



Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P. O. Box 3942, Karachi-75530, Pakistan
Tel: 92-21-35681391-95, 35683853-57, 35657730-39
UAN: 92-21-111-568-568
Fax: 92-21-35680005 & 35682125
Website: www.ppl.com.pk

Our reference:

SAA/CS/SE-0205

Your reference:

Date:

30th April 2019

The Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Attention: Ms. Asmaa Saleem Malik
Deputy General Manager
Listing Department

Dear Sirs,

Re: Report for the Third Quarter Ended 31st March 2019

Pursuant to Rule 5.6.4 (c) of the Rules of the Pakistan Stock Exchange we attach the quarterly report for the period ended 31st March 2019 for dissemination among your members.

Yours truly,

Shahana Ahmed Ali
Company Secretary

Enclosed as above.

(saa/cs/ppl/psx/300419)



Pakistan Petroleum Limited

DELIVERING EXCELLENCE

Nine Months Report March 2019



COMPANY INFORMATION

Board of Directors

Mr. Salman Akhtar
Chairman

Mr. Moin Raza Khan
Chief Executive Officer /
Managing Director

Mr. Agha Jan Akhtar

Dr. Ibne Hassan

Mr. Mian Asad Hayaud Din

Mr. Muhammad Sajid Farooqi

Mr. Muhammad Tariq

Mr. Saeed Ullah Shah

Mr. Sajid Mehmood Qazi

Dr. Tanveer Ahmad Qureshi

Company Secretary

Ms. Shahana Ahmed Ali

Registered Office

P.I.D.C. House
Dr. Ziauddin Ahmed Road
P.O. Box 3942
Karachi-75530

Contact Details

UAN: +92 (21) 111 568 568
Fax: +92 (021) 35680005 & 35682125
Email: info@ppl.com.pk
Website: www.ppl.com.pk

Registration Number

CUIN: 0000378

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank AL Habib Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Shares Registrar

Messrs. FAMCO Associates (Private) Limited
8-F, Next to Hotel Faran, Nursery Block-6
P.E.C.H.S., Shahra-e-Faisal
Karachi.
Tel: +92 (21) 34380101-05
Fax: +92 (21) 34380106

Legal Advisors

Messrs. Surridge & Beecheno

DIRECTORS' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the nine months period ended March 31, 2019 and a brief review of the Company's operations.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the nine months period ended March 31, 2019 are as follows:

Discoveries

Eight discoveries have been made during the period under review; six in PPL operated blocks i.e. Hub X-1 (Hub block), Yasar X-1 (Kotri block), Badeel X-1 (Gambat South block), Talagang X-1 (Karsal block), Hadaf X-1 (Gambat South block) and Benari X-1 (Shah Bandar block) and two in partner operated blocks namely Mela-5 (Nashpa block) and Gulsher – 1 (Digri block).

Further, subsequent to the period end, exploratory well Dharian-1 (partner operated Ghauri block) has been declared as a hydrocarbon discovery.

Furthermore, one discovery has been made in PPL Europe in partner operated block i.e. Bolan East-1 (Ziarat block).

Geological & Geophysical Activities

In PPL operated blocks, 2D and 3D seismic data of 381 line Km and 175 Sq Km, respectively was acquired during the current period, as compared to 1,726 Line Km 2D seismic data during the corresponding period.

Further, in PPL operated blocks, 4,378 Line Km gravity and magnetic data was acquired during the current period.

Drilling Activities

In PPL operated blocks, five wells (four exploratory and one development) were spudded during the current period, as compared to eleven wells (six exploratory and five development) in the corresponding period.

Financial Highlights

The key financial results of the Company for the nine months period ended March 31, 2019 are as follows:

	Nine months ended March 31, 2019	Nine months ended March 31, 2018
	Rs Million	
Sales revenue (net)	119,201	91,823
Profit before taxation	59,641	47,948
Taxation	(14,387)	(14,755)
Profit after taxation	45,254	33,193
Basic and Diluted Earnings Per Share (Rs)	19.96	(Restated) 14.64

Sales revenue

Sales revenue increased by Rs 27,378 million during the current period as compared to the corresponding period. The increase is due to positive variance on account of price (including exchange rate) amounting to Rs 27,825 million, partially offset by negative volume variance of Rs 447 million.

Positive price variance is due to increase in average international crude oil prices from US\$ 57.95 / bbl in the corresponding period to US\$ 68.42 / bbl during the current period, further augmented by devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 132.81 as compared to PKR 107.80 during the corresponding period).

A comparison of the Company's share of sales volumes from all operated and partner-operated fields is given below:

	Unit	Nine months ended March 31, 2019	Nine months ended March 31, 2018
Natural Gas	MMcf	212,349	216,969
Crude Oil / Natural Gas Liquids / Condensate	BBL	4,263,738	4,323,322
Liquefied Petroleum Gas (LPG)	Tonnes	87,333	67,408
Barytes	Tonnes	75,494	59,252

Profitability

Profitability of the Company increased by 36% as compared to the corresponding period. Main drivers are increased sales revenue (as explained above), reversal of impairment loss on investment in PPLE and higher exchange gain, partially offset by increase in exploration expenses, operating expenses and levies (increased in line with sales).

Reversal of impairment loss on investment in PPLE is due to (i) significant devaluation of Pak Rupee against US Dollar and (ii) discovery of hydrocarbons in Ziarat block as announced by the operator during September 2018.

Increase in exploration expenses is due to higher cost of dry wells charged to profit or loss in the current period and also due to the fact that past cost from United Energy Pakistan Limited (against farm out of the Company's 50% working interest in Kotri North block along with transfer of operatorship) was recovered in the corresponding period.

Increase in operating expenses is mainly under the heads of depreciation & amortisation, well interventions and field services.

LIQUIDITY MANAGEMENT AND CASH FLOW POSITION

The Company continued to witness stress on its liquidity on account of muted collections from the government nominated natural gas customers. As at March 31, 2019, the total receivables registered a 45% increase and stood at Rs 207 billion (June 30, 2018: Rs 143 billion). The Board considers natural gas and power sector circular debt as the most critical risk in the achievement of strategic objectives of the Company. Accordingly, besides escalation of recovery efforts, the Company has actively engaged all key stakeholders at relevant Ministries to explore possible mechanisms for earliest resolution of the subject matter.

CORPORATE STRATEGY AND FOCUS AREAS

During the period, the operations of the Company remained in line with its Corporate Strategy.

Exploration

The Exploration & Business Development Directorate consists of three Assets i. e. South, North and Frontier Assets (also includes blocks in Iraq and Yemen), Business Development and Geo-Services departments. At present, the Company's portfolio, together with its subsidiaries, consists of forty-four exploratory blocks, out of which twenty-six are PPL operated (including Block-8 in Iraq being operated by PPL Asia) and remaining eighteen, including three offshore blocks in Pakistan and one onshore block in Yemen, are partner operated. Details of major activities are as follows:

Exploration South Assets

Preparations are underway to spud in 1st exploratory well Khipro East X-1 in Khipro East block.

In Sirani block, feasibility study has been completed for construction of access route and wellsite for drilling of exploration well Sirani X-3 located in the challenging marshy terrain.

Exploration North Assets

In Dhok Sultan block, 175 Sq Km 3D seismic data acquisition was completed. Side-track of exploratory well Dhok Sultan X-1 is in progress and well site construction is underway to spud in exploratory well, Dhok Sultan South X-1.

In Sadiqabad block, well site construction is in progress to spud in exploratory well Cholistan X-1.

Preparations are underway for rig-less testing of Talagnag X-1 discovery in Karsal block.

Exploration Frontier Assets

Drilling of 3rd exploratory well Nooh X-1 is in progress in Hub block.

In Block-8, Iraq, 1st exploratory well Madain-01 was spudded on April 14, 2019 and currently drilling is in progress.

Partner-Operated Exploration Blocks

In Kirthar block, acquisition of 66 L. Km 2D and 235 Sq. Km 3D seismic has been completed.

Drilling of exploratory well Kekra-1 is underway, in offshore Indus-G block.

2D seismic data acquisition of 195 L. Km in Nashpa block has been completed.

In Tal block, seismic crew has been mobilised to acquire 732 Sq. Km 3D seismic data.

Drilling of exploratory well Unarpur-1 (Kotri North block) has been completed and preparations are underway for testing of the well.

In Paharpur block, drilling of 1st exploratory well Paharpur X-1 is in progress.

Business Development

Two operated exploration blocks (Sorah and Musakhel) won in bid round 2018, have been provisionally awarded to the Company, while the signing of two partner operated exploration blocks (Khuzdar North and Pezu) are under execution.

Producing Fields

Sui Asset

Development well Sui-109 (M) has been drilled and completed and its tie-in activities are in progress. Site construction jobs for development wells, Sui-105(U), Sui-106 (U), Sui-107 (U) and Sui-108 (P) are in advanced stage of completion. Also, workover of Sui-28 has been completed and activities for its re-commissioning into production network are in progress.

Further, maintenance and enhancement of plant reliability activities were undertaken at both Purification Plant and Sui Field Gas Compression Station, including integration of steam headers.

Kandhkot Asset

First major overhaul of Gas Compressor was successfully completed, utilising in-house resources.

Adhi Asset

Well site construction activities are in progress for Adhi-33, 34 and South X-4.

For Adhi Compression Project; civil, mechanical, piping and instrumentation works on wells Adhi-17 and 18 were completed and pre-commissioning activities are in progress.

Gambat South / Hala / Mazarani and Other Assets

In Gambat South (GS), the Contractor of Gas Processing Facility (GPF) - III served a Notice on the Company, invoking the arbitration clause of the Contract and subsequently initiated arbitration proceedings in which it has filed a number of claims against the Company. The Company has filed a strong response and raised counter-claims against the Contractor. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of a favourable outcome. While the Company has filed its Statement of Defence and Counter-claim, it has also challenged the constitution of the arbitration tribunal and the orders passed by it to date.

For phase 2 of GPF-IV project, detailed engineering for construction works along with pre-qualification of construction contractors has been completed, whereas, bids from pre-qualified construction contractors are being obtained. Site delivery of equipment has also commenced.

Further at GS, condensate export commenced after successful award of contract to M/s Trafigura due to less offtakes by local refineries.

For re-grant along with price revision of Mazarani D&PL, economic evaluation details have been shared with GoP.

Tender was issued for third party gas sales through virtual pipeline from newly discovered exploration blocks i.e. Bashar X-1 ST (Hala), NF Hor-1 RE (Naushahro Firoz), Yasar X-1 (Kotri) and Benari X-1 (Shahbandar).

Partner-Operated Assets

In Nashpa, development well Mela-6 has been completed as oil producer, whereas drilling is in progress at Nashpa-9.

Development well Qadirpur-61 (Horizontal) was spudded during the period and currently, completion activities are in progress. Development well Qadirpur-60 (Horizontal) has been completed as gas producer.

In Kirthar, development well Rehman-5 has been completed as gas producer.

Development well Miano-22 was completed as a gas producer.

In Latif, development well Latif-17 was spudded during the period and currently completion activities are in progress.

Corporate Social Responsibility

PPL continued to work for promotion of education at its producing and exploratory areas across the country and in this regard, construction of various schools was completed during the period.

The company also completed two water supply schemes at Tehsil Dureji, District Lasbella.

Similarly, PPL continued its efforts of provision of healthcare facilities to the population residing in surrounding areas of its fields, whereas, Public Welfare Hospital, Sui, Public Dispensary Adhi and Mobile Medical Unit at Mazarani, Kandhkot and GS, all operated satisfactorily during the period.

Quality, Health, Safety and Environment (QHSE)

Process Safety Information gap assessment was conducted at Adhi plants, whereas, Genuine Engagement and Conversation program was launched at Gambat South Field.

In addition, Environmental Impact Assessment (EIA) NOC's were acquired for wells Murad X-1, Kalat X-3, Margand X-1 & 2 and seismic operations in Kalat and Margand blocks.

Industrial Relations

Harmonious working environment and cordial industrial relations atmosphere prevailed at all locations of the Company.

ACKNOWLEDGEMENT

The Company's achievements could not have been possible without the continuous efforts of our employees, who deserve full compliments. We are also thankful to the continued support of the GoP and shareholders, whose unfaltering trust and confidence has enabled us to aim and achieve the best.



DIRECTOR

Karachi: April 30, 2019



MANAGING DIRECTOR /
CHIEF EXECUTIVE OFFICER

اعتراف

کمپنی کی کامیابیاں ہمارے عملے کی جانفشانی کے بغیر ممکن نہیں تھیں، جو بھرپور ستائش کے حقدار ہیں۔ ہم حکومت پاکستان اور حصص داروں کے مسلسل تعاون پر بھی شکرگزار ہیں جو ہم پر غیر متزلزل بھروسہ کرتے ہیں اور ہمیں اس قابل بناتے ہیں کہ ہم اپنے اہداف کو بہترین طریقے سے حاصل کر سکیں۔


مینجنگ ڈائریکٹر/چیف ایگزیکٹو


ڈائریکٹر

کراچی

30 اپریل 2019

علاوہ ٹائٹل ٹریبل کی تشکیل اور اس کے تحت دیئے گئے اب تک کے احکامات کو چیلنج کر دیا ہے۔

گیس پروسسنگ فیسلٹی-4 کے دوسرے مرحلے کا منصوبہ: اس حوالے سے تعمیراتی کام کے لئے تفصیلی انجینئرنگ اور ٹھیکیداروں کی پری کوالیفیکیشن کا کام مکمل ہو چکا ہے۔ جبکہ تعمیرات کے لئے پری کوالیفائیڈ ٹھیکیداروں سے بولیاں منگوانے کا کام ابھی جاری ہے۔ پلانٹ کی جگہ پر سامان کی ترسیل شروع ہو چکی ہے۔

ساتھی، ہی گمبٹ ساؤتھ سے مقامی ری فائینریز کی جانب سے کنڈنسٹ کی کم مقدار کی خریداری کے باعث اس کی درآمد کا ٹھیکہ میسرز ٹرافیکو راکو بولی کے مرحلے کے بعد ایوارڈ کر دیا گیا ہے۔

مزرانی گیس فیلڈ سے گیس کی قیمتوں میں اعادہ اور فیلڈ پی پی ایل کو دوبارہ سے گرانٹ کرنے کے حوالے سے فیلڈ کا معاشی تجزیاتی جائزہ حکومت پاکستان کو مہیا کر دیا گیا ہے۔

نئے دریافتی کنوؤں: بشر-1 STX (ہال بلاک)، نوشہرو فیروز افقی-1 ری انٹری (نوشہرو فیروز بلاک)، یسر-1 X (کوٹری بلاک) اور بناری-1 X (شاد بندر بلاک) سے حاصل ہونے والی گیس کی تیسرے فریق کو بجازی پائپ لائن کے ذریعے (بغیر پائپ لائن، ڈرموں میں بھر کر) فروخت کرنے کے لئے بولیاں منگوانے کا سلسلہ شروع کر دیا گیا ہے۔

پارٹنر-آپریٹڈ اثاثے

تتیا بلاک میں پیداواری کنوئیں میلہ-6 کو تیل کے پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے جبکہ تپا-9 کی کھدائی ابھی جاری ہے۔

پیداواری کنوئیں قادر پور (افقی)-61 کی کھدائی کا آغاز زیر نظر عرصے کے دوران کیا گیا جس پر تکمیلی کام ابھی جاری ہے۔ قادر پور-60 (افقی) کو گیس کے پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے۔

کیم تھر بلاک میں پیداواری کنوئیں رحمن-5 کو گیس کے پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے۔

میانو بلاک میں میانو-22 کو گیس کے پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے۔

لطیف بلاک میں پیداواری کنوئیں لطیف-17 کی کھدائی کا آغاز زیر نظر عرصے کے دوران کیا گیا جس پر تکمیلی کام ابھی جاری ہے۔

کاروباری سماجی ذمہ داری (سی ایس آر)

پی پی ایل ملک میں اپنے دریافتی پیداواری علاقوں میں تعلیم کے فروغ کے لئے کام جاری رکھے ہوئے ہے، اس ضمن میں زیر جائزہ مدت میں بہت سے اسکولوں کی تعمیر مکمل ہوئی۔ کمپنی نے تحصیل دھوربگی، ضلع بسیلہ میں پانی کی فراہمی کے 2 منصوبے مکمل کئے۔

اسی طرح، پی پی ایل نے اپنی فیلڈز کے گرد و نواح میں بسنے والی آبادیوں کو صحت کی سہولیات کی فراہمی جاری رکھی۔ پی پی ایل پبلک ویلفیئر ہسپتال۔ سوئی، پبلک ڈسپنسری۔ آدھی اور مزرانی، کندھ کوٹ اور گمبٹ ساؤتھ کے آس پاس چلنے والی موبائل میڈیکل ڈسپنسریز کی کارکردگی تسلی بخش رہی۔

معیار صحت، تحفظ و ماحول (کیو ایچ ایس ای)

آدھی فیلڈ کے پلانٹس کے لئے کام کے دوران تحفظ کے حوالے سے معلومات کے خلاء کا تجزیہ کرایا گیا۔ ساتھ ہی گمبٹ ساؤتھ کے پیداواری اثاثوں میں حقیقی شراکت اور رابطہ پروگرام کا آغاز کر دیا گیا۔

اس کے ساتھ ساتھ، فلات اور مرگند بلاکس میں سائز کم سروے اور مراد-1 X، فلات-3 X اور مرگند-1 X اور-2 X کنوؤں کے لئے ماحولیاتی اثرات کے جائزے کے نتیجے میں سند عدم اعتراض جاری کر دیا گیا ہے۔

انڈسٹریل ریلیشنز

کمپنی کی تمام لوکیشنز میں ہم آہنگ کاروباری ماحول اور خوش گوار صنعتی فضا کو پروان چڑھایا گیا۔

پارٹنر آپریٹڈ اثاثے

کیئر تھر بلاک میں 66 لائن کلومیٹر 2D اور 235 کلومیٹر 3D سائز تک ڈیٹا کا حصول مکمل ہو گیا۔

آف شور انڈس G بلاک میں دریافتی کنوئیں کیئر 1- کی کھدائی جاری ہے۔

تھیا بلاک میں 195 لائن کلومیٹر پر 2D سائز تک سروے مکمل ہو چکا ہے۔

ٹل بلاک میں 732 مربع کلومیٹر 3D سائز تک ڈیٹا کے حصول کے لئے عملے کو متحرک کر دیا گیا ہے۔

کوئری نار تھ بلاک میں دریافتی کنوئیں اوئر پور 1- کی کھدائی مکمل ہو چکی ہے اور جانچ کے لئے تیاریاں جاری ہیں۔

پہار پور بلاک میں پہلے دریافتی کنوئیں پہار پور 1-X کی کھدائی جاری ہے۔

برنس ڈیولپمنٹ

2018 میں بولی کے مرحلے میں حاصل کئے گئے دو آپریٹڈ دریافتی بلاکس سورہ اور موسیٰ خیل کمپنی کو عبوری طور پر دے دیئے گئے ہیں جبکہ دو پارٹنر آپریٹڈ دریافتی بلاکس خضدار نار تھ اور بیئر د میں پی پی ایل کی شمولیت کو حتمی شکل دی جا رہی ہے۔

پیداواری فیلڈز

سوئی اثاثہ

پیداواری کنوئیں سوئی 109 (M) کی کھدائی مکمل ہو چکی ہے اور اسے پیداواری سلسلے سے جوڑنے کا عمل جاری ہے۔

سوئی 105 (U)، سوئی 106 (U)، سوئی 107 (U)، سوئی 108 (P) کی کھدائی کے لئے جگہ کی تعمیر کا عمل تقریباً مکمل ہو چکا ہے۔

سوئی 28 (M) پر ورک اور مکمل ہو چکا ہے اور اسے پیداواری سلسلے سے دوبارہ جوڑنے کا عمل جاری ہے۔

مزید یہ کہ پیورٹیفیکیشن پلانٹ اور سوئی فیلڈ گیس کپیریشن اسٹیشن کی مرمت، تجدید، پلانٹ کی صلاحیت بڑھانے سے متعلقہ سرگرمیاں بشمول اسٹیم ہیڈر کو جوڑنے کا کام انجام دیا گیا۔

کندھ کوٹ اثاثہ

عملے نے گیس کپیریشن کی مکمل تجدید کو کامیابی سے انجام دیا۔

آدہی اثاثہ

کنوئیں آدہی 33، آدہی 34 اور آدہی ساؤتھ 4-X کی کھدائی کے لئے جگہ کی تیاری جاری ہے۔

آدہی کپیریشن منصوبے کے حوالے سے آدہی 17 اور آدہی 18 پرسول، مکینکل، پائپ بچھانے اور آلات کی تنصیب کا کام مکمل ہو چکا ہے اور پیداوار کے حصول سے پہلے کی سرگرمیاں جاری ہیں۔

گمبٹ ساؤتھ/ہال/مزرانی دیگر اثاثے

گمبٹ ساؤتھ بلاک میں، گمبٹ ساؤتھ گیس پروسیسنگ فیسلٹی II کے ٹھیکیدار نے معاہدے کی ثالثی کی شق کو استعمال کرتے ہوئے کمپنی کے خلاف مختلف ہرجانوں کے لئے

ثالثی کے طریقہ کار کا آغاز کر دیا ہے۔ کمپنی اس کے خلاف سخت جواب دیتے ہوئے ٹھیکیدار کے خلاف جوابی ہرجانے دائر کر دیا ہے۔ کمپنی اپنے خلاف لگائے جانے والے

ہرجانوں کے دعوؤں کے قانونی تجزیے اور قانونی مشاورت کی روشنی میں اپنے حق میں مثبت فیصلے کی متسی ہے۔ ساتھ ہی کمپنی نے اپنے دفاع میں جوابی ہرجانے دائر کرنے کے

سیالیت کی انتظام کاری اور کیش فلو کی صورتحال

حکومت کے نامزد کردہ قدرتی گیس کے صارفین کی جانب سے رقم کی عدم وصولی کی بناء پر کمپنی کی سیالیت پر بدترکج دباؤ بڑھتا گیا ہے۔ اس ضمن میں، 31 مارچ 2019 کو کمپنی کی وصولیات 45 فیصد اضافے کے ساتھ 207 بلین روپے رہی (جبکہ 30 جون 2018 کو یہ 143 بلین روپے تھی)۔ بورڈ آف ڈائریکٹرز کے مطابق قدرتی گیس اور توانائی کے شعبے کے گزشتہ قرضے کمپنی کی حکمت عملی کے حصول کے لئے شدید ترین خطرہ (رиск) ہیں۔ قرضوں کی واپسی کے لئے کوششوں کو تیز تر کرنے کے علاوہ کمپنی نے متعلقہ وزارتوں میں تمام شرائط داروں کو ساتھ لیا ہے تاکہ اس مسئلے کا جلد حل نکالنے کے لئے ممکنہ طریقہ کار تلاش کئے جاسکیں۔

کاروباری حکمت عملی اور اہم شعبہ جات
زیر نظر جائزہ کے دوران کمپنی کے آپریشنز کاروباری حکمت عملی کے مطابق رہے۔

دریافتی سرگرمیاں

کمپنی کا دریافتی اور برنس ڈیولپمنٹ ڈائریکٹوریٹ تین اثاثوں بنام شمالی، جنوبی اور سرحدی (بشمول عراق اور یمن بلاکس) اثاثوں اور برنس ڈیولپمنٹ اور جیوسروسز شعبہ جات پر مشتمل ہے۔ اس وقت، پی پی ایل اور اسکی ذیلی کمپنیوں کے پاس 44 دریافتی بلاکس ہیں، جن میں سے 26 پی پی ایل آپرےٹڈ (بشمول عراق میں بلاک 8 جسے پی پی ایل ایشیا آپرےٹ کرتی ہے) اور بقیہ 18 پارٹنر آپرےٹڈ ہیں جن میں پاکستان میں 3 آف شور اور یمن میں 1 آن شور بلاکس بھی شامل ہیں۔

اہم سرگرمیوں کی تفصیل حسب ذیل ہے:

ایکسپلوریشن کے جنوبی اثاثے

کچھ وایٹ بلاک میں پہلے دریافتی کنونٹس کچھ وایٹ 1-X کی کھدائی کی تیاریاں جاری ہیں۔
سیرانی بلاک میں، دریافتی کنونٹس سیرانی 3-X کی دلدلی علاقے میں کھدائی کی غرض سے رابطہ سڑک اور ویل سائٹ کی تعمیر کے لئے کے ڈیزائن/منصوبہ بندی کے قابل عمل ہونے کی تحقیق مکمل ہو چکی ہے۔

ایکسپلوریشن کے شمالی اثاثے

ڈھوک سلطان بلاک میں 175 مربع کلومیٹر پر 3D سائزنگ کا حصول مکمل ہو گیا۔ پہلے کھودے گئے دریافتی کنونٹس ڈھوک سلطان 1-X کی سائڈ ٹریکنگ جاری ہے جبکہ دریافتی کنونٹس ڈھوک سلطان ساؤتھ 1-X کی کھدائی کے لئے جگہ کی تیاری جاری ہے۔
صادق آباد بلاک میں دریافتی کنونٹس چولستان 1-X کی کھدائی کے لئے جگہ کی تیاری جاری ہے۔
کر سال بلاک میں دریافتی کنونٹس تلہ گنگ 1-X کی رگ کے بغیر جانچ کی تیاریاں جاری ہیں۔

ایکسپلوریشن کے سرحدی اثاثے

حب بلاک میں تیسرے دریافتی کنونٹس نوح 1-X کی کھدائی جاری ہے۔
بلاک 8 عراق، میں پہلے دریافتی کنونٹس مدائن 01 کی کھدائی کا آغاز 14 اپریل 2019 کو ہوا جو ابھی جاری ہے۔

نیکس	(14,387)	(14,755)
بعد از نیکس منافع	45,254	33,193
بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)	19.96	14.64 (اعادہ شدہ)

فروخت آمدن

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 27,378 ملین روپے کا اضافہ ہوا ہے۔ یہ اضافہ مثبت تغیر کو واضح کرتا ہے جو قیمت (بشمول زرمبادلہ کی شرح) کی مد میں بالترتیب 27,825 ملین روپے رہا جس نے حجم کی مد میں 447 ملین روپے کے ہونے والے منفی تغیر کو جزوی طور پر زائل کیا۔

قیمت میں مثبت تغیر کی بنیادی وجہ خام تیل کی عالمی قیمتوں میں اوسط اضافہ ہے جو تقابلی عرصے کے 57.95 امریکی ڈالر فی بیرل کے مقابلے میں زیر جائزہ مدت میں 68.42 امریکی ڈالر فی بیرل رہا جسے پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں ہونے والی کمی نے مزید مستحکم کیا (گزشتہ تقابلی عرصے میں زرمبادلہ کی اوسط شرح 107.8 روپے کے مقابلے میں زیر نظر جائزے میں یہ شرح 132.8 روپے رہی)۔

پی پی ایل۔ آپریٹڈ اور پارٹنر آپریٹڈ فیلڈز سے فروخت کے حجم میں کمپنی کے حصے کا تقابلی جائزہ حسب ذیل ہے:

یونٹ	نومبر کا اختتام	نومبر کا اختتام	نومبر کا اختتام
	31 مارچ 2019	31 مارچ 2018	
قدرتی گیس	ایم ایم سی ایف	212,349	216,969
خام تیل/قدرتی گیس مائع (این جی ایل)/کنڈنسٹ	بی بی ایل	4,263,738	4,323,322
مائع پٹرولیم گیس (ایل پی جی)	ٹن	87,333	67,408
بیرائٹس	ٹن	75,494	59,252

منفعت

کمپنی کی منفعت میں تقابلی عرصے کے مقابلے میں 36 فیصد اضافہ ہوا۔ اس کی بنیادی وجہ فروخت آمدن میں ہونے والے اضافے (جسے اوپر بیان کیا گیا ہے)، پی پی ایل یورپ ای اینڈ پی کمپنی لمیٹڈ (پی پی ایل۔ای) میں کی جانے والی سرمایہ کاری میں ہونے والے خسارے میں کمی ہے اور زرمبادلہ کی مد میں ہونے والا نفع ہے، جس نے دریافتی سرگرمیوں میں ہونے والے اخراجات، آپریٹنگ اخراجات اور متعلقہ ٹیکس (جو فروخت میں اضافے سے منسلک ہے) میں ہونے والے اضافے کو جزوی طور پر زائل کیا۔

پی پی ایل۔ای میں کی جانے والی سرمایہ کاری میں ہونے والے خسارے میں کمی کی وجوہات میں (i) پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں ہونے والی نمایاں کمی اور (ii) زیارت بلاک میں آپریٹر کے ستمبر 2018 کے اعلائے کے مطابق ہونے والی ہائیڈروکاربن کی دریافت ہے۔

دریافتی اخراجات میں ہونے والا اضافہ خشک کنوؤں کی اضافی قیمت ہے جسے زیر نظر عرصے کے دوران منفعت اور خسارے کے اکاؤنٹ میں چارج کر دیا گیا ہے۔ ساتھ ہی کوٹری نارتھ بلاک میں پی پی ایل کی 50 فیصد کارباری شراکت اور آپریٹر شپ کی یونائیٹڈ انرجی پاکستان لمیٹڈ کو منتقلی کے نتیجے میں ملنے والی بقید رقم کا تقابلی عرصے میں حصول ہے۔ آپریٹنگ اخراجات میں اضافے کی وجہ سے کنوؤں اور پلائٹس کے آلات کی قیمت میں وقت کے ساتھ ہونے والی کمی ہے ساتھ ہی کنوؤں پر کام اور فیلڈ کے اخراجات ہیں۔

ڈائریکٹران کا عبوری جائزہ

آپ کے ڈائریکٹران 31 مارچ 2019 کو ختم ہونے والے نو ماہ کے غیر آڈٹ شدہ مجتمع عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے سرٹ محسوس کرتے ہیں۔

آپریشنل و مالیاتی جھلکیاں / اہم نکات

آپریشنل جھلکیاں / آپریشنز کے اہم نکات

31 مارچ 2019 کو ختم ہونے والے نو ماہ کے دوران اہم کاروباری آپریشنز حسب ذیل ہیں:

دریافتیں

زیر نظر عرصے کے دوران آٹھ دریافتیں ہوئیں جن میں سے چھ دریافتیں: حب-1 (حب بلاک)، سیر-1 (کوٹری بلاک)، بدیل-1 (گمٹ ساؤتھ بلاک)، تالہ گنگ-1 (کر سال بلاک)، ہدف-1 (گمٹ ساؤتھ بلاک) اور بیناری-1 (شاہ بندر بلاک) پی پی ایل آپریٹڈ اساسوں میں جبکہ دو دریافتیں: میلہ-5 (نشا بلاک) اور گل شیر-1 (ڈگری بلاک) پارٹنر آپریٹڈ اساسوں میں ہوئیں۔

ساتھ ہی، زیر نظر عرصے کے اختتام پر، پارٹنر آپریٹڈ غوری بلاک کے دریافتی کنوئیں ڈھاریاں-1 سے ہائیڈروکاربن کی دریافت کا اعلان کر دیا گیا ہے۔

مزید یہ کہ پی پی ایل یورپ کے پارٹنر آپریٹڈ زیارت بلاک سے بھی ایک دریافت بولان ایسٹ-1 ہوئی۔

ارضیاتی وارضی طبعیاتی سرگرمیاں

زیر جائزہ مدت میں، پی پی ایل آپریٹڈ بلاکس میں بالترتیب 381 لاکھ کلومیٹر پر 2D اور 175 مربع کلومیٹر پر 3D سائزنگ ڈیٹا حاصل کیا گیا جبکہ تقابلی عرصے میں 1,726 لاکھ کلومیٹر پر 2D ڈیٹا حاصل کیا گیا تھا۔

ساتھ ہی زیر نظر عرصے میں پی پی ایل آپریٹڈ بلاکس میں 4,378 لاکھ کلومیٹر ٹھکی اور متناطیسی ڈیٹا حاصل کیا گیا۔

کھدائی کی سرگرمیاں

موجودہ مدت میں پی پی ایل آپریٹڈ بلاکس میں 5 کنوئیں (4 دریافتی اور ایک پیداواری کنواں) کھودے گئے جبکہ گزشتہ مدت میں 11 کنوئیں (6 دریافتی اور 5 پیداواری) کھودے گئے تھے۔

مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

31 مارچ 2019 کو ختم ہونے والے نو ماہ پر کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

نوماء کا اختتام 31 مارچ 2018	نوماء کا اختتام 31 مارچ 2019	
ملین روپے		
91,823	119,201	فروخت آمدن (خالص)
47,948	59,641	قبل از ٹیکس منافع

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019


	Note	March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	158,332,374	154,703,102
Intangible assets		364,317	420,287
		158,696,691	155,123,389
Long-term investments	6	41,958,390	37,690,970
Long-term loans		33,595	16,067
Long-term deposits		7,676	7,676
Long-term receivables		209,524	74,670
		200,905,876	192,912,772
CURRENT ASSETS			
Stores and spares		3,394,413	3,528,438
Trade debts	7	206,701,885	142,636,089
Loans and advances		1,029,020	1,506,404
Trade deposits and short-term prepayments		562,204	230,968
Interest accrued		676,109	494,758
Current maturity of long-term loans		13,431	1,378,972
Current maturity of long-term deposits		911,850	911,850
Current maturity of long-term receivables		125,456	50,786
Other receivables		3,566,805	1,882,477
Short-term investments	8	10,792,500	14,072,500
Cash and bank balances		3,689,964	7,714,754
		231,463,637	174,407,996
TOTAL ASSETS		432,369,513	367,320,768
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		22,674,872	19,717,295
Reserves		260,013,374	220,674,676
		282,688,246	240,391,971
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		23,356,106	22,592,369
Liabilities against assets subject to finance lease		29,364	68,136
Deferred liabilities		2,766,469	2,651,531
Deferred taxation		36,242,565	37,522,952
		62,394,504	62,834,988
CURRENT LIABILITIES			
Trade and other payables	9	78,400,608	61,550,474
Unclaimed dividends		320,066	332,998
Current maturity of liabilities against assets subject to finance lease		48,156	74,621
Taxation - net		8,517,933	2,135,716
		87,286,763	64,093,809
TOTAL LIABILITIES		149,681,267	126,928,797
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	10	432,369,513	367,320,768

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Quarter ended March 31, 2019	Quarter ended March 31, 2018	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
		Rs '000		Rs '000	
Sales - net	11	40,390,534	30,849,411	119,200,954	91,822,944
Operating expenses	12	(10,115,791)	(8,473,976)	(29,571,325)	(24,323,041)
Royalties and other levies		(6,047,762)	(4,516,251)	(17,658,688)	(13,478,297)
		(16,163,553)	(12,990,227)	(47,230,013)	(37,801,338)
Gross profit		24,226,981	17,859,184	71,970,941	54,021,606
Exploration expenses	13	(4,447,746)	(2,817,276)	(12,445,581)	(7,090,343)
Administrative expenses		(427,196)	(1,009,920)	(1,505,864)	(2,012,083)
Finance costs		(234,938)	(211,170)	(498,969)	(450,478)
Other charges		(1,748,497)	(799,187)	(6,049,857)	(3,092,303)
		17,368,604	13,021,631	51,470,670	41,376,399
Other income	14	1,303,232	2,088,213	8,170,588	6,571,383
Profit before taxation		18,671,836	15,109,844	59,641,258	47,947,782
Taxation	15	(4,457,421)	(3,940,516)	(14,387,406)	(14,754,790)
Profit after taxation		14,214,415	11,169,328	45,253,852	33,192,992
			(Restated)		(Restated)
Basic and diluted earnings per share (Rs)	18	6.27	4.93	19.96	14.64

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Quarter ended March 31, 2019	Quarter ended March 31, 2018	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
	Rs '000		Rs '000	
Profit after taxation	14,214,415	11,169,328	45,253,852	33,192,992
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement gains on defined benefit plans - net	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-
Total comprehensive income	14,214,415	11,169,328	45,253,852	33,192,992

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		85,848,969	79,599,287
Receipts of other income		5,442,716	2,262,148
Payment to suppliers / service providers and employees - net		(20,084,691)	(12,728,208)
Payment of indirect taxes and Government levies including royalties		(37,892,615)	(30,438,043)
Income tax paid		(9,285,576)	(8,260,793)
Finance costs paid		(12,962)	(19,762)
Long-term loans - net		(22,067)	2,608
Net cash generated from operating activities		23,993,774	30,417,237
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - net		(27,819,713)	(22,224,437)
Proceeds from sale of property, plant and equipment		21,224	13,691
Purchase of long-term investments		(3,667,458)	(7,568,345)
Repayment of loan by subsidiary		1,370,080	-
Disposal / redemption of long-term investments		-	583,247
Long-term receivables		-	62,962
Finance income received		1,833,049	2,305,875
Net cash used in investing activities		(28,262,818)	(26,827,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance lease		(65,237)	(74,634)
Dividends paid		(2,970,509)	(11,921,981)
Net cash used in financing activities		(3,035,746)	(11,996,615)
Net decrease in cash and cash equivalents		(7,304,790)	(8,406,385)
Cash and cash equivalents at the beginning of the period		21,787,254	42,573,962
Cash and cash equivalents at the end of the period	16	14,482,464	34,167,577

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019


	Subscribed and paid-up share capital		Capital reserve	Revenue reserves					Total reserves	Total	
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit			Total
- Rs '000											
Balance as at June 30, 2017 (Audited)	19,717,175	120	1,428	69,761	34,021,894	23,751,980	2,535,354	135,971,165	196,350,154	196,351,582	216,068,877
Comprehensive income for the period											
Profit after taxation	-	-	-	-	-	-	-	33,192,992	33,192,992	33,192,992	33,192,992
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
for the nine months period ended March 31, 2018, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2018	-	-	-	-	-	-	-	33,192,992	33,192,992	33,192,992	33,192,992
Transactions with owners											
Final dividend on ordinary shares @ 60% for the year ended June 30, 2017	-	-	-	-	-	-	-	(11,830,305)	(11,830,305)	(11,830,305)	(11,830,305)
Interim dividend for the year ended June 30, 2018	-	-	-	-	-	-	-	(7,886,872)	(7,886,872)	(7,886,872)	(7,886,872)
- Ordinary shares - 40%	-	-	-	-	-	-	-	(34)	(34)	(34)	(34)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	-	-	-	-
Conversion of preference shares into ordinary shares	6	(6)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	19,717,181	114	1,428	69,761	34,021,894	23,751,980	2,535,354	149,446,946	209,825,935	209,827,363	229,544,658
Balance as at June 30, 2018 (Audited)	19,717,181	114	1,428	69,761	34,021,894	23,751,980	2,535,354	160,294,259	220,673,248	220,674,676	240,391,971
Comprehensive income for the period											
Profit after taxation	-	-	-	-	-	-	-	45,253,852	45,253,852	45,253,852	45,253,852
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
for the nine months period ended March 31, 2019, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2019	-	-	-	-	-	-	-	45,253,852	45,253,852	45,253,852	45,253,852
Transactions with owners											
Issuance of bonus shares @ 15% for the year ended June 30, 2018	2,957,577	-	-	-	-	-	-	(2,957,577)	(2,957,577)	(2,957,577)	-
Final dividend on ordinary shares @ 15% for the year ended June 30, 2018	-	-	-	-	-	-	-	(2,957,577)	(2,957,577)	(2,957,577)	(2,957,577)
Conversion of preference shares into ordinary shares	4	(4)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	22,674,762	110	1,428	69,761	34,021,894	23,751,980	2,535,354	199,632,957	260,011,946	260,013,374	282,688,246

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

1. LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi.
- 1.2 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

Wholly-owned subsidiaries as of the date of statement of financial position are as follows:

- a) PPL Europe E&P Limited (PPLE);
- b) PPL Asia E&P B.V. (PPLA); and
- c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

2. BASIS OF PREPARATION

- 2.1 These unconsolidated 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 as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited annual unconsolidated financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended June 30, 2018.

- 2.2 **Standards, interpretations and amendments to published approved accounting standards that are effective**

There are certain new amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on July 1, 2018. However, such amendments do not have any significant impact on the Company's financial reporting, therefore, have not been detailed in these unconsolidated condensed interim financial statements, except for, the impact of adoption of IFRS 15 'Revenue from Contracts with Customers' as disclosed in note 2.3.

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

2.3 Change in Significant Accounting Policies

- IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on the core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to a customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The adoption of IFRS – 15 has not resulted in any financial impact for the Company.

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

There are certain new standards, amendments to the approved accounting standards and interpretations that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019 and may have impact on the financial statements of the Company e.g. IFRS 16 'Leases' is applicable for the annual period beginning on January 1, 2019. At present, the impact of application of these standards, amendments and interpretations on the Company's future financial statements is being assessed.

Further, IFRS 9 'Financial Instruments' (previously applicable from annual periods beginning on or after July 1, 2018) replaced the multiple classification and measurement models in IAS 39 'Financial Instruments: Recognition and Measurement' with a single model having three classification categories (i.e. amortised cost, fair value through profit or loss and fair value through OCI). It also introduced an expected credit loss impairment model that replaces the incurred loss impairment model as defined in IAS 39. However, based on representations from various entities including the Company, highlighting practical difficulties in implementation of the said IFRS, SECP through SRO 229(I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019. The Company is in the process of evaluating the potential impacts of applicability of IFRS 9 on its future financial statements.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2018, except as disclosed in note 2.3.

3.2 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these unconsolidated condensed interim financial statements, being immaterial.

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and apply judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates, assumptions and judgments made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2018, except for as defined below.

The Company has changed the depreciation method for certain classes of immovable assets from straight line method to unit of production method to align its depreciation policy with international best practices. This change in estimate is applied prospectively to field based asset classes in accordance with IAS 8 "Accounting policies, change in accounting estimates and errors", including plant and machinery and tanks and pipelines. Had there been no change in the depreciation method, depreciation expense would have been lower by Rs 1,981 million.

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2018.

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

5. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	103,201,973	92,948,876
Additions to owned assets	7,408,516	25,523,297
	<u>110,610,489</u>	<u>118,472,173</u>
Disposals during the period / year (NBV)	(3,718)	(6,825)
Adjustments during the period / year (NBV)	(857,690)	231,986
Depreciation / amortisation charged during the period / year	<u>(15,693,353)</u>	<u>(15,495,361)</u>
	94,055,728	103,201,973
Capital work-in-progress - note 5.1	64,276,646	51,501,129
	<u>158,332,374</u>	<u>154,703,102</u>

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

5.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	10,591,998	8,980,797
Exploration and evaluation (E&E) assets - note 5.1.1	29,206,844	20,503,317
Development and production (D&P) assets	6,541,401	5,929,579
Lands, buildings and civil constructions	143,318	180,117
Capital stores for drilling and development	17,793,085	15,907,319
	<u>64,276,646</u>	<u>51,501,129</u>

- 5.1.1 Amounts under E&E assets are net cost of dry wells charged to profit or loss during the period / year, amounting to Rs 8,690 million (June 30, 2018: Rs 7,180 million).

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

6. LONG-TERM INVESTMENTS

Investments in related parties

- **Wholly owned subsidiaries**

- PPPFTC	1	1
- PPLE (net of impairment) - note 6.1	3,365,044	2,765,082
- PPLA (net of impairment)	3,296,502	3,296,502
	<u>6,661,547</u>	<u>6,061,585</u>

Other investments

- **Held-to-maturity**

- Local currency term deposits with bank -note 6.2	-	2,000,000
- Foreign currency term deposits with banks - note 6.3	35,223,567	29,555,194
	<u>35,223,567</u>	<u>31,555,194</u>

- **Designated at fair value through profit or loss**

- Mutual Funds	73,276	74,191
	<u>41,958,390</u>	<u>37,690,970</u>

- 6.1 The Company has reversed previously recorded impairment loss on investment in PPLE to the extent of Rs 600 million. The reasons for reversal are (i) significant devaluation of Pak Rupee against US Dollar (ii) discovery of hydrocarbons in Ziarat block as declared by the operator during September 2018. The corresponding credit in the statement of profit or loss is included in other income.
- 6.2 These term deposits have been reclassified under short term held-to-maturity investments, as per the management intentions.
- 6.3 This represents foreign currency term deposits amounting to US\$ 251.238 million (June 30, 2018: US\$ 243.453 million).

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II)	30,415,304	15,395,000
Sui Northern Gas Pipelines Limited (SNGPL)	95,149,450	66,873,563
Sui Southern Gas Company Limited (SSGCL)	67,216,838	50,044,516
Pak-Arab Refinery Limited (PARCO)	1,087,197	912,202
Oil & Gas Development Company Limited (OGDCL)	443,669	259,447
	<u>194,312,458</u>	<u>133,484,728</u>

Non-related parties

Attock Refinery Limited (ARL)	9,343,267	7,066,439
Pakistan Refinery Limited (PRL)	892,838	593,175
National Refinery Limited (NRL)	460,562	367,586
Others	1,692,760	1,124,161
	<u>12,389,427</u>	<u>9,151,361</u>
	<u>206,701,885</u>	<u>142,636,089</u>

Unsecured and considered doubtful

Non-related party

Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 7.3	(1,156,220)	(1,156,220)
	<u>-</u>	<u>-</u>
	<u>206,701,885</u>	<u>142,636,089</u>

7.1 The ageing of trade debts is as follows:

Neither past due nor impaired	31,233,431	25,186,711
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Past due but not impaired:

Related parties

- within 90 days	33,918,077	19,001,211
- 91 to 180 days	22,781,153	18,804,522
- over 180 days	114,452,751	78,038,673
	<u>171,151,981</u>	<u>115,844,406</u>

Non-related parties

- within 90 days	3,299,974	1,515,740
- 91 to 180 days	55,354	6,515
- over 180 days	961,145	82,717
	<u>4,316,473</u>	<u>1,604,972</u>
	<u>206,701,885</u>	<u>142,636,089</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

- 7.2 Trade debts include overdue amount of Rs 170,626 million (June 30, 2018: Rs 115,843 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 5,999 million (June 30, 2018: Rs 2,763 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG customers.

Based on the measures being undertaken by the GoP, the Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these unconsolidated condensed interim financial statements, except for provision against receivable from Byco.

- 7.3 The Company has filed a suit in the Sindh High Court (SHC) against Byco for recovery of overdue amount. The said suit is pending adjudication before the SHC.

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

8. SHORT-TERM INVESTMENTS

Held-to-maturity

- Local currency term deposits with banks

10,792,500	14,072,500
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9. TRADE AND OTHER PAYABLES

Creditors	539,584	1,371,618
Accrued liabilities	5,296,964	5,886,085
Security deposits from LPG distributors	766,180	766,180
Retention money	124,862	127,870
Gas development surcharge (GDS)	17,395,970	9,031,121
Gas infrastructure development cess (GIDC)	6,557,619	4,021,115
Sales tax - net	1,112,132	902,433
Royalties	6,501,204	10,718,388
Lease extension bonus	14,229,379	10,768,415
Current accounts with joint operations	14,517,410	13,129,818
Staff retirement benefit funds	2,596,305	2,306,171
Provision for windfall levy on oil / condensate - note 10.1	4,775,937	1,961,937
Federal excise duty	179,396	143,208
Workers' Profits Participation Fund (WPPF)	3,121,377	-
Others	686,289	416,115
	78,400,608	61,550,474

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in total commitments as disclosed in the audited unconsolidated financial statements for the year ended June 30, 2018, except for the following:

10.1 Contingency with respect to imposition of Windfall Levy on oil / condensate

There has been no change in the status of the matter as disclosed in note 26.1.9 to the unconsolidated financial statements for the year ended June 30, 2018, except that the next date of hearing has been fixed for May 09, 2019 and stay order already in effect has been extended till the said date.

The Windfall Levy, if also applicable on oil / condensate will amount to approximately Rs 22,723 million for the period up to March 31, 2019. Further, WLO provided for in the books of accounts from December 27, 2017 till March 31, 2019, amounts to Rs 4,776 million.

Additionally, the cumulative impact of incremental revenue recorded in the books of accounts till March 31, 2019 and profit after tax thereof is Rs 13,285 million and Rs 6,950 million, respectively.

10.2 Sales Tax

During the period, the Tax Authority has passed an order in respect of remand back proceedings involving various tax periods intending to disallow input sales tax claimed by the Company under the provisions of the Sales Tax Act, 1990. The Tax Authorities have passed the order creating a demand of Rs 60 million, which was duly paid by the Company under protest. The Company, being aggrieved with the decision, has filed an appeal before the Commissioner Inland Revenue – Appeals [CIR-(A)] against the said order.

Further, the CIR-(A) has also decided various appeals filed by the Company in respect of sales tax proceedings involving different tax periods wherein the Tax Authorities has disallowed input sales tax claimed by the Company under the relevant provisions of the Sales Tax Act, 1990. In the said orders, the CIR-(A) has given partial relief to the Company. The Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) relating to input sales tax demand maintained by CIR-(A), however, in respect of demand deleted / set-aside, the Company has filed applications before the Tax Authorities to give effect to the extent of relief provided by the CIR-(A).

10.3 Income Tax

During the period, the Tax Authorities while amending the assessment for the tax year 2018 have created a demand of Rs 1,024 million in respect of rate issue, depletion allowance, tax credits under section 65B relating to Agreement Areas and other issues. The demand created was duly paid by the Company under protest.

Further, the Tax Authorities had concluded the income tax audit proceedings for the tax year 2017 wherein a demand of Rs 238 million was raised, which was duly paid by the Company under protest.

The Company being aggrieved with the above decisions, has filed an appeal before CIR-(A).

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

During the period, the CIR-(A) has also decided the appeals filed by the Company in respect of assessment proceedings for the tax years 2015 to 2017. In the said decision, the CIR-(A) has decided the issues of rate, depletion allowance, tax credits under sections 65A and 65B and super tax on Non-Agreement areas against the Company, whereas, the issue of super tax on Agreement Areas has been decided in favour of the Company. Being aggrieved with the said decision, an appeal has been filed before the (ATIR) in respect of issues decided against the Company.

Moreover, the CIR-(A) has also decided an appeal in favour of the Company relating to the monitoring proceedings for the tax year 2016 wherein a demand of Rs 25 million was raised. The Company has filed an application with the Tax Department to give effect to the said decision of CIR-(A).

10.4 Sindh Workers' Profit Participation Fund

As disclosed in note 26.1.7 to the unconsolidated financial statements for the year ended June 30, 2018, the Honourable Sindh High Court (SHC) vide its order dated February 12, 2018 wherein the Company was not a party, has held that The Sindh Companies Profits (Workers Participation) Act, 2015 (SWPPF Act) is constitutionally valid and is applicable on all trans-provincial entities having workers' in Sindh irrespective of its place of registration or place of its industrial undertaking. The Company has already deposited the entire leftover amount in respect of years 2011 to 2016 with the Federal Government under the Federal Workers' Profit Participation Act, 1968 and therefore, any payment in the Sindh Government treasury in respect of said years would effectively give rise to duplicate incidence. In view of the potential exposure involved, the Company, on the advice of the legal counsel, has obtained an interim stay from the Honourable SHC with a direction to deposit the leftover amount of SWPPF for the year 2017 relating to the Sindh Province before the Nazir of the Court. Consistent with the year 2017, the Company has also obtained interim stay from the Honourable SHC for the year 2018 and has duly deposited the leftover amount with the Nazir of the Court for ensuring compliance with the interim order. The matter for both the years 2017 and 2018 is now pending before the Honourable SHC for adjudication.

10.5 Other Contingencies

The Contractor of GPF-III served a Notice on the Company, invoking the arbitration clause of the Contract and subsequently initiated arbitration proceedings in which it has filed a number of claims against the Company. The Company has filed a strong response and raised counter-claims against the Contractor. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of a favorable outcome. While the Company has filed its Statement of Defence and Counter-claim, it has also challenged the constitution of the arbitration tribunal and the orders passed by it to date.

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
Rs '000	

11. SALES - net

Gross sales

Natural gas	104,053,388	82,124,587
Gas supplied to Sui villages	401,332	277,383
Internal consumption of gas	228,325	163,395
Crude oil / Condensate / Natural Gas Liquids	36,796,058	26,404,609
LPG	7,687,902	4,910,380
Barytes	794,473	553,220
	149,961,478	114,433,574

Government levies / discounts

Federal excise duty	(1,511,378)	(1,576,223)
Sales tax	(16,359,325)	(12,795,574)
GDS	(9,469,676)	(4,609,065)
GIDC	(2,965,676)	(3,421,627)
Petroleum Levy	(407,757)	(180,066)
Discounts (Barytes)	(46,712)	(28,075)
	(30,760,524)	(22,610,630)
	119,200,954	91,822,944

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
	Rs '000	
12. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	5,622,200	4,671,261
Operators' personnel	1,273,712	1,229,862
Depreciation - note 4	7,518,038	4,556,200
Amortisation of decommissioning assets	1,047,286	1,260,637
Amortisation of D&P assets	7,070,536	6,266,937
Plant operations	2,204,414	2,218,751
Well interventions	1,209,760	972,448
Field services	1,396,428	1,118,180
Crude oil transportation	652,742	684,074
Travelling and conveyance	334,129	330,648
Training & development	9,504	5,994
PCA overheads	83,234	78,187
Insurance expenses	450,130	426,737
Free supply of gas to Sui villages	401,332	277,383
Social welfare / community development	217,771	154,249
Other expenses	80,109	71,493
	29,571,325	24,323,041
13. EXPLORATION EXPENSES		
13.1 Exploration expenses for the period also include cost of dry wells amounting to Rs 8,690 million (March 31, 2018: Rs 4,027 million).		
	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
	Rs '000	
14. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	323,951	245,745
Income on term deposits	300,904	865,303
Income on long-term held-to-maturity investments	1,261,044	673,983
Income from investment in treasury bills	128,501	468,843
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	112,824	230,391
	2,127,224	2,484,265
Income from assets other than financial assets		
Rental income on assets	6,254	969
Profit on sale of property, plant and equipment (net)	17,506	11,414
Exchange gain on foreign currency (net)	5,330,463	2,758,170
Insurance income	878	241,581
Reversal of impairment loss on investment in PP&E - note 6.1	599,961	-
Share of profit on sale of LPG	36,023	76,924
Others	52,279	998,060
	6,043,364	4,087,118
	8,170,588	6,571,383

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
----- Rs '000 -----	

15. TAXATION

Current

- For the nine months period

- For the prior year

Deferred

15,845,189	10,874,063
(177,396)	232,253
15,667,793	11,106,316
(1,280,387)	3,648,474
<u>14,387,406</u>	<u>14,754,790</u>

16. CASH AND CASH EQUIVALENTS

Cash and bank balances

Short-term highly liquid investments

3,689,964	3,799,961
10,792,500	30,367,616
<u>14,482,464</u>	<u>34,167,577</u>

17. TRANSACTIONS WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
----- Rs '000 -----	

**Sales of gas / barytes to State controlled entities
(including Government levies)**

GENCO-II

SSGCL

SNGPL

OGDCL

22,976,258	16,130,011
26,140,847	19,078,437
54,775,216	46,888,396
135,388	110,088
<u>104,027,709</u>	<u>82,206,932</u>

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
	Rs '000	
Long-term receivables, trade debts and other receivables from State controlled entities as at March 31	193,592,575	123,707,533
Transactions with subsidiaries		
Receivable from PPLA as at March 31	69,698	37,921
Receivable from PPLE as at March 31	8,581	-
Payable to PPLE as at March 31	-	1,748
Interest income on long-term loan to PPLE	18,565	43,277
Loan receivable from PPLE as at March 31 - note 17.1	-	1,300,109
Payment of employees cost on secondment	46,868	48,913
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	911,850	787,500
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	4,224,633	4,605,150
Payment to Total PARCO Pakistan Limited	221,345	10,115
Expenses incurred	-	3,422
Transactions with Joint Operations		
Payments of cash calls to joint operations	35,180,064	22,523,884
Expenditures incurred by the joint operations	36,030,526	26,490,393
Under advance balances relating to joint operations as at March 31	12,490,720	8,683,277
Current account receivables relating to joint operations as at March 31	3,201,445	1,881,899
Current account payables relating to joint operations as at March 31	1,228,618	163,165
Income from rental of assets to joint operations	6,254	969
Purchase of goods from BME (net)	235,492	267,445
Reimbursement of employee cost on secondment to BME	14,882	13,723

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
	Rs '000	
Other related parties		
Dividend to GoP - note 17.3	1,996,591	7,986,364
Dividend to trust under BESOS - note 17.3	217,454	869,814
Dividend to trusts under retirement benefit funds - note 17.3	1,646	6,585
Transactions with retirement benefit funds	2,028,314	646,761
Remuneration to key management personnel	2,044,827	2,017,780
Payment of rental to Pakistan Industrial Development Corporation	78,123	77,224
Payment of rental to Karachi Port Trust	6,104	5,431
Payment to National Insurance Company Limited (NICL)	930,904	542,230
Insurance claim received from NICL	820	241,518
Payment to Pakistan State Oil Company Limited	309,497	618,203

- 17.1** During the current period, the loan receivable amounting to Rs 1,402 million (US\$ 11.286 million) from PPLE, and PPLE Pakistan branch has been fully received by the Company.
- 17.2** Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to eleven non-executive directors was Rs 20.978 million (March 2018: Rs 10.965 million to thirteen non-executive directors).
- 17.3** The Company also issued bonus shares to GoP (199,659,102 shares), trust under BESOS (21,745,360 shares) and trusts under retirement benefit funds (164,631 shares).
- 17.4** The Company has guaranteed to Midland Oil Company, Iraq (MDOC) for the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 14,070 million), out of which US\$ 62.020 million (Rs 8,726 million) is outstanding.
- 17.5** The Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 746 million) to GoP in respect of PPLE's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.
- 17.6** During the current period, an amount of Rs 2 million was paid to Government Holdings (Pvt) Limited on account of National Internship Program under Ministry of Energy.

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
18. EARNINGS PER SHARE		
18.1 Basic earnings per share		
Profit after taxation (Rs '000)	45,253,852	33,192,992
Dividend on convertible preference shares (Rs '000)	(34)	(34)
Profit attributable to ordinary shareholders (Rs '000)	<u>45,253,818</u>	<u>33,192,958</u>
Weighted average number of ordinary shares in issue	<u>2,267,475,981</u>	(Restated) <u>2,267,475,307</u>
Basic earnings per share (Rs)	<u>19.96</u>	(Restated) <u>14.64</u>
18.1.1 Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.		
	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
18.2 Diluted earnings per share		
Profit after taxation (Rs '000)	45,253,852	33,192,992
Weighted average number of ordinary shares in issue	2,267,475,981	(Restated) 2,267,475,307
Adjustment for convertible preference shares	<u>11,188</u>	<u>11,862</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,267,487,169</u>	(Restated) <u>2,267,487,169</u>
Diluted earnings per share (Rs)	<u>19.96</u>	(Restated) <u>14.64</u>
18.3 During the current period, the Company has issued 15% bonus shares (i.e. fifteen shares for every hundred shares held), which has resulted in restatement of basic and diluted earnings per share for the nine months period ended March 31, 2018.		

**Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 30, 2019 by the Board of Directors of the Company.

20. GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
		Rs '000	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	159,657,452	155,354,034
Intangible assets		364,317	420,287
		<u>160,021,769</u>	<u>155,774,321</u>
Long-term investments	6	35,296,844	31,629,386
Long-term loans		33,595	16,067
Long-term deposits		7,676	7,676
Long-term receivables		<u>209,524</u>	<u>74,670</u>
		<u>195,569,408</u>	<u>187,502,120</u>
CURRENT ASSETS			
Stores and spares		3,394,413	3,528,438
Trade debts	7	206,882,322	142,824,745
Loans and advances		1,029,020	1,506,404
Trade deposits and short-term prepayments		567,228	234,923
Interest accrued		744,899	547,409
Current maturity of long-term loans		13,431	8,892
Current maturity of long-term deposits		911,850	911,850
Current maturity of long-term receivables		125,456	50,786
Other receivables		3,936,137	2,214,976
Short-term investments	8	18,178,516	22,379,416
Cash and bank balances		<u>4,202,301</u>	<u>8,251,633</u>
		<u>239,985,573</u>	<u>182,459,472</u>
TOTAL ASSETS		<u>435,554,981</u>	<u>369,961,592</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		22,674,872	19,717,295
Reserves		<u>259,751,215</u>	<u>220,732,201</u>
		<u>282,426,087</u>	<u>240,449,496</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		23,777,221	22,963,492
Liabilities against assets subject to finance lease		29,364	68,136
Deferred liabilities		2,766,469	2,651,531
Deferred taxation		<u>36,242,565</u>	<u>37,522,952</u>
		<u>62,815,619</u>	<u>63,206,111</u>
CURRENT LIABILITIES			
Trade and other payables	9	80,811,670	63,298,624
Unclaimed dividends		320,066	332,998
Current maturity of liabilities against assets subject to finance lease		48,156	74,621
Taxation - net		<u>9,133,383</u>	<u>2,599,742</u>
		<u>90,313,275</u>	<u>66,305,985</u>
TOTAL LIABILITIES		<u>153,128,894</u>	<u>129,512,096</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	10	<u>435,554,981</u>	<u>369,961,592</u>

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Quarter ended March 31, 2019	Quarter ended March 31, 2018	Nine months ended March 31, 2019	Nine months ended March 31, 2018
		Rs '000	Rs '000	Rs '000	Rs '000
Sales - net	11	40,503,746	30,950,515	119,560,583	92,131,369
Operating expenses	12	(10,211,468)	(8,545,521)	(29,805,272)	(24,581,150)
Royalties and other levies		(6,057,421)	(4,523,656)	(17,698,118)	(13,506,299)
		(16,268,889)	(13,069,177)	(47,503,390)	(38,087,449)
Gross Profit		24,234,857	17,881,338	72,057,193	54,043,920
Exploration expenses	13	(4,934,590)	(2,943,262)	(13,123,239)	(7,413,286)
Administrative expenses		(430,633)	(1,014,507)	(1,531,341)	(2,042,504)
Finance costs		(244,146)	(217,376)	(524,599)	(469,733)
Other charges		(1,748,497)	(799,261)	(6,049,857)	(2,539,886)
		16,876,991	12,906,932	50,828,157	41,578,511
Other income	14	1,358,894	2,109,927	7,703,495	6,634,300
Profit before taxation		18,235,885	15,016,859	58,531,652	48,212,811
Taxation	15	(4,476,295)	(3,946,276)	(14,504,533)	(14,782,298)
Profit after taxation		13,759,590	11,070,583	44,027,119	33,430,513
			(Restated)		(Restated)
Basic and diluted earnings per share (Rs)	18	6.07	4.88	19.42	14.74

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



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DIRECTOR



CHIEF EXECUTIVE OFFICER



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PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Quarter ended March 31, 2019	Quarter ended March 31, 2018	Nine months ended March 31, 2019	Nine months ended March 31, 2018
	Rs '000		Rs '000	
Profit after taxation	13,759,590	11,070,583	44,027,119	33,430,513
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement gains on defined benefit plans - net	-	-	-	-
Deferred taxation	-	-	-	-
Items that may be reclassified to profit or loss				
Foreign exchange differences on translation of subsidiaries	52,061	251,833	907,049	546,399
Other comprehensive income, net of tax	52,061	251,833	907,049	546,399
Total comprehensive income	13,811,651	11,322,416	44,934,168	33,976,912

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



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PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Note	Nine months Ended March 31, 2019	Nine months Ended March 31, 2018
	Rs '000	

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	86,298,978	79,961,862
Receipts of other income	5,442,716	2,262,148
Payment to suppliers / service providers and employees - net	(20,333,420)	(12,839,863)
Payment of indirect taxes and Government levies including royalties	(37,981,762)	(30,523,798)
Income tax paid	(9,333,422)	(8,273,544)
Finance costs paid	(12,962)	(19,901)
Long-term loans - net	(22,067)	2,608
Net cash generated from operating activities	24,058,061	30,569,512

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure - net	(28,726,467)	(22,587,472)
Proceeds from sale of property, plant and equipment	21,224	13,691
Purchase of long-term investments	(3,667,458)	(7,568,345)
Disposal / redemption of long-term investments	-	583,247
Long-term receivables	-	62,962
Finance income received	1,982,807	2,395,144
Net cash used in investing activities	(30,389,894)	(27,100,773)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance lease	(65,237)	(74,634)
Dividends paid	(2,970,509)	(11,921,981)
Net cash used in financing activities	(3,035,746)	(11,996,615)
Net decrease in cash and cash equivalents	(9,367,579)	(8,527,876)
Cash and cash equivalents at the beginning of the period	30,631,049	50,404,838
Net foreign exchange differences	1,117,347	768,790
Cash and cash equivalents at the end of the period	22,380,817	42,645,752

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The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019


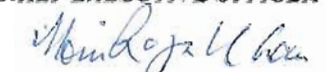
	Subscribed and paid-up share capital		Capital reserve	Revenue reserves						Total reserves	Total	
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit	Translation reserve			Total
Rs '000												
Balance as at June 30, 2017 (Audited)	19,717,175	120	1,428	69,761	34,021,894	23,751,980	2,535,354	133,511,046	1,514,648	195,404,683	195,406,111	215,123,406
Comprehensive income for the period												
Profit after taxation	-	-	-	-	-	-	-	33,430,513	-	33,430,513	33,430,513	33,430,513
Other comprehensive income for the nine months period ended March 31, 2018, net of tax	-	-	-	-	-	-	-	-	546,399	546,399	546,399	546,399
Total comprehensive income for the nine months period ended March 31, 2018	-	-	-	-	-	-	-	33,430,513	546,399	33,976,912	33,976,912	33,976,912
Transactions with owners												
Final dividend on ordinary shares @ 60% for the year ended June 30, 2017	-	-	-	-	-	-	-	(11,830,305)	-	(11,830,305)	(11,830,305)	(11,830,305)
Interim dividend for the year ended June 30, 2018												
- Ordinary shares - 40%	-	-	-	-	-	-	-	(7,886,872)	-	(7,886,872)	(7,886,872)	(7,886,872)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(34)	-	(34)	(34)	(34)
Conversion of preference shares into ordinary shares	6	(6)	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	19,717,181	114	1,428	69,761	34,021,894	23,751,980	2,535,354	147,224,348	2,061,047	209,664,384	209,665,812	229,383,107
Balance as at June 30, 2018 (Audited)	19,717,181	114	1,428	69,761	34,021,894	23,751,980	2,535,354	157,972,291	2,379,493	220,730,773	220,732,201	240,449,496
Comprehensive income for the period												
Profit after taxation	-	-	-	-	-	-	-	44,027,119	-	44,027,119	44,027,119	44,027,119
Other comprehensive income for the nine months period ended March 31, 2019, net of tax	-	-	-	-	-	-	-	-	907,049	907,049	907,049	907,049
Total comprehensive income for the nine months period ended March 31, 2019	-	-	-	-	-	-	-	44,027,119	907,049	44,934,168	44,934,168	44,934,168
Transactions with owners												
Issuance of bonus shares @ 15% for the year ended June 30, 2018	2,957,577	-	-	-	-	-	-	(2,957,577)	-	(2,957,577)	(2,957,577)	-
Final dividend on ordinary shares @ 15% for the year ended June 30, 2018	-	-	-	-	-	-	-	(2,957,577)	-	(2,957,577)	(2,957,577)	(2,957,577)
Conversion of preference shares into ordinary shares	4	(4)	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	22,674,762	110	1,428	69,761	34,021,894	23,751,980	2,535,354	196,084,256	3,286,542	259,749,787	259,751,215	282,426,087

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in one producing field and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom.

1.3 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block-8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC).

1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The subsidiary is engaged in administering the trusts formed for the benefits of the employees of the Holding Company.

2. BASIS OF PREPARATION

- 2.1** These consolidated 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 as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2018.

- 2.2** The SECP, through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC, a wholly owned subsidiary. Accordingly, the Group has not consolidated the subsidiary in its consolidated condensed interim financial statements for the nine months period ended March 31, 2019.

- 2.3 Standards, interpretations and amendments to published approved accounting standards that are effective**

There are certain new amendments to approved accounting standards which are mandatory for the Group's accounting periods beginning on July 1, 2018. However, such amendments do not have any significant impact on the Group's financial reporting, therefore, have not been detailed in these consolidated condensed interim financial statements, except for, the impact of adoption of IFRS 15 'Revenue from Contracts with Customers' as disclosed in note 2.4.

- 2.4 Change in Significant Accounting Policies**

- IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on the core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to a customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The adoption of IFRS – 15 has not resulted in any financial impact for the Group.

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

There are certain new standards, amendments to the approved accounting standards and interpretations that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019 and may have impact on the financial statements of the Company e.g. IFRS 16 'Leases' is applicable for the annual period beginning on July 1, 2019. At present, the impact of application of these standards, amendments and interpretations on the Company's future financial statements is being assessed.

Further, IFRS 9 'Financial Instruments' (previously applicable from annual periods beginning on or after July 1, 2018) replaced the multiple classification and measurement models in IAS 39 'Financial Instruments: Recognition and Measurement' with a single model having three classification categories (i.e. amortised cost, fair value through profit or loss and fair value through OCI). It also introduced an expected credit loss impairment model that replaces the incurred loss impairment model as defined in IAS 39. However, based on representations from various entities including the Holding Company, highlighting practical difficulties in implementation of the said IFRS, SECP through SRO 229(I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019. The Group is in the process of evaluating the potential impacts of applicability of IFRS 9 on its future financial statements.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2018, except as disclosed in note 2.4.

3.2 The Group follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these consolidated condensed interim financial statements, being immaterial.

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards, as applicable in Pakistan for interim reporting, requires management to make estimates, assumptions and apply judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

**Notes to and Forming Part of the Consolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

Estimates, assumptions and judgments made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2018, except for as defined below:

The Holding Company has changed the depreciation method for certain classes of immovable assets from straight line method to unit of production method to align its depreciation policy with international best practices. This change in estimate is applied prospectively to field based asset classes in accordance with IAS 8 "Accounting Policies, Change in Accounting Estimates and Errors", including plant and machinery and tanks and pipelines. Had there been no change in the depreciation method, depreciation expense would have been lower by Rs 1,981 million.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2018.

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

5. PROPERTY, PLANT AND EQUIPMENT

Operating Net Book Value (NBV)	103,852,905	93,688,982
Additions to owned assets	7,416,257	25,547,205
	<u>111,269,162</u>	<u>119,236,187</u>
Disposals during the period / year (NBV)	(3,718)	(6,825)
Adjustments during the period / year (NBV)	(783,098)	329,888
Depreciation / amortisation charged during the period / year	<u>(15,855,505)</u>	<u>(15,706,345)</u>
	94,626,841	103,852,905
Capital work-in-progress - note 5.1	65,030,611	51,501,129
	<u><u>159,657,452</u></u>	<u><u>155,354,034</u></u>

5.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	10,591,998	8,980,797
Exploration and Evaluation (E&E) assets - note 5.1.1	29,960,809	20,503,317
Development and production (D&P) assets	6,541,401	5,929,579
Lands, buildings and civil constructions	143,318	180,117
Capital stores for drilling and development	17,793,085	15,907,319
	<u><u>65,030,611</u></u>	<u><u>51,501,129</u></u>

5.1.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 8,690 million (June 30, 2018: Rs 7,180 million).

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended March 31, 2019

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

6. LONG-TERM INVESTMENTS

Investments in related parties

- Wholly owned subsidiaries
- PPPFTC

1

1

Other investments

- Held-to-maturity

- Local currency term deposits with bank

- note 6.1

- Foreign currency term deposits with banks

- note 6.2

-	2,000,000
35,223,567	29,555,194
35,223,567	31,555,194

- Designated at fair value through profit or loss

- Mutual Funds

73,276	74,191
35,296,844	31,629,386

6.1 These term deposits have been reclassified under short term held-to-maturity investments, as per the management intentions.

6.2 This represents foreign currency term deposits amounting to US\$ 251.308 million (June 30, 2018: US\$ 243.453 million).

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II)

Sui Northern Gas Pipelines Limited (SNGPL)

Sui Southern Gas Company Limited (SSGCL)

Pak-Arab Refinery Limited (PARCO)

Oil & Gas Development Company Limited (OGDCL)

30,415,304	15,395,000
95,213,410	66,902,697
67,324,477	50,204,038
1,087,197	912,202
443,669	259,447
194,484,057	133,673,384

Non-related parties

Attock Refinery Limited (ARL)

Pakistan Refinery Limited (PRL)

National Refinery Limited (NRL)

Others

9,352,105	7,066,439
892,838	593,175
460,562	367,586
1,692,760	1,124,161
12,398,265	9,151,361
206,882,322	142,824,745

Unsecured and considered doubtful

Non-related party

Byco Petroleum Pakistan Limited (Byco)

Less: Provision for doubtful debts - note 7.3

1,156,220	1,156,220
(1,156,220)	(1,156,220)
-	-
206,882,322	142,824,745

**Notes to and Forming Part of the Consolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

7.1 The ageing of trade debts is as follows:

Neither past due nor impaired	31,361,268	25,267,261
Past due but not impaired:		
Related parties		
- within 90 days	33,965,002	19,109,317
- 91 to 180 days	22,781,153	18,804,522
- over 180 days	114,458,426	78,038,673
	171,204,581	115,952,512
Non-related parties		
- within 90 days	3,299,974	1,515,740
- 91 to 180 days	55,354	6,515
- over 180 days	961,145	82,717
	4,316,473	1,604,972
	206,882,322	142,824,745

7.2 Trade debts include overdue amount of Rs 170,670 million (2018: Rs 115,951 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 6,008 million (2018: Rs 2,763 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG customers.

Based on the measures being undertaken by the GoP, the Group considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these consolidated condensed interim financial statements, except for provision against receivable from Byco.

7.3 The Holding Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues. The said suit is pending adjudication before the SHC.

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

8. SHORT-TERM INVESTMENTS

Held-to-maturity

Local currency term deposits with banks	10,792,500	14,072,500
Foreign currency term deposits with banks - note 8.1	7,386,016	8,306,916
	18,178,516	22,379,416

8.1 This represents foreign currency term deposits amounting to US\$ 52.682 million (June 30, 2018: US\$ 68.426 million).

**Notes to and Forming Part of the Consolidated Condensed Interim
Financial Statements (Unaudited)**

For the nine months period ended March 31, 2019

March 31, 2019 Unaudited	June 30, 2018 Audited
Rs '000	

9. TRADE AND OTHER PAYABLES

Creditors	539,584	1,371,618
Accrued liabilities	5,731,934	6,001,897
Security deposits from LPG distributors	766,180	766,180
Retention money	124,862	127,870
Gas Development Surcharge (GDS)	17,395,970	9,031,121
Gas Infrastructure Development Cess (GIDC)	6,557,619	4,021,115
Federal excise duty (net)	179,396	143,208
Sales tax (net)	1,124,711	908,317
Royalties	6,508,724	10,721,863
Lease extension bonus	14,229,379	10,768,415
Current accounts with joint operations	14,961,859	13,593,750
Staff retirement benefit plans	2,596,305	2,306,171
Provision for windfall levy on oil / condensate - note 10.1	4,775,937	1,961,937
Workers' Profits Participation Fund (WPPF)	3,121,377	-
Contractual obligations for Iraq EDPSC	1,509,996	1,156,432
Others	687,837	418,730
	80,811,670	63,298,624

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in total commitments as disclosed in the audited consolidated financial statements for the year ended June 30, 2018, except for the following;

10.1 Contingency with respect to imposition of Windfall Levy on oil / condensate

There has been no change in the status of the matter as disclosed in note 27.1.9 to the consolidated financial statements for the year ended June 30, 2018, except that next date of hearing has been fixed for May 09, 2019 and stay order already in effect has been extended till the said date.

The Windfall Levy, if also applicable on oil / condensate will amount to approximately Rs 22,723 million for the period up to March 31, 2019. Further, WLO provided for in the books of accounts from December 27, 2017 till March 31, 2019, amounts to Rs 4,776 million.

Additionally, the cumulative impact of incremental revenue recorded in the books of accounts till March 31, 2019 and profit after tax thereof is Rs 13,285 million and Rs 6,950 million, respectively.

10.2 Sales Tax

During the period, the Tax Authority has passed an order in respect of remand back proceedings involving various tax periods intending to disallow input sales tax claimed by the Holding Company under the provisions of the Sales Tax Act, 1990. The Tax Authorities have passed the order creating a demand of Rs 60 million, which was duly paid by the Holding Company under protest. The Holding Company, being aggrieved with the decision, has filed an appeal before the Commissioner Inland Revenue – Appeals [CIR-(A)] against the said order.

Further, the CIR-(A) has also decided various appeals filed by the Holding Company in respect of sales tax proceedings involving different tax periods wherein the Tax Authorities has disallowed input sales tax claimed by the Holding Company under the relevant provisions of the Sales Tax Act, 1990. In the said orders, the CIR-(A) has given partial relief to the Holding Company. The Holding Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) relating to input sales tax demand maintained by CIR-(A), however, in respect of demand deleted / set-aside, the Holding Company has filed applications before the Tax Authorities to give effect to the extent of relief provided by the CIR-(A).

10.3 Income Tax

During the period, with respect to the Holding Company, the Tax Authorities while amending the assessment for the tax year 2018 have created a demand of Rs 1,024 million in respect of rate issue, depletion allowance, tax credits under section 65B relating to Agreement Areas and other issues. The demand created was duly paid by the Holding Company under protest.

Further, with respect to the Holding Company, the Tax Authorities had concluded the income tax audit proceedings for the tax year 2017 wherein a demand of Rs 238 million was raised, which was duly paid by the Holding Company under protest.

The Holding Company being aggrieved with the above decisions, has filed appeals before the CIR-(A).

During the period, the CIR-(A) has also decided the appeals filed by the Holding Company in respect of assessment proceedings for the tax years 2015 to 2017. In the said decision, the CIR-(A) has decided the issues of rate, depletion allowance, tax credits under sections 65A and 65B and super tax on Non-Agreement areas against the Holding Company, whereas, the issue of super tax on Agreement Areas has been decided in favour of the Holding Company. Being aggrieved with the said decision, an appeal has been filed before the ATIR in respect of issues decided against the Holding Company.

Moreover, the CIR-(A) has also decided an appeal in favour of the Holding Company relating to the monitoring proceedings for the tax year 2016 wherein a demand of Rs 25 million was raised. The Holding Company has filed an application with the Tax Department to give effect to the said decision of CIR-(A).

10.4 Sindh Workers' Profit Participation Fund

As disclosed in note 27.1.7 to the consolidated financial statements for the year ended June 30, 2018, the Honourable Sindh High Court (SHC) vide its order dated February 12, 2018 wherein the Holding Company was not a party, has held that The Sindh Companies Profits (Workers Participation) Act, 2015 (SWPPF Act) is constitutionally valid and is applicable on all trans-provincial entities having workers' in Sindh irrespective of its place of registration or place of its industrial undertaking. The Holding Company has already deposited the entire leftover amount in respect of years 2011 to 2016 with the Federal Government under the Federal Workers' Profit Participation Act, 1968 and therefore, any payment in the Sindh Government treasury in respect of said years would effectively give rise to duplicate incidence. In view of the potential exposure involved, the Holding Company, on the advice of the legal counsel, has obtained an interim stay from the Honourable SHC with a direction to deposit the leftover amount of SWPPF for the year 2017 relating to the Sindh Province before the Nazir of the Court. Consistent with the year 2017, the Holding Company has also obtained interim stay from the Honourable SHC for the year 2018 and has duly deposited the leftover amount with the Nazir of the Court for ensuring compliance with the interim order. The matter for both the years 2017 and 2018 is now pending before the Honourable SHC for adjudication.

10.5 Other contingencies

The Contractor of GPF-III served a Notice on the Holding Company, invoking the arbitration clause of the Contract and subsequently initiated arbitration proceedings in which it has filed a number of claims against the Holding Company. The Holding Company has filed a strong response and raised counter-claims against the Contractor. The Holding Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of a favorable outcome. While the Holding Company has filed its Statement of Defence and Counter-claim, it has also challenged the constitution of the arbitration tribunal and the orders passed by it to date.

Nine months ended March 31, 2019	Nine months ended March 31, 2018
----- Rs '000 -----	

11. SALES - net

Gross sales

Natural gas	104,456,905	82,487,038
Gas supplied to Sui villages	401,332	277,383
Internal consumption of gas	228,325	163,395
Crude oil / Condensate / Natural Gas Liquids	36,807,155	26,404,609
LPG	7,687,902	4,910,380
Barytes	794,473	553,220
	150,376,092	114,796,025

Government levies / discounts

Federal excise duty	(1,511,378)	(1,576,223)
Sales tax	(16,414,310)	(12,849,600)
GDS	(9,469,676)	(4,609,065)
GIDC	(2,965,676)	(3,421,627)
Petroleum levy	(407,757)	(180,066)
Discounts (Barytes)	(46,712)	(28,075)
	(30,815,509)	(22,664,656)
	119,560,583	92,131,369

12. OPERATING EXPENSES

Salaries, wages, welfare and other benefits	5,622,200	4,671,261
Operator's personnel	1,313,943	1,263,317
Depreciation - note 4	7,518,038	4,556,382
Amortisation of decommissioning assets	1,047,286	1,262,145
Amortisation of D&P assets	7,232,688	6,417,476
Plant operations	2,213,695	2,267,290
Well interventions	1,222,753	991,243
Field services	1,399,640	1,119,572
Crude oil transportation	652,742	684,074
Travelling and conveyance	334,129	330,648
Training & development	9,727	6,211
PCA overheads	86,004	79,465
Insurance expenses	450,730	427,706
Free supply of gas to Sui villages	401,332	277,383
Social welfare / community development	220,256	155,484
Other expenses	80,109	71,493
	29,805,272	24,581,150

13. EXPLORATION EXPENSES

- 13.1** Exploration expenses for the period also include cost of dry wells amounting to Rs 8,690 million (March 31, 2018: Rs 4,027 million).

Nine months ended March 31, 2019	Nine months ended March 31, 2018
----- Rs '000 -----	

14. OTHER INCOME

Income from financial assets

Income on loans and bank deposits
Income on term deposits
Income on long-term held-to-maturity investments
Income from investment in treasury bills
Gain on re-measurement / disposal of investments
designated at fair value through profit or loss (net)

305,386	308,662
463,733	865,303
1,261,044	673,983
128,501	468,843
112,824	230,391
2,271,488	2,547,182

Income from assets other than financial assets

Rental income on assets
Profit on sale of property, plant and equipment (net)
Exchange gain on foreign currency (net)
Share of profit on sale of LPG
Insurance Income
Others

6,254	969
17,506	11,414
5,319,067	2,758,170
36,023	76,924
878	241,581
52,279	998,060
5,432,007	4,087,118
7,703,495	6,634,300

15. TAXATION

Current

- For the nine months period
- For the prior year

15,955,203	10,901,941
(170,283)	231,883
15,784,920	11,133,824
(1,280,387)	3,648,474
14,504,533	14,782,298

Deferred

16. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short-term highly liquid investments

4,202,301	3,923,717
18,178,516	38,722,035
22,380,817	42,645,752

17. TRANSACTIONS WITH RELATED PARTIES

The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	Nine months ended March 31, 2019	Nine months ended March 31, 2018
	Rs '000	
Sales of gas / barytes to state controlled entities (including Government Levies)		
GENCO-II	22,976,258	16,130,011
SSGCL	26,315,273	19,356,359
SNGPL	55,004,307	46,972,925
OGDCL	135,388	110,088
	104,431,226	82,569,383
Long-term receivables, trade debts and other receivables from state controlled entities as at March 31	193,764,174	123,856,026
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	4,224,633	4,605,150
Payment to Total PARCO Pakistan Limited	221,345	10,115
Expenses incurred	-	3,422
Transactions with Joint Operations		
Payments of cash calls to joint operations	35,886,621	22,730,553
Expenditures incurred by the joint operations	36,649,919	26,719,430
Under advance balances relating to joint operations as at March 31	12,935,181	9,061,572
Current account receivables relating to joint operations as at March 31	3,201,445	1,881,899
Current account payables relating to joint operations as at March 31	1,228,618	163,165
Income from rental of assets to joint operations	6,254	969
Purchase of goods from BME (net)	235,492	267,445
Reimbursement of employee cost on secondment to BME	14,882	13,723

**Notes to and Forming Part of the Consolidated Condensed Interim
Financial Statements (Unaudited)**
For the nine months period ended March 31, 2019

	Nine months ended March 31, 2019	Nine months ended March 31, 2018
	Rs '000	
Other related parties		
Dividend to GoP - note 17.2	1,996,591	7,986,364
Dividend to trust under BESOS - note 17.2	217,454	869,814
Dividend to trusts under retirement benefit funds - note 17.2	1,646	6,585
Transactions with retirement benefit funds	2,028,314	646,761
Remuneration to key management personnel	2,044,827	2,017,780
Payment of rental to Pakistan Industrial Development Corporation	78,123	77,224
Payment of rental to Karachi Port Trust	6,104	5,431
Payment to National Insurance Company Limited (NICL)	930,904	542,230
Insurance claim received from NICL	820	241,518
Payment to Pakistan State Oil Company Limited	309,497	618,203
17.1	Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to eleven non-executive directors was Rs 20.978 million (March 2018: Rs 10.965 million to thirteen non-executive directors).	
17.2	The Holding Company also issued bonus shares to GoP (199,659,102 shares), trust under BESOS (21,745,360 shares) and trusts under retirement benefit funds (164,631 shares).	
17.3	The Holding Company has guaranteed the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 14,070 million), out of which US\$ 62.020 million (Rs 8,726 million) is outstanding.	
17.4	The Holding Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 746 million) to GoP in respect of PPPL's exploration licenses in Pakistan i.e. Barkhan, Hamai and Ziarat.	
17.5	During the current period, an amount of Rs 2 million was paid by the Holding Company to Government Holdings (Pvt) Limited on account of National Internship Program under Ministry of Energy.	

**Notes to and Forming Part of the Consolidated Condensed Interim
Financial Statements (Unaudited)**
For the nine months period ended March 31, 2019

Nine months ended March 31, 2019	Nine months ended March 31, 2018
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18. EARNINGS PER SHARE

18.1 Basic earnings per share

Profit after taxation (Rs '000)	44,027,119	33,430,513
Dividend on convertible preference shares (Rs '000)	(34)	(34)
Profit attributable to ordinary shareholders (Rs '000)	<u>44,027,085</u>	<u>33,430,479</u>
Weighted average number of ordinary shares in issue	<u>2,267,475,981</u>	(Restated) <u>2,267,475,307</u>
Basic earnings per share (Rs)	<u>19.42</u>	(Restated) <u>14.74</u>

18.1.1 Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.

Nine months ended March 31, 2019	Nine months ended March 31, 2018
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18.2 Diluted earnings per share

Profit after taxation (Rs '000)	<u>44,027,119</u>	<u>33,430,513</u>
Weighted average number of ordinary shares in issue	2,267,475,981	(Restated) 2,267,475,307
Adjustment of convertible preference shares	<u>11,188</u>	<u>11,862</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,267,487,169</u>	(Restated) <u>2,267,487,169</u>
Diluted earnings per share (Rs)	<u>19.42</u>	(Restated) <u>14.74</u>

18.3 During the current period, the Holding Company has issued 15% bonus shares (i.e. fifteen shares for every hundred shares held), which has resulted in restatement of basic and diluted earnings per share for the nine months period ended March 31, 2018.

19. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 30, 2019 by the Board of Directors of the Holding Company.

20. GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER