at its own to be operated by independent professional organization. Thus, an agreement was inked with 'The Citizens Foundation' (TCF) in 2010 with an understanding that MOL would construct three schools in Tal Block to be handed over to TCF for their operation and maintenance. Out of the three schools planned, one has been constructed at Gurguri (District Karak) and handed over to TCF. The school has been operative since Sep 2012.

A total of 100 students, half of them being girls, have already been enrolled in 3 classes.

Process of land acquisition for 2nd School at Makori (District Karak) has already been initiated and its construction will start as the land is made available. After successful completion, the model will be extended to other parts in Tal Block.



Hungarian Ambassador H. E. Mr. Istavan Darvasi at foundation laying ceremony of the school





HEALTH

Pakistan is the sixth most populous country in the world. However expenditure on social sector and specifically on health is comparatively lower.

The country's access to adequate health care is severally limited, in particular to rural population of Tal block in Khyber Pakhtunkhwa province of Pakistan.

Medical checkup is a luxury for an ordinary man and situation worsens for women patients due to restrictions on their mobility in the area.

MOL Pakistan has adopted two-pronged strategies: First by supporting government for construction of proper infrastructure and secondly taking upon itself the provision of health services through mobile medical camps in the block area where government health facilities are not available.

Construction of Ten Bedded Medical Ward, BHU Daresh Khel, Karak

Bahader Khel is one of four union councils of Tehsil Banda Daud Shah in District Karak falling in development and production lease area of MOL Pakistan in Tal Block.

Being urgent, the need for construction of the medical ward at Basic Health Unit (BHU), Daresh Khel in District Karak, was identified by the local community through Union Nazim, and was fully endorsed by Member National Assembly (MNA) from the area.

The project was implemented through Works & Services Department, District Karak and completed in September, 2010.

After completion, the building was handed over to the Executive District Officer (Health), Karak for future operation and maintenance

INFRASTRUCTURE IN GOVERNMENT HEALTH FACILITIES

MOL Pakistan has contributed by constructing new buildings for Basic Health Units (BHU) at Gurguri and Makori and ten bedded medical ward at Basic Health Unit Daresh Khel in District Karak

Main Features of the Project

The project comprised of construction of 10 bedded ward with offices for doctor & nurse along with allied facilities at Basic Health Unit Daresh Khel.



Inauguration of the Project

After completion, a simple but graceful inauguration ceremony was organized at Basic Health Unit Dareh Khel in District Karak.

District Coordination Officer was the Chief Guest of the ceremony. Besides, District Officers of different departments and community elders from the union Council also attended the ceremony.

Provision of Generator to Civil Hospital Teri, District Karak

Civil Hospital Teri is one of the government health facilities providing services to the three union councils

of Tehsil Banda Daud Shah in District Karak .

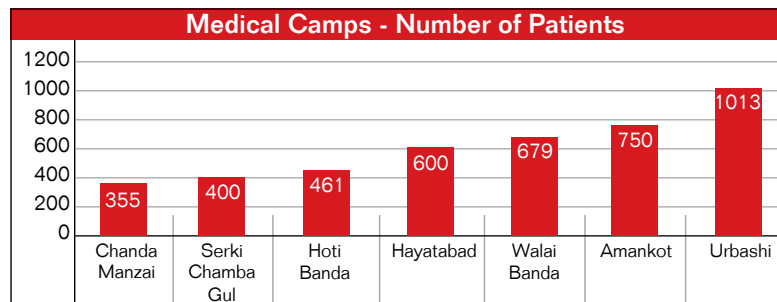
However, due to prevalent low voltage and load shedding in the area, the medical staff was facing many problems and consequently the patients were the ultimate sufferers. The hospital management requested MOL Pakistan to provide a generator to the hospital. District administration also recommended the request for provision of a generator to the hospital in the best interest of the local community. As a result, a generator of required capacity along with allied accessories was purchased, installed and handed over to the District Health Officer, Karak in simple ceremony presided over by DCO Karak.

FREE HEALTH CAMPS IN TAL BLOCK

As a responsible corporate entity, MOL Pakistan has always responded to the call of local communities of its operational areas regarding their basic needs. One such request from the local communities of Tal Block was to organize free medical and eye camps in areas which are located far from the available health units. The residents of such areas, particularly women and children had no choice but to bear with the situation owing to extreme poverty and limited access of women due to 'pardah' issue.

Free Medical Camps

Keeping in view this phenomenon, MOL Pakistan in close coordination with District Administration and District Health Authorities started organising a series of medical camps at suitable locations. During 2011-12, seven such camps were organized in three districts of Tal Block where 4,258 patients including 2,395 women were treated and provided with the prescribed medicine.



Basic objectives of the activity were

- To provide specialized medical care for local community at local level
- To help the women and children to receive medical care and health hygiene information
- To create sense of awareness in local community for adopting healthy life styles

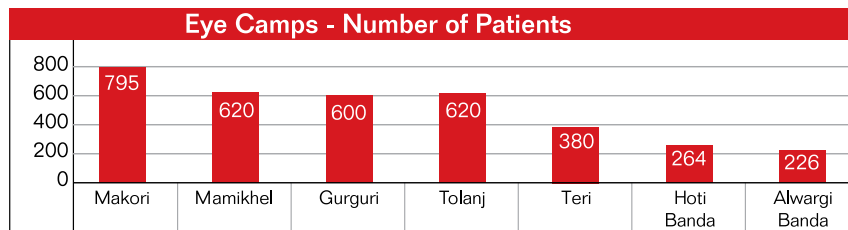
damage to the eyes of the local people in the area and needed proper education in this regard. Further that 80% of the agricultural activities in the area are carried out by the womenfolk and children and their access to such services is very limited. Hence there was urgent need to provide preventive as well as diagnostic services through a professional organization to avoid and overcome such risks and diseases.

Free Eye Camps

During meeting with local communities of Tal Block, it was felt that free eye camps may be organized along with free medical camps. The sandy and arid terrain was causing enormous

In order to meet this requirement, MOL Pakistan in collaboration with Al-Shifa Trust Eye Hospital started a series of eye camps to be held at different locations in Tal Block. Seven such camps have already been established till 2012 in District Karak and Kohat.





During the camps, OPD services were provided along with required medicine and spectacles. Patients recommended for operation were taken to Al-Shifa Trust Eye Hospital as per availability of the patients.



Response of the local community

The local community and district administration welcomed these initiatives of MOL Pakistan in such far flung areas of the block. MOL Pakistan is planning to continue and extend these camps to other areas of Tal Block in 2013.

DRINKING WATER SUPPLY SCHEMES

The shortage of drinking water is one of the major problems faced by the local community in Khyber Pakhtunkhwa in general and Tal Block in particular.

Taking cognizance as basic necessity of prime importance for local community, MOL Pakistan with the support of Halcrow (International Consultant) carried out Electrical Resistivity Survey (ERS) and drilled test bores to identify and locate the perennial source of water. However no perennial source was located and water had to be tapped from existing springs in the area or surface water through digging of open wells.

During its stay in the area, MOL Pakistan has already completed the following water supply schemes in the area.

- Drinking water supply scheme Tehsil Head Quarter Hospital, Banda Daud Shah (District Karak).
- Drinking water supply scheme (10 hand pumps) Saam Banda, Tehsil Banda Daud Shah (District Karak).
- Drinking water supply scheme Gurguri (Phase-i) Tehsil Banda Daud Shah (District Karak).
- Drinking water supply scheme Adam, Nizrab and Nayan Banda, Tehsil TAL (District Hangu).

DRINKING WATER SUPPLY SCHEME ADAM, NIZRAB & NAYAN BANDA DISTRICT HANGU

Nizrab Banda is the village situated at a distance of about 30 km from Tehsil Headquarter of Tal Tehsil in District Hangu and is the location where Manzalai-3 well of MOL Pakistan has been drilled .

People of the area are very poor and drinking water was the main problem as identified by the Community Relations Officer of MOL Pakistan after discussion with the local community.

Hence through Water Supply and Sanitation Department, Government of Khyber Pakhtunkhwa, a project was designed in 2008 and completed in 2010

Main Features of the project are;

- Development of source
- Intake Chamber
- Delivery Main Adam and Nizrab Banda
- Delivery Main Nayan and Mehboob Banda
- Surface Reservoir (2)



DRINKING WATER SUPPLY SCHEME AT SHARQI BANDA



Village Sharqi is situated on left side of Teri Gurguri Road at a distance of about 20 kilometer from Tehsil Headquarters, Banda Daud Shah. Sharqi Banda is adjacent village to Sam Banda where Manzalai-2 well of MOL Pakistan has been drilled.

There is no sustainable water reservoir in the area and the people were to fetch water from open ponds and check dams.

Based on the resistivity survey carried out in the area, an open well was recommended and undertaken for implementation. The scheme was completed in 2011 and inaugurated by District Coordination Officer Karak.

Main Features of the project:

- Resistivity Survey
- Open Well
- Pump House
- Pumping Machinery
- External Electrification
- Surface Tank

DRINKING WATER SUPPLY SCHEME, MANAN COLONY

Manan Colony is situated along Bannu-Kohat Road at a distance of 3 kilometers to the North-East from the main Tehsil Headquarters of Banda Daud Shah and the main village where Makori production facility is located.

Keeping in view the shortage of potable water to the local community in Jatta Union Council, an Electrical Resistivity Survey (ERS), through Water Supply & Sanitation Department Karak was carried out in the area and based on the result, an open well was recommended. Hence based on the recommendation,

a PC-1 including cost estimate was prepared by Public Health Engineering Department Karak and implemented through the said department.

Main Features of the project

- Resistivity Survey
- Open Well
- Pump House
- Pumping Machinery
- External Electrification
- Raising Main/Distribution System
- Reservoir
- Distribution system

The scheme was completed in December 2011 and handed over to Public Health Engineering Department for operation and maintenance after its inauguration by District Coordination Officer, Karak.



DRINKING WATER SUPPLY SCHEME, HOTI BANDA, KOHAT

Village Hoti Banda (adjacent village to Mami Khel-1 well) is situated on the Ghurauzai- Darmalak road at a distance of about 10 kilometers from Tehsil Lachi of District Kohat.

After discovery of Mami Khel-1, the local community of Hoti Banda through Union Council Nazim Lachi (Rural) requested for provision of drinking water.

After assessing the need, the scheme

was approved for implementation in 2010 which was completed in 2011 and handed over to Public Health Engineering Department (PHED) Kohat for future operation and maintenance.

Main Features of the project include:

- Resistivity Survey
- Infiltration Gallery with Open Well
- Chamber & Distribution System
- Pumping Machinery & Electrification
- Rising Main
- Surface Reservoir (10,000 Gallons)



SUPPLY OF WATER THROUGH BOWZERS

Keeping in view the shortage of water in district Karak that usually aggravates in summer season, MOL Pakistan in collaboration with District Administration Karak, has always managed to provide drinking water through bowzers as temporary and alternative arrangement to cater for this urgent need of local people at several locations in Tal Block.



SPORTS ACTIVITIES

The importance of sports and games is being increasingly recognised in Pakistan, from both educational and social points of view. However, due to very limited sports facilities, the sports activities are not flourishing in the far flung operational areas of MOL Pakistan. As requested by the local youth and the district administration, MOL Pakistan sponsors and organizes such sports events on regular basis along with revitalizing the historical annual sports tournament already played in the area. The objective of such events is to engage the youth in healthy activities by imparting qualities of sportsmanship, tolerance and to keep them away from falling prey to unhealthy habits.

MOL Pakistan has been sponsoring the Cricket Mela at Teri in District Karak, Lachi Foot Ball Tournament in District Kohat for the last three years in Tal Block and T-20 Cricket tournament for physically handicapped persons of Margalla Block for the last four years at Islamabad.

The opening and closing ceremonies of Triangular Cricket Series in 2011 and MOL Indo-Pak International Cricket Series in 2012 for physically handicapped persons was also attended by Managing Director/CEO of MOL Pakistan, Chairman, Baitul Mall Pakistan along with other dignitaries at Margalla Cricket Ground Islamabad.







LIVELIHOOD PROJECTS IN TAL BLOCK

During 2011, MOL Pakistan after discussion with all the stakeholders, brought a major shift in its policy and decided to undertake livelihood projects in the area.

Distribution of Plants in local communities of Tal Block

MOL Pakistan and Sarhad Rural Support Program (SRSP) inked an agreement to work together for environment improvement and effective community waste land utilization through plantation in the selected Union councils of the Tal Block.

SRSP is the largest private organization in Khyber Pakhtunkhwa and has a wider experience of community mobilization for harnessing people potential through establishment of a network of community organizations at grassroots for equitable, sustainable

and engendered development. SRSP has an active presence in almost all districts of Khyber Pakhtunkhwa.

As per understanding 250,000 forest plants were distributed among the local communities to be planted on communal lands, individual lands, government schools, health facilities and other government set ups.

The target beneficiaries of the proposed project were mainly of Union Councils Terri, Jatta Ismail Khel, Gurguri in Karak, Union Council Lachi Rural in Kohat and Union Councils Dallan & Kotki in District Hangu.

The plantation campaign was inaugurated by His Excellency Ambassador of Hungary, Mr. Istavan Darvasi at Gurguri in District Karak. Managing Director MOL Pakistan and DCO Karak were also present on the occasion and carried out the activity by planting saplings.



Construction of Water Harvesting Structures in Tal Block

Being arid zone, the water table is depleting day by day in Tal Block and in order to overcome this phenomena and sustain it in the area, water harvesting structures were recommended by the technical department of the area.

Rain water harvesting appears to be one of the most promising alternatives for supplying fresh water in the face of increasing water scarcity and escalating demand particularly in areas of Tal Block.

As a result a detailed proposal with potential sites for such structures in Noshpa area of Tal Block was submitted by soil Conservation and District Administration, Karak, which was approved for implementation in 2012.

A ground breaking ceremony was held at village Salkhanai Banda of Noshpa area in Tal Block on 5th June, 2012. Muhammad Zubair, District Coordination Officer, Karak was the Chief Guest on the occasion.

After laying foundation stone, a public gathering was held which was participated by local community including elders, activists, officials

of the line departments, religious leaders, Regional Coordinator OGDCL, and Jahanzeb Khan, Director Soil Conservation, Khyber Pakhtunkhwa.

The project was initiated in July 2012 and was completed in January 2013. According to the feasibility of the project, a total of 12 structures including 07 earthen water ponds, 03 cemented water ponds and 02 cemented check dams were constructed in the area. This project will not only help in meeting water requirement of the local community for drinking purpose, but will also help in raising the water table in the area.

The local committee of the area sincerely thanked MOL Pakistan on initiating such a worthy project which will certainly bring positive change in their lives in the upcoming days.

After successful completion of this project MOL Pakistan intends to replicate this model in other areas of Tal Block.



DONATION TO THE FLOOD/RAIN AFFECTEES OF PAKISTAN



The deadliest weather related disaster in July 29, 2010, where heavy monsoon rains triggered floods, leaving over 2000 people dead and over 21 Million people affected. The most affected districts were Charsadda, Nowshera, Swat, Shangla, and parts of Karak, Kohat and Hangu (MOL operational areas) in Khyber Pakhtunkhwa Province and southern Districts of Punjab and area of Sindh province adjoining Indus river in Pakistan.

MOL Pakistan Oil & Gas Co. as a responsible corporate entity responded immediately out of sympathy with affected people and due to the call for help made by Government of Pakistan, dispatched different consignments of relief items to the affected areas to assist the flood affected people in Pakistan.

Relief Items for Kohat Division (Tal Block)

MOL Pakistan Oil & Gas Co. dispatched the first consignment of relief items to assist people in the flood-affected districts of Kohat Division. The supplies were distributed by the divisional administration amongst the three districts of Karak, Kohat and Hangu. The first convoy consisting of 07 trucks, carrying food and non food items including medicines was handed over by Engr. Col. (R) Niaz Safdar, Manager Community Relations Department to Commissioner Kohat Division Mr. Khalid Khan Umerzai and DCO Karak at their offices on 9th August, 2010.

MD/CEO MOL Pakistan, Mr. János Feher, while handing over the relief items convoy for dispatch to the affected area, said, "MOL Pakistan is committed to help the people of Khyber Pakhtunkhwa province in need and we want to convey to them that MOL Pakistan is



fully aware of the difficulties the people are going through. We would like to assure them that MOL will always be there for them, whenever need be."

Relief Items for Nowshera District (Khyber Pakhtunkhwa)

Nowshera in Khyber Pakhtunkhwa Province was the worst affected district due to 2010 floods where thousands of homes were completely destroyed in the torrential rains and consequent flooding in Pakistan. More than 1000 people were said to have died.

MOL Pakistan dispatched its second and third consignment of relief items to help people in the flood-affected district of Nowshera. The second consignment included five trucks of relief goods containing tents and food items, while the third separate consignment contained direly needed water purification tablets and medicines. The relief goods were handed over to District Administration Nowshera/Pak Army by Ex. Managing Director, MOL Pakistan Mr. János Feher in a simple ceremony at Nowshera on 24th August, 2010.

Ex. MD/CEO MOL Pakistan, Mr. János Feher, while handing over the relief items convoy for dispatch to the affected area, said, "MOL Group and MOL Pakistan is committed to help the people of Khyber Pakhtunkhwa province in need and as it is proven now, we also provide aid supplies outside our area of operations. Our concept is to visit the affected areas and with the help of local administration find out the most needed items and to provide

these within our capabilities. The sheer scale of catastrophe is unprecedented in the recent history of Pakistan and it is binding upon all, who can afford to come forward and help Pakistanis in this hour of need. We would like to assure all Pakistanis that MOL will always be there for them"

Relief Items for Muzaffargarh District (Punjab Province)

After causing heavy damage in Northern Pakistan, the rain and floods kept on playing havoc in Punjab and Sindh provinces also. MOL Pakistan sensing the need for relief items in this part of the country again sent a convoy of 04 trucks to Muzaffargarh District of Punjab province and handed it over to concerned authorities by MD MOL Pakistan on 20th September, 2010.

Donation to the flood affectees of Sindh Province in 2011

As usual, MOL Pakistan Oil & Gas Co. as a responsible corporate entity responded immediately to the call by the Government of Pakistan, by sending consignment of relief items worth US\$50,000 to help people of flood-affected districts of Tando Muhammad Khan and Sanghar.

It may be recalled that torrential rains had played havoc with people of Sindh, leaving hundreds of thousands

of people homeless. MOL Pakistan donated tents, blankets, medicines and water purification tablets worth USD 25,000 each for people of Tando Muhammad Khan and Sanghar. The supplies were handed over to the District Administration of Tando Muhammad Khan and Sanghar in Sindh Province of Pakistan.

Officials from MOL Pakistan read over the message on part of MD/CEO MOL Pakistan while handing over the relief items for the affected area.

HSE and Social Impact Policy

We are committed to

- contributing to Sustainable Development by protecting Health, Safety and the Environment and to the social impact of our activities as an integrated part of day-to-day business.
- achieving a generative HSE culture to prevent incidents of every type and reducing our environmental footprint whilst maximising positive impact on society in general.



We operate a management system to

- comply fully with internal standards that are way beyond relevant legal requirements
- improve the overall health of all our employees
- control HSE, social risks and impact from our operations and products
- improve our high standard of emergency response capability
- support climate protection initiatives
- conserve natural values and biodiversity
- ensure that contractors' HSE performance is in line with our standards
- appraise and reward accordingly employee and contractor HSE performance
- evaluate and improve our HSE performance and communicate it openly

All employees and our contractors have a responsibility to maintain high HSE standards and line management must take a leadership role in this. We also aim to promote this policy in non-operation-ally-controlled businesses.

Budapest, June 2011


Zsolt Hernádi
Chairman and CEO


Molnár József
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