PAKISTAN OILFIELDS LIMITED

Ref: POL/FIN-CORP/PSX/18/078 **February 21, 2019**

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
Karachi.

Dear Sir,

INTERIM REPORT AND ACCOUNTS FOR THE HALF YEAR ENDED DEC 31, 2018

We are pleased to enclose 3 copies of Company's Interim Report and Accounts for half year ended December 31, 2018 for your perusal and record

We have also uploaded the accounts for the half year ended December 31.2018 on Pakistan Unified Corporate Action Reporting System (PUCARS) and on the website of the Company.

Kind regards,

Yours faithfully,
For PAKISTAN OILFIELDS LIMITED

(Khalid Nafees)
Company Secretary

Cc:

The Director Enforcement
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, 7, Blue Area,
Islamabad.

Director / HOD
Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan,
NIC Building, 63-Jinnah Avenue,
Blue Area, Islamabad.

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Web site: www.pakoil.com.pk E-mail: polcms@pakoil.com.pk

Pakistan Oilfields Limited

Condensed Interim Financial Statements

Six Months Period Ended December 31, 2018

VISION

To be the leading oil and gas exploration and production Company of Pakistan with the highest proven hydrocarbon reserves and production, and which provides optimum value to all stakeholders.

MISSION

We aim to discover and develop new hydrocarbon reserves and enhance production from existing reserves through the application of the best available technologies and expertise.

In achieving our aim, we will maximize the return to our shareholders, fully protect the environment, enhance the wellbeing of our employees and contribute to the national economy.

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Corporate Information

Directors

Mr. Laith G. Pharaon
Chairman Attock Group of Companies
Alternate Director - **Mr. Shuaib A. Malik**

Mr. Wael G. Pharaon
Alternate Director - **Mr. Babar Bashir Nawaz**

Mr. Sajid Nawaz

Mr. Abdus Sattar

Mr. Tariq Iqbal Khan

Mr. Nihal Cassim

Mr. Shuaib A. Malik
Chairman & Chief Executive

Audit Committee

Mr. Abdus Sattar
Chairman

Mr. Babar Bashir Nawaz
Member

Mr. Nihal Cassim
Member

Mr. Tariq Iqbal Khan
Member

Human Resource and Remuneration (HR &R) Committee

Mr. Babar Bashir Nawaz
Chairman

Mr. Shuaib A. Malik
Member

Mr. Abdus Sattar
Member

Company Secretary / CFO

Khalid Nafees

Auditors & Tax Advisors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Khan & Piracha

Ali Sibtain Fazli & Associates

Registered Office

Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi.
Telephone: +92 51 5487589-97
Fax: + 92 51 5487598-99
E-mail: polcms@pakoil.com.pk
Website: www.pakoil.com.pk

Shareholder's Enquiries

For enquiries about your shareholding, including information relating to dividends or share certificates, please:
E-mail to: cs@pakoil.com.pk or
Write to: The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi,
Pakistan.

Quarterly Report

The quarterly report can be downloaded from the Company's website:
www.pakoil.com.pk
printed copies can be obtained by writing to:
The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi,
Pakistan.

Directors' Report

In the name of ALLAH, The Most Gracious, The Most Merciful

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the half year ended December 31, 2018.

Financial results

During the period, the Company has made profit after tax of Rs. 7,889 million (December 31, 2017: Rs. 4,761 million), which is higher by 65.7% as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 27.79 (December 31, 2017: Rs. 16.77 per share). Increase in profit is mainly because of increase in average crude oil price by 26.8%, rupee/dollar parity positive impact on crude oil and gas revenues and other income despite increase in operating costs, amortization of development and decommissioning costs, exploration cost, exchange loss on decommissioning costs & taxation. Another reason of increase in Gas revenue is because that in the corresponding period enhanced gas price incentive of Rs. 2.2 billion relating to prior periods was reversed as explained in the Financial Statements Note 15.1. During the period the Company has made a Consolidated profit after tax of Rs. 7,904 million (December 31, 2017: Rs. 4,782 million) which translate into consolidated earnings per share of Rs. 27.83 (December 31, 2017: Rs. 16.80 per share).

Production

The following is a comparison of production from the Company's fields, including proportionate share from all operated and non-operated joint ventures:

		Six months period ended	
		Dec. 31, 2018	Dec. 31, 2017
Crude Oil/Condensate	US Barrels	**1,326,246**	1,317,082
Gas	Million Cubic Feet	**16,198**	15,530
LPG	Metric Tonnes	**30,406**	30,935
Sulphur	Metric Tonnes	**357**	340
Solvent Oil	US Barrels	**12,528**	10,474

The Company's share in production, including that from joint ventures, for the period under review averaged 7,207 barrels per day (bpd) of crude, 88.04 million standard cubic feet per day (mmscfd) of gas, 165.25 metric tonnes per day (MTD) of LPG, 1.94 MTD of sulphur and 67 bpd of solvent oil.

Exploration and development activities

Producing fields

At Balkassar Lease (100% owned by POL), Based on seismic interpretations and studies a sidetrack of an existing well (POL-1) has been planned instead of new well. Rig mobilization is in process for this sidetrack which will be started in Feb, 2019.

At Khaur Lease (100% owned by POL), Khaur North-01 is under evaluation, working on the development of different options for acid bullhead job/workover on Khaur North-1 is in progress. Geological modeling of structural compartments in the overturned limb of Khaur Structure is also in progress.

At Turkwal Lease (operated by POL with 67.37% share), 3D seismic planning is in progress to explore full potential of the area.

At Pindori Lease (operated by POL with 35% share), Pindori-10 a development well to drain the remaining up-dip potential of the field will be spudded by end of January, 2019.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori Deep-2 a development well has been approved.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), wells location of Adhi-33, Adhi-34, Adhi South-2, 3 & 4 have been approved. Simulation Study of Adhi Field is in progress. Adhi-32 has been connected to the production line.

Jhal Magsi South field (operated by OGDCL, where POL has 24% share), installation of plant has been stopped as decision regarding laying of pipeline by SSGCL is not yet finalised.

At Ratana Field (operated by Ocean Pakistan Limited, where POL has 4.545% share), on the basis of 3D seismic data processing and interpretation, Ratana-5 will be drilled to explore un-drained compartment.

Exploration blocks

At Ikhlas block (operated by POL with 80% share), Working on way forward of Ikhlas concession is in progress. 3D Seismic Acquisition of 213 square kilometers over Langrial prospect has been planned. Presently, "Jhandial – 1" is under evaluation, after acid wash the production was increased and well is now producing around 850 barrels of oil per day and 8.0 million standard cubic feet of gas per day. Well proposal for Jhandial-2 is under evaluation.

At DG Khan block (operated by POL with 70% share), on basis of acquired 2D seismic data new leads were identified and consequently 264 line kilometers infill 2D Seismic data was further acquired. After seismic data processing/interpretation an exploratory well has been approved.

At Margala Block (operated by MOL where POL has 30% share), to evaluate the remaining potential of the area 250 line kilometers 2D Seismic Acquisition has been planned.

At Tal block 2D/3D seismic data interpretation is in progress to explore the possible deeper plays in TAL block. 3D Seismic acquisition of 682 square kilometers has been planned to explore Tal West area including area related to some leads fall in the Eastern part. Mamikhel South-1 an exploratory well has been approved.

At Gurgalot block (operated by OGDCL where POL has 20% share), 320 square kilometers 3D seismic data acquisition has been completed and data processing is in progress.

At Hisal block (operated by PPL where POL has a share of 25%), drilling of first exploratory well Misrial-X1 has achieved its target depth, testing of first formation was not successful and testing of second formation was not conclusive due to fishing problem. Presently, testing of side track portion is in progress. For evaluation of another prospect, 63.25 L.kms 2D infill seismic acquisition has been planned.

Acknowledgement

The Board would like to extend its gratitude to all its stakeholders for their continuous support, which they have extended to Pakistan Oilfields Limited.

On behalf of the Board

Shuaib A. Malik
Chairman & Chief Executive

Abdus Sattar
Director

Istanbul, Turkey
January 22, 2019

اعتراف :

بورڈ تمام سٹیک ہولڈرز کا پاکستان آئل فیلڈز لمیٹڈ کے ساتھ مسلسل تعاون کرنے پر اُن کا شکر گزار ہے۔

شعیب اے ملک

چیئرمین و چیف ایگزیکٹو

عبدالستار

ڈائریکٹرز

استنبول، تُرکی

۲۲ جنوری ۲۰۱۹ء

رتانہ (زیرِ انتظام اوشن پاکستان لمیٹڈ جہاں پی او ایل کا حِصّہ ۴۵.۴۵ فی صد ہے)، 3D ارضیاتی اعداد و شمار پر عمل اور تشریح کی بُنیاد پر، رتانہ-۵ کھودا جائے گا تا کہ یہاں کے غیر دریافت شُدہ حصوں کو نکالا جا سکے۔

دریافتی قطعات :

اِخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیرِ انتظام پی او ایل)، اِخلاص میں مزید کام جاری ہے۔ لنگڑیال کے امکانات سے متعلق ارضیاتی منصوبہ بندی کی جا رہی ہے۔ اس وقت زیرِ تشخیص "جنڈیال 1" میں ایسڈ کی صفائی کے بعد پیداوار میں اضافہ ہوا اور اب کنویں سے ۸۵۰ بیرلز تیل اور ۸ ملین مکعب فٹ گیس روزانہ حاصل ہو رہی ہے "جنڈیال 2" کی تجویز بھی زیرِ غور ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ زیرِ انتظام پی او ایل)، حاصل شدہ 2D ارضیاتی اعداد و شمار نے نئی لیڈز مُتعیّن کی ہیں اور ان کے نتیجے میں ۲۶۴ لائن کلومیٹرز مزید 2D ارضیاتی اعداد و شمار حاصل کیے گئے۔ ارضیاتی اعداد و شمار پر عمل / تشریح کے بعد ایک دریافتی کنویں کی منظوری دی جا چکی ہے۔

مارگلہ بلاک (زیرِ انتظام مول جہاں پی او ایل کا حِصّہ ۳۰ فی صد ہے)، علاقے کی ممکنہ صلاحیتوں کو پرکھنے کے لئے ۲۵۰ لائن کلومیٹرز کے 2D ارضیاتی اعداد و شمار کے حصول کی منصوبہ بندی کر لی گئی ہے۔

تل بلاک (زیرِ انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حِصّہ ۲۵ فی صد ہے)، 2D/3D ارضیاتی اعداد و شمار کو پرکھنے کا عمل جاری ہے تا کہ تل بلاک میں ممکن حد تک گہرائی کے علاقے دریافت کیے جا سکیں۔ تل غربی کے حِصّے اور ملحقہ مشرقی حِصّے کی کچھ لیڈز دریافت کرنے کے لئے ۶۸۲ مربع کلومیٹرز میں 3D ارضیاتی اعداد و شمار کے حصول کی منصوبہ بندی کی گئی ہے۔ مامی خیل جنوبی 1 دریافتی کنواں بھی منظور ہو چکا ہے۔

گرگلوٹ بلاک (زیرِ انتظام او جی ڈی سی ایل جہاں پی او ایل کا حِصّہ ۲۰ فی صد ہے)- ۳۲۰ مربع کلومیٹرز 3D ارضیاتی اعداد و شمار کا حصول مکمل ہو چُکا ہے اور ان اعداد و شمار کی جانچ جاری ہے۔

حسّال بلاک (زیرِ انتظام پی پی ایل جہاں پی او ایل کا حِصّہ ۲۵ فی صد ہے)، پہلے دریافتی کنویں مصریال X-1 کی کھدائی اپنے ہدف تک مکمل ہونے پر پہلے مرحلے کی جانچ کامیاب ثابت نہ ہونے پر دوسرے مرحلے کی جانچ فِشنگ کے مسئلے کی وجہ سے مکمل نہ ہو سکی۔ فی الوقت، کنویں کا سائیڈ ٹریک شروع کر دیا گیا ہے۔ اس فیلڈ میں مزید امکان کا جائزہ لینے کے لئے ۶۳.۲۵ لائن کلومیٹرز 2D ارضیاتی حصول کی منصوبہ بندی کر لی گئی ہے۔

زیرِ جائزہ مدّت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی : خام تیل ۷،۲۰۷ بیرلز، گیس ۸۸.۴ ملین سٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس ۱۶۵.۲۵ میٹرک ٹن، سلفر ۱.۹۴ میٹرک ٹن اور سالونٹ آئل ۶۷ بیرلز۔

دریافتی اور ترقیاتی سرگرمیاں :

پیداواری قطعات :

بلکسر (۱۰۰ فی صد پی او ایل کی ملکیت)، ارضیاتی تشریحات اور مطالعات کی بناء پر نئے کنویں کی بجائے موجودہ کنویں (پی او ایل۔۱) کے ضمنی ٹریک کا منصوبہ بنایا گیا ہے۔ ضمنی ٹریک کے لئے رِگ کو منتقل کیا جا رہا ہے تا کہ فروری ۲۰۱۹ء میں کام کا آغاز کیا جائے۔

کھوڑ (۱۰۰ فی صد پی او ایل کی ملکیت)، کھوڑ شمالی۔۱ زیرِ تشخیص ہے۔ اِس کنویں پر ایسڈ بُل ہیڈ جاب اور اضافی کام کے مختلف پہلوؤں پر غور کیا جا رہا ہے۔ کھوڑ کی ساخت کو بہتر پرکھنے کے لئے ارضیاتی نمونوں پر کام جاری ہے۔

ترکوال (۶۷.۳۷ فی صد حصص کے ساتھ پی او ایل کے زیرِ انتظام)، 3D ارضیاتی منصوبہ بندی جاری ہے تا کہ علاقے کی مکمل صلاحیتوں کو دریافت کیا جا سکے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیرِ انتظام)، پنڈوری۔۱۰ ترقیاتی کنویں کی جنوری ۲۰۱۹ء کے آخر تک کھدائی کا آغاز کر دیا جائے گا تا کہ علاقے کی باقی ماندہ صلاحیتوں سے استفادہ کیا جا سکے۔

تل بلاک (زیرِ انتظام مول جہاں قبل از تجارتی پیداوار پی او ایل کا حِصّہ ۲۵ فی صد ہے)، مکوڑی ڈیپ۔۲ ترقیاتی کنویں کی منظوری دی جا چکی ہے۔

آہدی بلاک (زیرِ انتظام پی پی ایل جہاں پی او ایل کا حِصّہ ۱۱ فی صد ہے)، آہدی۔۳۳، آہدی۔۳۴، آہدی جنوبی۔۲، ۳ اور ۴ کنویں کی جگہ کی منظوری دی جا چکی ہے۔ آہدی فیلڈ میں ارضیاتی تشریحات کا مطالعہ جاری ہے۔ آہدی۔۳۲ کو پیداواری لائن کے ساتھ منسلک کر دیا گیا ہے۔

جھل مگسی جنوبی (زیرِ انتظام او جی ڈی سی ایل کا حِصّہ ۲۴ فی صد ہے)، ایس ایس جی سی ایل (SSGCL) نے پائپ لائن بچھانے کے فیصلے کو حتمی شکل نہیں دی اس لیے پلانٹ کی تنصیب روک دی گئی ہے

ڈائریکٹرز رپورٹ

اللّٰہ کے نام سے شروع جو بڑا مہربان نہایت رحم کرنے والا ہے۔

السّلامُ علیکم!

ڈائریکٹرز کو ۳۱، دسمبر ۲۰۱۸ء کو اختتام پذیر نصف سال کے مالیاتی نتائج اور کمپنی کے امُور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

مالیاتی نتائج:

اس عرصے میں کمپنی نے بعد از ٹیکس ۷،۸۸۹ ملیّن روپے (۳۱، دسمبر ۲۰۱۷ء : ۴،۷۶۱ ملیّن روپے) منافع حاصل کیا جو کہ الحمدُ لِلّٰہ گذشتہ برس اسی دورانیے کے مقابلے میں ۶۵.۷ فی صد زائد ہے۔ یہ منافع فی حصص آمدنی ۲۷.۷۹ روپے (۳۱ دسمبر ۲۰۱۷ء : ۱۶.۷۷ روپے فی حصص) کو ظاہر کرتا ہے۔ منافع میں اضافے کی بڑی وجہ خام تیل کی اوسط قیمت میں ۲۶.۸ فی صد اضافہ، روپے کی قیمت میں کمی اور دیگر آمدنی میں اضافہ ہے باوجود اِس کے کہ انتظامی اخراجات، ترقیاتی اخراجات کی فرسودگی (Amortization)، دریافتی اخراجات، Decommissioning اخراجات پر زرِمبادلہ کا نقصان اور ٹیکسیشن میں اضافہ ہوا۔ اضافے کی دوسری وجہ گذشتہ برس گیس کی قیمت میں ۲.۲ بلین روپے پچھلے ادوار کا فائدہ تھا۔ جو پچھلے دورانیے میں گھٹا دیا گیا تھا اور جس کی تفصیل مالیاتی نتائج کے نوٹ ۱۵.۱ میں دی گئی ہے۔ اس عرصے میں کمپنی نے مجموعی منافع بعد از ٹیکس ۷،۹۰۴ ملین روپے (۳۱ دسمبر ۲۰۱۷ء : ۴،۷۸۲ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۲۷.۸۲ روپے (۳۱ دسمبر ۲۰۱۷ء : ۱۶.۸۰ روپے فی حصص) کو ظاہر کرتا ہے۔

پیداوار:

کمپنی کی اپنی اور دیگر انتظامی و غیر انتظامی مشترکہ منصوبوں سے حاصل شدہ متناسب پیداوار کا موازنہ درج ذیل ہے :

		ششماہی مُدت کا اختتام	
		دسمبر ۳۱، ۲۰۱۸ء	دسمبر ۳۱، ۲۰۱۷ء
خام تیل/ Condensate	(یوایس بیرل)	۱،۳۲۶،۲۴۶	۱،۳۱۷،۰۸۲
گیس	(ملین کیوبک فٹ)	۱۶،۱۹۸	۱۵،۵۳۰
مائع پٹرولیم گیس LPG	(میٹرک ٹن)	۳۰،۴۰۶	۳۰،۹۳۵
سلفر	(میٹرک ٹن)	۳۵۷	۳۴۰
سالونٹ آئل	(یوایس بیرل)	۱۲،۵۲۸	۱۰،۴۷۴

pwc

A. F. FERGUSON & CO.

Independent Auditor's Review Report to the members of Pakistan Oilfields Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Oilfields Limited as at December 31, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for three month period ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

A.F. Ferguson & Co.

Chartered Accountants
Islamabad

January 22, 2019

Condensed Interim Statement of Financial Position
As at December 31, 2018

	Note	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2018: 500,000,000) ordinary shares of Rs 10 each		**5,000,000**	5,000,000
Issued, subscribed and paid-up capital 283,855,104 (June 30, 2018: 236,545,920) ordinary shares of Rs 10 each		**2,838,551**	2,365,459
Revenue reserves	3	**31,903,238**	30,401,053
Fair value gain on available-for-sale investments		**-**	2,227
		34,741,789	32,768,739
NON CURRENT LIABILITIES			
Long term deposits		**842,022**	837,325
Deferred liabilities	4	**16,175,780**	15,643,277
		17,017,802	16,480,602
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	5	**16,571,757**	15,967,452
Unclaimed Dividend		**185,898**	170,717
Provision for income tax		**8,269,192**	4,779,273
		25,026,847	20,917,442
CONTINGENCIES AND COMMITMENTS	6		
		76,786,438	70,166,783

	Note	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
		Rupees ('000)	
NON - CURRENT ASSETS			
Property, plant and equipment	7	8,917,478	9,405,451
Development and decommissioning costs	8	12,863,230	12,596,720
Exploration and evaluation assets	9	832,127	2,590,790
		22,612,835	24,592,961
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	10	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	11	6,729	6,479
LONG TERM LOANS AND ADVANCES		16,217	15,072
CURRENT ASSETS			
Stores and spares		3,988,197	3,571,970
Stock in trade		305,879	292,981
Trade debts	12	8,912,488	8,242,487
Advances, deposits, prepayments and other receivables	13	2,438,364	2,296,389
Cash and bank balances	14	28,890,126	21,532,841
		44,535,054	35,936,668
		76,786,438	70,166,783

The annexed notes 1 to 27 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Statement of Profit or Loss (Unaudited)
For the six months period ended December 31, 2018

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
		Rupees ('000)			
SALES		**12,478,790**	6,236,524	**24,001,605**	14,162,075
Sales tax		**(840,059)**	(236,976)	**(1,792,437)**	(921,723)
NET SALES	**15**	**11,638,731**	5,999,548	**22,209,168**	13,240,352
Operating costs	**16**	**(2,725,731)**	(2,155,456)	**(5,504,386)**	(4,128,838)
Excise duty		**(77,965)**	(76,493)	**(155,634)**	(146,925)
Royalty		**(1,160,199)**	(428,061)	**(2,244,584)**	(1,090,560)
Amortisation of development and decommissioning costs		**(1,028,879)**	(978,425)	**(1,802,600)**	(1,490,237)
		(4,992,774)	(3,638,435)	**(9,707,204)**	(6,856,560)
GROSS PROFIT		**6,645,957**	2,361,113	**12,501,964**	6,383,792
Exploration costs	**17**	**(78,889)**	(467,960)	**(810,154)**	(740,408)
		6,567,068	1,893,153	**11,691,810**	5,643,384
Administration expenses		**(50,073)**	(51,956)	**(107,433)**	(89,935)
Finance costs	**18**	**(1,346,860)**	(487,042)	**(1,748,604)**	(675,442)
Other charges	**19**	**(494,239)**	(148,168)	**(866,111)**	(392,494)
		(1,891,172)	(687,166)	**(2,722,148)**	(1,157,871)
		4,675,896	1,205,987	**8,969,662**	4,485,513
Other income	**20**	**2,286,085**	1,316,189	**3,126,740**	1,564,962
PROFIT BEFORE TAXATION		**6,961,981**	2,522,176	**12,096,402**	6,050,475
Provision for taxation	**21**	**(2,940,145)**	(294,997)	**(4,207,477)**	(1,289,122)
PROFIT FOR THE PERIOD		**4,021,836**	2,227,179	**7,888,925**	4,761,353
Earnings per share - Basic and diluted (Rs)	**24**	**14.17**	7.85	**27.79**	16.77

The annexed notes 1 to 27 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Unaudited)

For the six months period ended December 31, 2018

	Three months period ended		Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	**Dec. 31, 2018**	Dec. 31, 2017
	Rupees ('000)			
Profit for the period	**4,021,836**	2,227,179	**7,888,925**	4,761,353
Other Comprehensive Income				
Item that may be subsequently reclassified to profit or loss				
Fair value adjustment on available -for-sale investments - net of tax	**-**	150	**-**	150
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,021,836**	2,227,329	**7,888,925**	4,761,503

The annexed notes 1 to 27 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)
For the six months period ended December 31, 2018

	Share capital	Reserve for issue of bonus shares	Revenue reserves			Fair value gain on available-for-sale investments	Total
			Insurance reserve	Investment reserve	Unappropriated profit		
	Rupees ('000)						
Balance at June 30, 2017	2,365,459	-	200,000	1,557,794	27,372,672	2,003	31,497,928
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	4,761,353	-	4,761,353
Other comprehensive income	-	-	-	-	-	150	150
	-	-	-	-	4,761,353	150	4,761,503
Transactions with owners:							
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2017	2,365,459	-	200,000	1,557,794	26,220,377	2,153	30,345,783
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	6,622,581	-	6,622,581
Other comprehensive income	-	-	-	-	(60,145)	74	(60,071)
	-	-	-	-	6,562,436	74	6,562,510
Transaction with owners:							
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2018	-	-	-	-	(4,139,554)	-	(4,139,554)
Balance at June 30, 2018	2,365,459	-	200,000	1,557,794	28,643,259	2,227	32,768,739
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	7,888,925	(2,227)	7,886,698
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	7,888,925	(2,227)	7,886,698
Transferred to reserve for issue of bonus shares	-	473,092	-	-	(473,092)	-	-
Transaction with owners:							
Bonus share issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-
Final dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2018	**2,838,551**	**-**	**200,000**	**1,557,794**	**30,145,444**	**-**	**34,741,789**

The annexed notes 1 to 27 form an integral part of this condensed interim financial statements.

Khalid Nafees	Shuaib A. Malik	Abdus Sattar
CFO	Chief Executive	Director

Condensed Interim Statement of Cashflows (Unaudited)

For the six months period ended December 31, 2018

	Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**21,781,130**	13,938,346
Operating and exploration costs paid	**(6,674,188)**	(2,687,200)
Royalty paid	**(2,050,667)**	(1,267,532)
Taxes paid	**(1,926,142)**	(1,431,895)
Cash provided by operating activities	**11,130,133**	8,551,719
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets additions	**(609,412)**	(2,712,057)
Proceeds from disposal of property, plant and equipment	**387**	439
Additions in investments classified as fair value through profit or loss	**(341)**	-
Income on bank deposits and held-to-maturity investments	**702,205**	319,906
Dividend income received	**345,432**	609,878
Cash generated by / (used in) investing activities	**438,271**	(1,781,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(5,898,467)**	(5,893,058)
EFFECT OF EXCHANGE RATE CHANGES	**1,687,348**	454,372
INCREASE IN CASH AND CASH EQUIVALENTS	**7,357,285**	1,331,199
CASH AND CASH EQUIVALENTS AT JULY 01,	**21,532,841**	14,181,528
CASH AND CASH EQUIVALENTS AT DEC. 31,	**28,890,126**	15,512,727

Cash and cash equivalent comprises of cash and bank balances.

The annexed notes 1 to 27 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas. Its activities also include marketing of Liquefied Petroleum Gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

  Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial statements does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

2.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

'IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company except that the other long term

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)
For the six months period ended December 31, 2018

investments of the Company previously classified as "Available for sale" of Rs 6,479 thousand as at June 30, 2018 have been reclassified to "Fair value through profit or loss". The cumulative fair value gain of Rs 2,227 thousand as at June 30, 2018 previously recognised directly in other comprehensive income relating to such investments has been reclassified from equity to the statement of profit or loss in the current period, prospectively. The comparative figures have not been restated for change in accounting policy due to immaterial impact.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognsied. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
3. REVENUE RESERVES		
Insurance reserve	**200,000**	200,000
Investment reserve	**1,557,794**	1,557,794
Unappropriated profit	**30,145,444**	28,643,259
	31,903,238	30,401,053
4. DEFERRED LIABILITIES		
Provision for deferred income tax	**4,878,200**	6,086,784
Provision for decommissioning cost	**11,292,126**	9,548,018
Provision for staff compensated absences	**5,454**	8,475
	16,175,780	15,643,277

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

5. TRADE AND OTHER PAYABLES

These include balance due to joint operating partners amounting to Rs 2,045,047 thousand (June 30, 2018: Rs 2,230,567 thousand) and balances due to related parties amounting to Rs 782,175 thousand (June 30, 2018: Rs 378,066 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 9,243,007 thousand (June 30, 2018: Rs 8,528,240 thousand) as explained in note 15.1.

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
6. CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies:		
Guarantee issued by banks on behalf of the company	**4,882**	11,256
6.2 Commitments		
Share in joint operations	**8,036,453**	4,993,526
Own fields	**584,220**	1,014,509
Letter of credit issued by banks on behalf of the company	**145,657**	510,878
7. PROPERTY, PLANT AND EQUIPMENT		
Operating assets		
Opening net book value	**8,754,987**	8,941,806
Additions during the period / year	**276,154**	1,371,536
Disposals during the period / year	**(20)**	(497)
Depreciation for the period / year	**(820,301)**	(1,557,858)
Closing net book value	**8,210,820**	8,754,987
Capital work in progress - at cost	**706,658**	650,464
	8,917,478	9,405,451

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
8. DEVELOPMENT AND DECOMMISSIONING COSTS		
Development cost		
Opening net book value	**12,175,661**	12,913,828
Additions during the period / year	**356,165**	407,011
Revision due to change in estimates	**-**	(686,974)
Well cost transferred from exploration and evaluation assets	**1,679,562**	2,552,809
Amortisation for the period / year	**(1,734,934)**	(3,011,013)
Closing net book value	**12,476,454**	12,175,661
Decommissioning cost		
Opening net book value	**421,059**	459,026
Additions during the period / year	**33,383**	239,847
Revision due to change in estimates	**-**	1,421
Amortisation for the period / year	**(67,666)**	(279,235)
Closing net book value	**386,776**	421,059
	12,863,230	12,596,720
9. EXPLORATION AND EVALUATION ASSETS		
Balance brought forward	**2,590,790**	1,884,356
Additions during the period/ year	**565,388**	4,844,825
Well cost transferred to development costs	**(1,679,562)**	(2,552,809)
Dry and abandoned wells cost charged to the statement of profit & loss account	**(644,489)**	(1,585,582)
	832,127	2,590,790

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

10. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST

	(Unaudited) December 31, 2018		(Audited) June 30, 2018	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
Subsidiary company				
Unquoted				
Capgas (Private) Limited	51	1,530	51	1,530
Associated companies				
Quoted				
National Refinery Limited	25	8,046,635	25	8,046,635
Attock Petroleum Limited	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		9,615,603		9,615,603

	Note	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
		Rupees ('000)	
11. OTHER LONG TERM INVESTMENTS			
Investments classified as fair value through profit or loss	11.1	6,729	6,479

11.1 Investments classified as available-for-sale under IAS 39 have been reclassified to fair value through profit or loss due to change in accounting policy after adoption of IFRS 9 as explained in note 2.1.

12. TRADE DEBTS

These include Rs 3,323,849 thousand (June 30, 2018: Rs 3,689,140 thousand) receivable from related parties.

13. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include balances due from joint operating partners amounting to Rs 131,980 thousand (June 30, 2018 : Rs 47,519 thousand) and balances due from related parties amounting to Rs 118,075 thousand (June 30, 2018 : Rs 109,375 thousand).

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
14. CASH AND BANK BALANCES		
Bank balance on:		
Short term deposits	**24,267,683**	19,994,118
Interest/ mark-up bearing saving accounts	**4,590,215**	1,534,695
Current accounts	**29,502**	1,325
	28,887,400	21,530,138
Cash in hand	**2,726**	2,703
	28,890,126	21,532,841

Bank balances include foreign currency balances of US $ 108,616 thousand (June 30, 2018: US $ 94,990 thousand).The balances in saving accounts and short term deposits earned interest/mark-up ranging from 2.00 % to 11.30 % (2018: 0.10% to 7.40%).

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
15. NET SALES				
Crude oil	**5,894,212**	4,106,680	**11,438,588**	7,358,610
Gas - note 15.1	**3,606,115**	140,402	**6,685,582**	2,749,936
POLGAS - Refill of cylinders	**2,064,808**	1,708,581	**3,951,185**	3,054,217
Solvent oil	**63,571**	43,885	**123,788**	77,589
Sulphur	**10,025**	-	**10,025**	-
	11,638,731	5,999,548	**22,209,168**	13,240,352

15.1 On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US $ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arears.

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)
For the six months period ended December 31, 2018

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

"the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii)EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training".

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The impact of WLO on conversion of TAL Block till December 31, 2018 is approximately Rs 16,736,634 thousand (June 30, 2018 : Rs 11,576,757 thousand) . The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect and further directed the respondents to file their report & para wise comments. The Government of Khyber Pakhtunkhwa has filed its reply on November 28, 2018. The Islamabad High Court has fixed January 17, 2019 as next date of hearing.

On prudent basis additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2018 amounting to Rs 8,657,438 thousand (June 30, 2018 : Rs 7,289,169 thousand) will be accounted for upon resolution of this matter. Additional revenue on account of enhanced gas price incentive of Rs 9,243,007 thousand (June 30, 2018: Rs 8,528,240 thousand) including sales tax of Rs 1,343,001 thousand (June 30, 2018: Rs 1,239,071 thousand) received from customer on the basis of notified prices has been shown under "trade and other payables".

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
16. OPERATING COSTS				
Operating Cost - Own fields	**411,443**	286,049	**754,511**	610,726
- Share in joint operation	**862,126**	651,991	**1,533,788**	1,209,092
Well workover	**6,588**	(24,516)	**398,774**	(28,551)
POLGAS-Cost of gas /LPG, Carriage etc.	**1,047,359**	912,429	**2,017,078**	1,609,864
Pumping and transportation cost	**22,476**	10,402	**31,218**	17,882
Depreciation	**385,708**	365,787	**781,915**	728,961
	2,735,700	2,202,142	**5,517,284**	4,147,974
Opening stock of crude oil and other products	**295,910**	194,343	**292,981**	221,893
Closing stock of crude oil and other products	**(305,879)**	(241,029)	**(305,879)**	(241,029)
	2,725,731	2,155,456	**5,504,386**	4,128,838
17. EXPLORATION COSTS				
Geological & geophysical cost	**78,889**	467,960	**165,665**	740,408
Dry and abandoned wells cost charged to the profit & loss account	**-**	-	**644,489**	-
	78,889	467,960	**810,154**	740,408
18. FINANCE COSTS				
Provision for decommissioning cost				
- Unwinding of discount	**188,912**	96,740	**378,287**	247,572
- Exchange loss	**1,156,103**	389,485	**1,367,013**	426,027
Banks' commission and charges	**1,845**	817	**3,304**	1,843
	1,346,860	487,042	**1,748,604**	675,442
19. OTHER CHARGES				
Workers' profit participation fund	**372,703**	133,523	**648,002**	322,147
Workers' welfare fund	**121,536**	14,645	**218,109**	70,347
	494,239	148,168	**866,111**	392,494

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
20. OTHER INCOME				
Income from financial assets				
Income on bank saving accounts, deposits and held-to-maturity investments	**458,669**	180,876	**883,698**	331,860
Exchange gain on financial assets	**1,513,083**	421,617	**1,687,348**	454,372
Dividend from subsidiary and associated companies	**199,917**	609,878	**345,432**	609,878
Other income				
Rental income (net of related expenses)	**30,711**	30,139	**53,621**	64,209
Crude oil / Gas transportation income (net of related expenses)	**35,109**	35,355	**79,611**	49,518
Gas processing fee	**27,328**	34,544	**55,412**	50,978
Profit / (loss) on sale of property, plant and equipment	**49**	(85)	**367**	47
Profit on sale of stores and scrap	**16,438**	1,318	**16,470**	1,326
Fair value adjustment on investments classified as fair value through profit or loss - note 20.1	**2,136**	-	**2,136**	-
Others	**2,645**	2,547	**2,645**	2,774
	2,286,085	1,316,189	**3,126,740**	1,564,962

20.1 This includes Rupees 2,227 thousand as referred in note 2.1

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
21. PROVISION FOR TAXATION				
Current	**3,515,418**	225,585	**5,416,061**	1,280,610
Deferred	**(575,273)**	69,412	**(1,208,584)**	8,512
	2,940,145	294,997	**4,207,477**	1,289,122

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)
For the six months period ended December 31, 2018

22. FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	December 31, 2018				June 30, 2018
	(Level 1)	(Level 2)	(Level 3)	Total	
	..... Rupees ('000)				
Other long term investments classified as fair value through profit or loss	**6,729**	**-**	**-**	**6,729**	6,479

23. TRANSACTION WITH RELATED PARTIES

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
Aggregate transactions with related parties of the Company were as follows:				
Sales of goods and services to:				
Associated companies	**5,390,917**	3,856,524	**10,451,174**	6,865,474
Subsidiary company	**3,068**	3,395	**6,088**	6,497
Purchase of goods and services from:				
Associated companies	**426,460**	299,853	**872,257**	511,948
Subsidiary company	**1,961**	3,236	**4,403**	4,140
Parent company	**50,434**	39,064	**87,595**	55,598
Dividend paid during the period:				
Parent company	**-**	3,119,449	**3,119,449**	3,119,449
Associated companies	**-**	9,488	**9,488**	9,488
Key management personnel	**-**	59,949	**59,905**	59,949
Dividend received during the period:				
Associated companies	**-**	609,878	**345,432**	609,878

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
Other related parties:				
Remuneration to key management personnel including benefits and perquisites	**55,792**	53,377	**83,998**	74,757
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	**22,767**	19,407	**44,536**	38,838
Approved Contributory Provident Funds	**7,915**	7,127	**16,362**	14,303
Contribution to Workers' Profit Participation Fund	**372,703**	133,523	**648,002**	322,147

24. EARNING PER SHARE - BASIC AND DILUTED

Basic earnings per share previously reported at Rs 20.13 in the financial statements for the six months period ended December 31, 2017 has been restated to Rs 16.77 for 47,309,184 bonus shares issued during the period ended December 31, 2018.

25. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from customers for products of the Company is disclosed in note 15.

Revenue from two major customers of the Company constitutes 71% of the total revenue during the period ended December 31, 2018 (December 31, 2017: 65%).

26. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on January 22, 2019 have declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2019.

27. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on January 22, 2019.

Khalid Nafees	Shuaib A. Malik	Abdus Sattar
CFO	Chief Executive	Director

Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six months period ended December 31, 2018

Condensed Interim Consolidated Statement of Financial Position (Unaudited)
As at December 31, 2018

	Note	Dec. 31, 2018	June 30, 2018
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED			
Authorised capital		**5,000,000**	5,000,000
Issued, subscribed and paid-up capital		**2,838,551**	2,365,459
Capital reserves	**4**	**2,028,222**	2,018,310
Revenue reserves	**5**	**36,891,875**	35,389,628
Fair value gain on available-for-sale investments		**-**	2,227
		41,758,648	39,775,624
NON - CONTROLLING INTEREST		**127,136**	122,140
		41,885,784	39,897,764
NON CURRENT LIABILITIES			
Long term deposits		**976,453**	968,140
Deferred liabilities	**6**	**17,042,310**	16,510,944
		18,018,763	17,479,084
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	**7**	**16,599,483**	15,987,140
Unclaimed dividend		**185,898**	170,717
Provision for income tax		**8,274,658**	4,790,372
		25,060,039	20,948,229
CONTINGENCIES AND COMMITMENTS	**8**		
		84,964,586	78,325,077

	Note	Dec. 31, 2018	June 30, 2018
		Rupees ('000)	
NON - CURRENT ASSETS			
Property, plant and equipment	9	8,980,520	9,474,690
Development and decommissioning costs	10	12,863,230	12,596,720
Exploration and evaluation assets	11	832,127	2,590,790
Other intangible assets		184,704	217,543
		22,860,581	24,879,743
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES	12	17,357,696	17,353,491
OTHER LONG TERM INVESTMENTS	13	6,729	6,479
LONG TERM LOANS AND ADVANCES		16,217	15,072
CURRENT ASSETS			
Stores and spares		3,988,954	3,572,543
Stock in trade		308,346	320,152
Trade debts	14	8,912,528	8,242,886
Advances, deposits, prepayments and other receivables	15	2,461,440	2,311,160
Cash and bank balances	16	29,052,095	21,623,551
		44,723,363	36,070,292
		84,964,586	78,325,077

The annexed notes 1 to 29 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Profit or Loss Account (Unaudited)

For the Six months period ended December 31, 2018

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
		Rupees ('000)			
SALES		**12,774,067**	7,005,915	**24,566,924**	15,148,638
Sales tax		**(884,331)**	(775,540)	**(1,877,358)**	(1,504,551)
NET SALES	17	**11,889,736**	6,230,375	**22,689,566**	13,644,087
Operating costs	18	**(2,965,974)**	(2,361,227)	**(5,958,836)**	(4,481,538)
Excise duty		**(77,965)**	(76,493)	**(155,634)**	(146,925)
Royalty		**(1,160,199)**	(428,061)	**(2,244,584)**	(1,090,560)
Amortisation of development and decommissioning costs		**(1,028,879)**	(978,425)	**(1,802,600)**	(1,490,237)
		(5,233,017)	(3,844,206)	**(10,161,654)**	(7,209,260)
GROSS PROFIT		**6,656,719**	2,386,169	**12,527,912**	6,434,827
Exploration costs	19	**(78,889)**	(467,960)	**(810,154)**	(740,408)
		6,577,830	1,918,209	**11,717,758**	5,694,419
Administration expenses		**(55,747)**	(57,173)	**(118,135)**	(99,700)
Finance costs	20	**(1,346,860)**	(487,042)	**(1,748,604)**	(675,442)
Other charges	21	**(494,628)**	(149,447)	**(867,175)**	(395,240)
		(1,897,235)	(693,662)	**(2,733,914)**	(1,170,382)
		4,680,595	1,224,547	**8,983,844**	4,524,037
Other income	22	**2,086,719**	705,007	**2,781,487**	953,610
		6,767,314	1,929,554	**11,765,331**	5,477,647
Share in profits of associated companies - net of impairment loss		**506,758**	510,599	**349,862**	604,848
PROFIT BEFORE TAXATION		**7,274,072**	2,440,153	**12,115,193**	6,082,495
Provision for taxation	23	**(2,941,099)**	(300,174)	**(4,211,073)**	(1,300,237)
PROFIT FOR THE PERIOD		**4,332,973**	2,139,979	**7,904,120**	4,782,258
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		**4,331,147**	2,134,060	**7,899,124**	4,769,549
Non - controlling interests		**1,826**	5,919	**4,996**	12,709
		4,332,973	2,139,979	**7,904,120**	4,782,258
Earnings per share - Basic and diluted (Rs)		**15.26**	7.52	**27.83**	16.80

The annexed notes 1 to 29 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited)

For the six months period ended December 31, 2018

	Three months period ended		Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
PROFIT FOR THE PERIOD	**4,332,973**	2,139,979	**7,904,120**	4,782,258
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit & loss				
Share of other comprhensive income/ (loss) of associated companies - net of tax	**73**	-	**(225)**	-
Item that may be subsequently reclassified to profit & loss				
Fair value adjustment on investment classified as fair value through other comprehensive income - net of tax	**-**	150	**-**	150
TOTAL COMPREHENSIVE INCOME	**4,333,046**	2,140,129	**7,903,895**	4,782,408
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	**4,331,220**	2,134,210	**7,898,899**	4,769,699
Non - controlling interests	**1,826**	5,919	**4,996**	12,709
	4,333,046	2,140,129	**7,903,895**	4,782,408

The annexed notes 1 to 29 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months period ended December 31, 2018

	Attributable to owners of Pakistan Oilfields Limited											
		Capital Reserves				Revenue Reserves						
	Share Capital	Bonus shares issued	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve	Unappropriated profit	Fair value gain/ (loss) on available-for-sale investments	Total	Non-controlling interest	Total
	Rupees ('000)											
Balance at June 30, 2017	2,365,459	-	59,754	15,060	1,941,044	200,000	6,102,325	27,539,655	2,003	38,225,300	106,317	38,331,617
Total comprehensive income for the period:												
Profit for the period	-	-	-	-	-	-	-	4,769,549	-	4,769,549	12,709	4,782,258
Other comprehensive income	-	-	-	-	-	-	-	24	150	174	-	174
	-	-	-	-	-	-	-	4,769,573	150	4,769,723	12,709	4,782,432
Transfer to general reserve by associated companies	-	-	-	-	-	750,000	(750,000)	-	-	-	-	-
Transactions with owners:												
POL dividends:												
Final cash dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2017	2,365,459	-	59,754	15,060	1,941,044	200,000	6,852,325	25,645,580	2,153	37,081,375	119,026	37,200,401
Total comprehensive income for the period:												
Profit for the period	-	-	-	-	-	-	-	6,909,694	-	6,909,694	11,681	6,921,375
Other comprehensive income	-	-	-	-	-	-	-	(75,965)	74	(75,891)	(298)	(76,189)
	-	-	-	-	-	-	-	6,833,729	74	6,833,803	11,383	6,845,186
Transfer to special reserve by associated companies	-	-	-	2,452	-	-	-	(2,452)	-	-	-	-
Transactions with owners:												
POL dividends:												
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	(4,139,554)	-	(4,139,554)	-	(4,139,554)
Dividend to CAPGAS non-controlling interest holders:												
Interim dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	-	-	-	(8,269)	(8,269)
Total transactions with owners	-	-	-	-	-	-	-	(4,139,554)	-	(4,139,554)	(8,269)	(4,147,823)
Balance at June 30, 2018	2,365,459	-	59,754	17,512	1,941,044	200,000	6,852,325	28,337,303	2,227	39,775,624	122,140	39,897,764
Total comprehensive income for the period:												
Profit for the period	-	-	-	-	-	-	-	7,899,124	(2,227)	7,896,897	4,996	7,901,893
Other comprehensive income	-	-	-	-	-	-	-	(225)	-	(225)	-	(225)
	-	-	-	-	-	-	-	7,898,899	(2,227)	7,896,672	4,996	7,901,668
Bonus shares issued by an associted company	-	-	11,641	-	-	-	-	(11,641)	-	-	-	-
Transfer to special reserve by an associated company	-	-	-	(1,729)	-	-	-	1,729	-	-	-	-
Transfer to general reserve by an associated companies	-	-	-	-	-	-	225,000	(225,000)	-	-	-	-
Transferred to reserve for issue of bonus shares	-	473,092	-	-	-	-	-	(473,092)	-	-	-	-
Transactions with owners:												
POL bonus & dividends:												
Bonus share issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-	-	-	-	-	-
Final dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Total transactions with owners	473,092	-	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2018	**2,838,551**	**-**	**71,395**	**15,783**	**1,941,044**	**200,000**	**7,077,325**	**29,614,550**	**-**	**41,758,648**	**127,136**	**41,885,784**

The annexed notes 1 to 29 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Cashflows (Unaudited)

For the six months period ended December 31, 2018

	Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**22,272,453**	13,938,346
Operating and exploration costs paid	**(7,084,285)**	(2,687,200)
Royalty paid	**(2,050,667)**	(1,267,532)
Taxes paid	**(1,935,940)**	(1,431,895)
Cash provided by operating activities	**11,201,561**	8,551,719
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets additions	**(609,580)**	(2,712,057)
Proceeds from disposal of property, plant and equipment	**386**	439
Additions in investments classified as fair value through profit or loss	**(341)**	-
Income on bank deposits and held-to-maturity investments	**702,205**	319,906
Dividend received from associated companies	**345,432**	609,878
Cash generated by / (used in) investing activities	**438,102**	(1,781,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(5,898,467)**	(5,893,058)
EFFECT OF EXCHANGE RATE CHANGES	**1,687,348**	454,372
INCREASE IN CASH AND CASH EQUIVALENTS	**7,428,544**	1,331,199
CASH AND CASH EQUIVALENTS AT JULY 01,	**21,623,551**	14,181,528
CASH AND CASH EQUIVALENTS AT DEC. 31,	**29,052,095**	15,512,727

Cash and cash equivalent comprises of cash and bank balances.

The annexed notes 1 to 29 form an integral part of this condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company), is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

Cap Gas (Private) Limited, the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 and is principally engaged in buying, filling, distribution and dealing in Liquefied Petroleum Gas (LPG).

For the purpose of these accounts, POL and its consolidated subsidiary are referred as the Company.

2. BASIS OF CONSOLIDATION

The consolidated financial information include the financial statements of POL and its subsidiary Cap Gas (Private) Limited with 51% holding (June 30, 2018: 51%).

Subsidiaries are those enterprises in which parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non-controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interest are presented as a separate item in the consolidated financial statements.

3. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- 'Provisions of and directives issued under the Companies Act, 2017.

  Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

This condensed interim financial statements does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

'IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

'IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company except that the other long term investments of the Company previously classified as "Available for sale" of Rs 6,479 thousand as at June 30, 2018 have been reclassified to "Fair value through profit or loss". The cumulative fair value gain of Rs 2,227 thousand as at June 30, 2018 previously recognised directly in other comprehensive income relating to such investments has been reclassified from equity to the statement of profit or loss in the current period, prospectively . The comparative figures have not been restated for change in accounting policy due to immaterial impact.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

'IFRS 16 ‘Leases’ - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognsied. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
4. CAPITAL RESERVES		
Bonus shares issued by subsidiary/associated companies	**71,395**	59,754
Special reserve	**15,783**	17,512
Utilised special reserve	**1,941,044**	1,941,044
	2,028,222	2,018,310
5. REVENUE RESERVES		
Insurance reserve	**200,000**	200,000
General reserve	**7,077,325**	6,852,325
Unappropriated profit	**29,614,550**	28,337,303
	36,891,875	35,389,628
6. DEFERRED LIABILITIES		
Provision for deferred income tax	**5,740,116**	6,949,269
Provision for decommissioning cost	**11,292,126**	9,548,018
Provision for Gratuity	**4,614**	5,182
Provision for staff compensated absences	**5,454**	8,475
	17,042,310	16,510,944

7. TRADE AND OTHER PAYABLES

These include balances due to joint operating partners amounting to Rs 2,045,047 thousand (June 30, 2018: Rs 2,226,936 thousand) and balances due to related parties amounting to Rs 782,472 thousand (June 30, 2018: Rs 381,892 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 9,243,007 thousand (June 30, 2018: Rs 8,528,240 thousand) as explained in note 17.1.

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
8. CONTINGENCIES AND COMMITMENTS		
8.1 Contingencies:		
Guarantee issued by banks on behalf of the company	**4,882**	11,256
8.2 Commitments:		
Share in Joint Operations	**8,036,453**	4,993,526
Own fields	**584,220**	1,014,509
Letter of credit issued by banks on behalf of the company	**145,657**	510,878

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
9. PROPERTY, PLANT AND EQUIPMENT		
Operating assets		
Opening net book value	**8,824,226**	9,022,444
Additions during the period/year	**276,322**	1,374,240
Disposals during the period/year	**(20)**	(497)
Depreciation for the period/year	**(826,666)**	(1,571,961)
Closing net book value	**8,273,862**	8,824,226
Capital work in progress - at cost	**706,658**	650,464
	8,980,520	9,474,690
10. DEVELOPMENT AND DECOMMISSIONING COSTS		
Development cost		
Opening net book value	**12,175,661**	12,913,828
Additions during the period/year	**356,165**	407,011
Revision due to change in estimates	**-**	(686,974)
Well cost transferred from exploration and evaluation assets	**1,679,562**	2,552,809
Amortization for the period/year	**(1,734,934)**	(3,011,013)
Closing net book value	**12,476,454**	12,175,661
Decommissioning cost		
Opening net book value	**421,059**	459,026
Additions during the period/year	**33,383**	239,847
Revision due to change in estimates	**-**	1,421
Amortization for the period/year	**(67,666)**	(279,235)
Closing net book value	**386,776**	421,059
	12,863,230	12,596,720
11. EXPLORATION AND EVALUATION ASSETS		
Balance brought forward	**2,590,790**	1,884,356
Additions during the period/year	**565,388**	4,844,825
Well cost Transfer to development costs	**(1,679,562)**	(2,552,809)
Dry and abandoned wells cost charged to the profit & loss account	**(644,489)**	(1,585,582)
	832,127	2,590,790

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
12. LONG TERM INVESTMENT IN ASSOCIATED COMPANIES - EQUITY METHOD		
Beginning of the year	**17,353,491**	17,044,413
Share in profits of associated companies - net of impairment loss	**(814,391)**	1,021,775
Acturial loss on staff retirement benefit plan	**(225)**	(15,510)
Impairment reversal against investment in NRL	**1,164,253**	-
Dividend received during the period / year	**(345,432)**	(697,187)
End of the period / year	**17,357,696**	17,353,491
13. OTHER LONG TERM INVESTMENTS		
Available-for-sale investments	**6,729**	6,479

13.1 Investments classified as available-for-sale under IAS 39 have been reclassified to fair value through profit or loss due to change in accounting policy after adoption of IFRS 9 as explained in note 3.1.

14. TRADE DEBTS

These include Rs 3,323,849 thousand (June 30, 2018: Rs 3,689,140 thousand) receivable from related parties.

15. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include balances due from joint operating partners amounting to Rs 131,980 thousand (June 30, 2018: Rs 47,519 thousand) and balances due from related parties amounting to Rs 117,230 thousand (June 30, 2018: Rs 106,596 thousand).

	(Unaudited) Dec. 31, 2018	(Audited) June 30, 2018
	Rupees ('000)	
16. CASH AND BANK BALANCES		
Bank balance on:		
Interest/mark-up bearing saving accounts	**4,751,230**	1,574,664
Short term deposits	**24,267,683**	20,044,527
Current accounts	**30,402**	1,613
	29,049,315	21,620,804
Cash in hand	**2,780**	2,747
	29,052,095	21,623,551

Bank Balance include foreign currency balances of US $ 108,616 thousand (June 30, 2018: US $ 94,990 thousand).The balances in saving accounts and short term deposits earned interest/mark-up ranging from 2.00 % to 11.30 % (2018: 0.10% to 7.40%).

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
17. NET SALES				
Crude oil	**5,894,212**	4,106,680	**11,438,588**	7,358,610
Gas - note 17.1	**3,606,115**	140,402	**6,685,582**	2,749,936
POLGAS/Cap Gas - Refill of cylinders	**2,315,813**	1,939,408	**4,431,583**	3,457,952
Solvent oil	**63,571**	43,885	**123,788**	77,589
Sulphur	**10,025**	-	**10,025**	-
	11,889,736	6,230,375	**22,689,566**	13,644,087

17.1. On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US $ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

"the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training".

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The impact of WLO on conversion of TAL Block till December 31, 2018 is approximately Rs 16,736,634 thousand (June 30, 2018 : Rs 11,576,757 thousand) . The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

(Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect and further directed the respondents to file their report & para wise comments. The Government of Khyber Pakhtunkhwa has filed its reply on November 28, 2018. The Islamabad High Court has fixed January 17, 2019 as next date of hearing.

On prudent basis additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2018 amounting to Rs 8,657,438 thousand (June 30, 2018 : Rs 7,289,169 thousand) will be accounted for upon resolution of this matter. Additional revenue on account of enhanced gas price incentive of Rs 9,243,007 thousand (June 30, 2018: Rs 8,528,240 thousand) including sales tax of Rs 1,343,001 thousand (June 30, 2018 : Rs 1,239,071 thousand) received from customer on the basis of notified prices has been shown under "trade and other payables".

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
18. OPERATING COSTS				
Operating cost - Own fields	421,864	294,717	771,120	624,542
- Share in joint operations	862,126	651,991	1,533,788	1,209,092
Well workover	6,588	(24,516)	398,774	(28,551)
POLGAS/Cap Gas -Cost of gas/ LPG, carriage etc	1,216,862	1,078,275	2,391,153	1,895,812
Pumping and transportation cost	22,476	10,402	31,218	17,882
Depreciation	404,977	385,716	820,977	768,823
	2,934,558	2,396,255	5,947,030	4,487,600
Opening stock of crude oil and other products	339,762	216,094	320,152	245,060
Closing stock of crude oil and other products	(308,346)	(251,122)	(308,346)	(251,122)
	2,965,974	2,361,227	5,958,836	4,481,538
19. EXPLORATION COSTS				
Geological and geophysical cost	78,889	467,960	165,665	740,408
Dry and abandoned wells cost charged to the profit & loss account	-	-	644,489	-
	78,889	467,960	810,154	740,408
20. FINANCE COSTS				
Provision for decommissioning cost				
- unwinding of discount	188,912	96,740	378,287	247,572
- exchange loss/(gain)	1,156,103	389,485	1,367,013	426,027
Banks' commission and charges	1,845	817	3,304	1,843
	1,346,860	487,042	1,748,604	675,442

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
21. OTHER CHARGES				
Workers' profit participation fund	372,985	134,450	648,773	324,137
Workers' welfare fund	121,643	14,997	218,402	71,103
	494,628	149,447	867,175	395,240
22. OTHER INCOME				
Income from financial assets				
Income on bank saving accounts, deposits and held-to-maturity investments	460,700	181,812	886,079	333,796
Exchange gain on financial assets	1,513,083	421,617	1,687,348	454,372
Other income				
Rental income (net of related expenses)	30,360	29,788	52,919	63,507
Crude oil / gas transportation income (net of related expenses)	35,109	35,355	79,611	49,518
Gas processing fee	27,328	34,544	55,412	50,978
Profit/(loss) on sale of property, plant and equipment	48	(85)	366	47
Profit on sale of stores and scrap	16,438	1,318	16,470	1,326
Fair value adjustment on investments classified as fair value through profit or loss - note 22.1	2,136	-	2,136	-
Others	1,517	658	1,146	66
	2,086,719	705,007	2,781,487	953,610

22.1 This includes Rs 2,227 thousand as referred in note 3.1.

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
23. PROVISION FOR TAXATION				
Current	3,516,941	230,762	5,420,226	1,291,725
Deferred	(575,842)	69,412	(1,209,153)	8,512
	2,941,099	300,174	4,211,073	1,300,237

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

24. FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	December 31, 2018				June 30, 2018
	(Level 1)	(Level 2)	(Level 3)	Total	
	..... Rupees ('000)				
Other long term investments classified as fair value through profit or loss	**6,729**	**-**	**-**	**6,729**	6,479

25. TRANSACTIONS WITH RELATED PARTIES

Aggregate transactions with related parties of the Company were as follows:

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
Sales of goods and services to:				
Associated companies	**5,390,917**	3,856,524	**10,451,174**	6,865,474
Purchase of goods and services from:				
Parent company	**50,434**	39,064	**87,595**	55,598
Associated companies	**426,460**	299,853	**872,257**	511,948
Dividend paid during the period:				
Parent company	**-**	3,119,449	**3,119,449**	3,119,449
Associated companies	**-**	9,488	**9,488**	9,488
Key manangement Personnel	**-**	59,949	**59,905**	59,949
Dividend received during the period:				
Associated companies	**-**	609,978	**345,432**	609,978

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2018

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	Rupees ('000)			
Other related parties:				
Remuneration to key management personnel including benefits and perquisites	**55,792**	54,739	**83,998**	77,481
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	**22,767**	19,452	**44,536**	38,929
Approved Contributory Provident Funds	**7,915**	7,217	**16,362**	14,485
Contribution to Workers' profit participation fund	**372,985**	134,450	**648,773**	324,137

26. EARNING PER SHARE - BASIC AND DILUTED

Basic earnings per share previously reported at Rs 20.16 in the financial statements for the six months period ended December 31, 2017 has been restated to Rs 16.80 for 47,309,184 bonus shares issued during the period ended December 31, 2018.

27. OPERATING SEGMENTS

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 17.

Revenue from two major customers of the Company constitutes 69% of the total revenue during the period ended December 31, 2018 (December 31, 2017: 62%).

28. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on January 22, 2019 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2019.

29. DATE OF AUTHORISATION

This condensed interim financial statements was authorized for circulation to the shareholders by the Board of Directors of the Company on January 22, 2019.

Khalid Nafees	Shuaib A. Malik	Abdus Sattar
CFO	Chief Executive	Director

Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Operator	Interest %
Ikhlas	Pakistan Oilfields Limited	80.00
Kirthar South	Pakistan Oilfields Limited	85.00
D.G. Khan	Pakistan Oilfields Limited	70.00
Gurgalot	Oil & Gas Development Company Limited	20.00
Tal Block	MOL Pakistan Oil and Gas Co. B.V	25.00
Margala	MOL Pakistan Oil and Gas Co. B.V	30.00
Hisal	Pakistan Petroleum Limited	25.00
D&P / Mining Lease		
Balkassar	Pakistan Oilfields Limited	100.00
Dhulian	Pakistan Oilfields Limited	100.00
Joyamair	Pakistan Oilfields Limited	100.00
Khaur	Pakistan Oilfields Limited	100.00
Meyal / Uchri	Pakistan Oilfields Limited	100.00
Minwal	Pakistan Oilfields Limited	82.50
Pariwali	Pakistan Oilfields Limited	82.50
Pindori	Pakistan Oilfields Limited	35.00
Turkwal	Pakistan Oilfields Limited	67.37
Adhi	Pakistan Petroleum Limited	11.00
Chaknaurang	Oil & Gas Development Company Limited	15.00
Jhal Magsi	Oil & Gas Development Company Limited	24.00
Bhangali	Ocean Pakistan Limited	7.00
Dhurnal	Ocean Pakistan Limited	5.00
Ratana	Ocean Pakistan Limited	4.5450
Manzalai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori East	MOL Pakistan Oil and Gas Co. B.V	25.00*
Maramzai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Mami Khel	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj West	MOL Pakistan Oil and Gas Co. B.V	25.00*

* Pre-Commerciality interest

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