

Condensed Interim Financial Information

For The First Quarter Ended September 30, 2017

VISION

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

MISSION

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

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



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Corporate Information

Directors

Mr. Laith G. Pharaon Chairman Attock Group of Companies Alternate Director - **Mr. Bilal Ahmad Khan**

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

Mr. Sajid Nawaz

Mr. Abdus Sattar

Mr. Tariq Iqbal Khan

Mr. Nihal Cassim

Mr. Shuaib A. Malik Chairman & Chief Executive

Audit Committee

Mr. Abdus Sattar Chairman

Mr. Babar Bashir Nawaz Member

Mr. Nihal Cassim Member

Mr. Tariq Iqbal Khan Member

Mr. Bilal Ahmad Khan Member

Human Resource and Remuneration (HR &R) Committee

Mr. Babar Bashir Nawaz Chairman

Mr. Shuaib A. Malik Member

Mr. Abdus Sattar Member

Mr. Bilal Ahmad Khan Member

Company Secretary / CFO

Khalid Nafees

Auditors & Tax Advisors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

Khan & Piracha

Ali Sibtain Fazli & Associates

Registered Office

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

Shareholder Enquiries

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

Quarterly Report

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



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

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the quarter ended September 30, 2017.

Financial results

During the period, the Company has made a profit after tax of Rs.2,534.2 million (September 30, 2016: Rs. 2,317.5 million), which is higher by 9.3% as compared to the corresponding period last year. The profit translates into earning per share of Rs. 10.71 (September 30, 2016: Rs. 9.80 per share). Increase in profit is mainly because of increased sales volumes and prices of crude oil, gas and LPG despite increase in exploration cost & taxation and no dividends received from associates during this period as declared dividends will be recorded in the next quarter as per accounting policy. Average crude oil price increased by 16.2% and average gas price increased by around 11.5% in comparison to corresponding period last year. Increase in production volume of crude oil, gas and LPG by 12.13%, 10.98% and 6.48% respectively in comparison to corresponding period last year. During the period the Company made a Consolidated profit after tax of Rs. 2,642 million (September 30, 2016: Rs. 2,290 million) which translate into consolidated earing per share of Rs. 11.14 (September 30, 2016: Rs. 9.64 per share).

Reference to note 16.1 of the condensed financial information, gas price notifications in respect of Mamikhel, Maramzai and Makori East discoveries in Tal block have been issued by Oil and Gas Regulatory Authority subsequent to Balance Sheet date.

Production

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

		Three months	Three months period ended	
		Sep 30, 2017 Sep 30, 201		
Crude Oil/Condensate	(US Barrels)	630,918	562,635	
Gas	(Million Cubic Feet)	7,346	6,619	
LPG	(Metric Tonnes)	14,446	13,566	
Sulphur	(Metric Tonnes)	167	167	
Solvent Oil	(US Barrels)	4,899	4,691	

The Company's share in production, including that from joint ventures, for the period under review averaged 6,858 barrels per day (bpd) of crude, 79.85 million standard cubic feet per day (mmscfd) of gas, 157 metric tonnes per day (MTD) of LPG, 1.81 MTD of sulphur and 53 bpd of solvent oil.



Exploration and development activities

Producing Fields

At Balkassar field (100% owned by POL), two possible leads has been identified in subthrust area. In order to confirm these leads 191.25 square kilometers 3D seismic data acquisition has been started, so far 77 Sq.kms has been recorded.

At Joyamair field (100% owned by POL), Rig has been moved to drill Joyamair Deep-1 (an exploratory well) to explore deeper potential.

At Khaur Lease (100% owned by POL), Rig has been moved to drill Khaur North-01(an exploratory well) to explore remaining potential of the area.

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

At Pariwali Lease (operated by POL with 82.50% share), reservoir simulation study has been completed. Fracture swarm mapping is in progress. Development plan given in simulation study is under review.

At Pindori Lease (operated by POL with a 35% share), seismic data re-interpretation on 3D dataset has been completed. Mapping of remaining up dip potential is in progress. Working on different drilling of well options are under review to target this potential.

At TAL block (operated by MOL, where POL has a pre-commerciality share of 25%),

Makori East-6 was spuded on January 22, 2017 and drilling down to 16,913 ft in Datta formation, initial result of testing was not encouraging. Due to some technical problems completion was pulled back and remedial work is in progress to re-perform production testing.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), Simulation Study (Dynamic Model) of Adhi Field is in progress. Adhi-31 well location has been approved.

Adhi-29: The well was spudded on March 24, 2017, achieved well target depth of 11,017 ft. Perforated Khewra Formation (pre Frac results) and produced 404 barrels of oil per day and 0.986 million cubic feet of gas per day at 48/64" choke size with 203psi well head flowing pressure. Tried to perform main Frac job but no success. Production testing of Tobra Formation is in progress.

Adhi-30: Well was spuded on May 28, 2017 and drilled down to 8,830 ft but Eocene was not encountered. Acquired open hole logs and decided to side track hole. Drilling of side track-1 hole down to 6,975 ft is in progress.

Adhi South X-1 an exploratory well was spudded on June 30, 2017 drilled down to 5,905 ft and further drilling is in progress.

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

At Ratana Field (Operated by Ocean Pakistan Limited, where POL has 4.545% share), 3D seismic data acquisition of 377 sq.km has been acquired and data processing is in progress.



Exploration Blocks

At Ikhlas block (operated by POL with a 80% share), the drilling of a deep exploratory well "Jhandial – 1" was proposed after acquisition and interpretation of 3D seismic data. The well was drilled down to a total depth of 18,497 feet, during production testing the well produced 1,630 barrels of oil per day and 16.5 million cubic feet of gas per day at 28\64" choke size with 6,290 psi well head flowing pressure. The Jhandial Discovery will have a considerable impact on the future exploratory efforts in the block and surrounding areas. Reprocessing of ~400 line kilometers of 2D seismic data is in progress to identify more drillable prospects.

At DG Khan block (operated by POL with a 70% share), last acquired 2D seismic data identified new leads, about 264 line kilometers additional 2D seismic data acquisition has been planned to firm up the identified leads. Mobilization of seismic crew has been started.

At Margala block (operated by MOL where POL has a 30% share), 2D seismic data acquisition of ~70 line kilometers in Margala block has been planned to evaluate the potential in the exploration license.

At TAL block (operated by MOL where POL has a pre-commerciality share of 25%),

2D/3D seismic data interpretation is in progress to explore the possible deeper plays in TAL block. Acquisition of 870 sq.km of gravity survey over western part of Manzalai has been completed and interpretation is in progress.

Tolanj East-01 an exploratory well was spuded on April 27, 2017 and drilling down to 11,896 ft is in progress

To explore deeper potential in the TAL block Mamikhel Deep well has been approved by the Joint Ventures Partners. In-house 2D/3D seismic data interpretation is in progress to explore the additional plays in TAL Block.

At Gurgalot block (operated by OGDCL where POL has a 20% share), 3D seismic data acquisition in Gurgalot block to cover all the mapped leads has been planned.

At Hisal block (operated by PPL where POL has a share of 25%), drilling of first exploratory well Misrial-X1 has been approved. For evaluation of another prospect, 63.25 L.kms 2D infill seismic acquisition has been planned.

Acknowledgement

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

On behalf of the Board

Shuaib A. Malik Chairman & Chief Executive

Rawalpindi October 19, 2017



تو لیخ شرقی۔ ادریافتی کنویں کی کھدائی کا آغاز اپریل ۲۷،۷۲۰ کو موااور ۱۱،۸۹۲ فٹ گہرائی پر کھدائی جاری ہے۔ تل بلاک میں زیادہ گہرائی میں موجود امکانات دریافت کرنے کے لئے مامی خیل ڈیپ کنویں کی مشتر کہ منصوبوں کے شرکاء نے منظوری دے دی ہے۔تل بلاک میں مزید حصوں کو دریافت کرنے کے لئے 2D/3D ارضیاتی اعداد وشارکی تشرح پر کام جاری ہے۔

گرگلوٹ بلاک (زیرِ انتظام او جی ڈی سی ایل جہاں پی اوایل کا حصہ ۲ فی صد ہے) BCارضیاتی اعدادو شار کے حصول کی منصوبہ بندی کر لی گئی ہے تا کہ گرگلوٹ بلاک میں نشاند ہی شدہ لیڈز کا احاطہ کیا جا سکے۔

حسال بلاک (زیر انتظام پی پی ایل جہاں پی اوایل کا حصہ ۲۵ فی صدہے) میں پہلے دریافتی کنویں مصریال ۲-X کی کھدائی کی منظوری دی جا چکی ہے۔ مزید امکانات کا جائزہ لینے کے لئے ۲۳۰۲۷ لڑن کلومیٹرز (D Infill) ارضیاتی اعدادوشار کی منصوبہ بندی کر لی گئی ہے۔

> **اعتراف** : بورڈ تمام سٹیک ہولڈرز کا پاکستان آئل فیلڈ زلمیٹڈ کے ساتھ مسلسل تعاون کرنے پران کا شکر گزار ہے۔

> > منجانب بورڈ

huer.

شعیباےملک چیئر مین وچیف ا گیزیکٹو راولپنڈی، اکتو بر19، ۲۰۱۷ء



بہاؤ کے دباؤ کے ساتھ پیداوار حاصل ہوئی۔ Frac Job کرنے کی کوشش کی گئی مگر رائیگاں گئی۔ توبڑا فارمیشن Tobra) (Formation کی پیداواری جانچ جاری ہے۔ آہدی ۔ ۳۰: مئی ۲۸ ، ۲۰۱۷ ء کو کنویں کی کھدائی کا آغاز ہوا تھا۔ ۸۸۳۰ فٹ تک کھدائی کی گئی مگر Eocene نہ ملی ۔ Open hole logs حاصل کئے گئے اور خمنی ٹریک کا فیصلہ کیا گیا۔ خمن ٹریک۔ اک ۵۷ فٹ تک کھدائی جاری ہے۔ آہدی جنوبی1-X ایک دریافتی کنویں کی جون ۳۰، ۲۰۱۷ء کو کھدائی کا آغاز کیا گیا تھا۔ ۵۹۰۵ فٹ تک کھدائی کو بھدائی جاری ہے۔ جاری ہے۔

حجل مکسی جنوبی (زیر انظام او جی ڈی می ایل جہال پی اوایل کا حصہ ۲۲ فی صد ہے) پلانٹ کی تنصیب روک دی گئی ہے کیوں کہ SSGCL نے پائپ لائن بچھانے کے فیصلے کوتا حال حتی شکل نہیں دی۔

رتانہ (زیرا نتظام اوثن پاکستان کمیٹڈ جہاں پی اوایل کا حصہ ۴٬۵۴۵ فی صدہے) ۲۷۷ مربع کلومیٹرز کے ارضیاتی اعدادو شارحاصل کر لئے گئے ہیں اوران اعدادو شار پر کام جاری ہے۔

دریافتی قطعات :

اخلاص بلاک (۵۰ فی صد صص کے ساتھ زیر انتظام پی اوایل) 3D ارضیاتی اعدادوشار کے صول اوران کی تشریح کے بعد گہرے دریافتی تنویں "جھنڈیال۔۱" کی کھدائی تجویز کی گئی۔ بیکنواں ۵۸، ۱۸ فٹ کی گہرائی تک کھودا گیا، پیداوار کی جانچ کے دوران کنویں سے یومیہ ۱۳۷۰ بیرلز تیل اور ۱۹۰۵ ملین ملعب فٹ گیس " ۲۸/۱۴ چوک سائز پر کنویں کے بہاؤ کے دباؤ ۲۰۲۹ احک انتھ حاصل ہوئی۔ جھنڈیال کی بید دیافت مستقبل میں اس بلاک اور ارد گرد کے علاقوں میں دریافتی کاوشوں پر قابلی ذکر انٹر ڈالے گی۔ ۱۰۰ لاک کلومیٹرز کے 2D ارضیاتی اعدادو ثار پر کام جاری ہے تا کہ مزید قابل کھدائی عوامل کی

ڈم**ی جی خان بلاک (+2 فی** صد تصص کے ساتھ پی اوایل کے زیرِ انتظام) گذشتہ حاصل ہونے والے ارضیاتی اعدادو شارنے نئی لیڈز بتعقین کی ہیں۔تقریباً ۲۱۴ کلومیٹر لائن اضافی 20 ارضیاتی اعدادو شار کے حصول کی منصوبہ بندی کر لی گئی ہے تا کہ شناخت شدہ اعدادو شارکی تصدیق کی جا سکے۔ارضیاتی عملہ کی نتقلی کاعمل شروع ہو چکا ہے۔

مار گله بلاک (زیرِ انتظام مول جہاں پی اوا میں کا حصہ ۳۰ فی صد ہے) • ۷ لائن کلومیٹرز میں 2 ارضیاتی اعدادو ثمار کا حصول اوران پر جائز یے کی منصوبہ بندی کر لی گئی ہے تا کہ اس دریافتی علاقے کی صلاحیتوں کو پر کھا جا سکے۔

تل بلاک (زیرِ انتظام مول جہاں پی اوایل کاقبل ازتجارتی پیداوار حصہ ۲۵ فی صدہے) 2D/3D ارضیاتی اعدادو شارکو پر کھنے کاعمل جاری ہےتا کہ تل بلاک میں ممکن حد گہرائی کےعلاقے دریافت کیے جاسکیں۔

منزلائی کے غربی حصے میں + ۸۵ مربع کلومیٹر زعلاقے میں کشش ثقل (Gravity Survey) سے اعداد شار کے حصول کے بعدان کو پر کھنے کا عمل جاری ہے۔



ز بر جائزہ مدّت میں کمپنی کی یومیہ پیداوار بشمول مشتر کہ منصوبوں کےاوسطاً یوں رہی : خام تیل ۱٬۸۵۸ بیرل، گیس ۹.۸۵ ملین سٹینڈ رڈ کیو بک فیٹ ، مائع پٹرولیم گیس ۱۵۲ میٹرک ٹن ،سلفر ۱۸۱ میٹرک ٹن اور سالونٹ آئل ۵۳ بیرل۔

دریافتی اورتر قیاتی سر گرمیاں :

پيداواري قطعات :

مبلکسر (••افی صد پی ادایل کی ملیت) میں انتہائی گہرائی میں مکنہ طور پر دولیڈز کی نشاندہی ہوئی ہے۔ان لیڈز کی نصدیق کرنے کے لئے ۱۹۱.۲۵ مربع کلومیٹرز میں 3D ارضیاتی اعدادو شارکے حصول کا آغاز کر دیا گیا ہے،اس وقت تک ۷۷ مربع کلومیٹرز کواعدادو شارحاصل کر لئے گئے ہیں۔

جویا میر (•• ۱ فی صد پی اوایل کی ملکیت) میں زیادہ گہرائی میں امکانات کو دریافت کرنے کے لئے رِگ جو یا میر ڈیپ۔ ا(دریافتی کنواں) کی جانب منتقل کر دی گئی ہے۔

کھوڑ (••ا فی صد پی اوالیل کی ملکیت) میں علاقے کی باقی ماندہ صلاحیتوں کودریافت کرنے کے رِگ کھوڑ شالی۔ا (دریافتی کنواں) کی جانب منتقل کردگ گئی ہے۔

تر کوال (۲۷.۳۷ فی صد حصے کے ساتھ پی اوایل کے زیر انتظام) میں علاقے کی کمل صلاحیت کودریافت کرنے کے لئے 3D ارضیاتی منصوبہ بندی پر کام جاری ہے۔

پری دالی (۸۲۵ فی صد تصص کے ساتھ پی اوایل کے زیرِ انتظام) میں ذخائر کے پیداداری عمل کا مطالعہ کیا گیا ہے۔ Fracture Swarm نفشہ برداری جاری ہے۔ تحقیق کی مدد سے تر قیاتی منصوبہ کا جائزہ لیا جارہا ہے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی اوایل کے زیرا نظام) میں 3D ڈیٹا سیٹ پر ارضیاتی اعدا دو ثنارکی دوبارہ تشریح کا کام کمل ہو چکا ہے۔ باقی ماندہ صلاحیتوں کی نقشہ برداری پر کام جاری ہے۔ کنویں کی کھدائی کے لئے مختلف زاویوں سے جائزہ لیا جارہا ہے تا کہ یہاں موجو دصلاحیتوں کو ہدف بنایا جا سکے۔

تل بلاک (زیر انتظام مول جہان قبل از تجارتی پیداوار پی اوایل کا حصد ۲۵ فی صدہے) موڑی شرقی ۲۰ کی کھدائی کا آغاز جنوری ۲۲، ۱۷۰۶ء کو ہواتھا اور Datta فارمیشن میں ۱۹،۹۱۲ فٹ پر کھدائی جاری ہے، جائج کے ابتدائی دتائج حوصلہ افزانہیں تھے۔ چند تکنیکی مسائل کی بناء پر Completion کو نکال لیا گیا تھا اور اصلاحاتی کارروائی جاری ہے تا کہ دوبارہ پیداواری جانچ کی جائے۔ آہدی (زیر انتظام پی پی ایل جہاں پی اوایل کا حصہ افن صدہے)

آہ**دی۔ ۲**۹ مارچ ۲۴، ۱۷۰۷ء کو کنویں کی کھدائی کا آغاز ہوا تھا۔ گہرائی کا ہدف ۱۰۰۱۱ فٹ حاصل کرلیا گیا ہے ۔کھیوڑہ فارمیشن کی منہ میں جب میں میں میں میں میں میں این تنا میں میں مارز ہوا تھا۔ کہرائی کا ہدف اس کر کیا گیا ہے ۔کھیوڑہ فارمیشن ک

Frac Job - Perforation سے پہلے یومیہ ۲۰۴ بیرل خام تیل اور ۹۸۲۰ ملین کیوب فیٹ گیس " ۴۸/۱۴ چوک سائز پر PSI ۲۰



د انر يكرزر يور

شروع اللّہ کے نام سے جومہر بان نہایت رحم والا ہے السّلا م علیکُم !

ڈائر یکٹر زکوشمبر ۲۰، ۱۷-۲۰ یکواختنام پذیر سه ماہی مالیاتی نتائج اور کمپنی کےامُو رکا خلاصہ پیش کرتے ہوئے فرحت محسوں ہور ہی ہے۔

بحوالہ نوٹ ۱۲.۱ خلاصہ برائے مالیاتی معلومات (Condensed Financial Information)، آئل اینڈ گیس ریگولیڑی اتھارٹی نے تل بلاک میں مامی خیل ، مارم زئی اور مکوڑی شرقی کی دریافتوں کے متعلق گیس کی قیتوں کا اعلان (Notification) ہیلنس شیٹ کی تاریخ کے بعد کردیا ہے۔

> **پیداوار** : سمپنی کی اپنی اوردیگرا نظامی وغیرا نظامی مشتر که منصوبوں سے حاصل شدہ متناسب پیداوار کا مواز نہ درج ذیل ہے :

يتين ماه	اختتام پذې
•۳، تتمبر ۲۱۶ء	•۳، تتمبر ۷۷ •۲ ء
0716710	42+4917
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164391	rcA99



Condensed Interim Balance Sheet (Unaudited) As at September 30, 2017

	Note	Sep 30, 2017 Rupe	June 30, 2017 es ('000)
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2017: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital 236,545,920 (June 30, 2017: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459
Revenue reserves	4	25,750,992	29,130,466
Fair value gain on available-for-sale investments		2,003	2,003
NON CURRENT LIABILITIES		28,118,454	31,497,928
Long term deposits		848,825	846,958
Deferred liabilities	5	15,092,763	14,999,402
		15,941,588	15,846,360
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	6,191,237	5,903,348
Proposed dividend		5,913,648	-
Provision for income tax		5,236,256	4,403,945
CONTINGENCIES AND COMMITMENTS	7	17,341,141	10,307,293
		61,401,183	57,651,581



	Note	Sep 30, 2017 Rupee	June 30, 2017 es ('000)
FIXED ASSETS			
Property, plant and equipment	8	9,842,211	9,854,534
Development and decommissioning costs	9	12,830,919	13,372,854
Exploration and evaluation assets	10	2,619,920	1,884,356
		25,293,050	25,111,744
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	11	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	12	6,255	6,255
LONG TERM LOANS AND ADVANCES		18,159	17,639
CURRENT ASSETS			
Stores and spares		3,673,280	3,897,472
Stock in trade		194,343	221,893
Trade debts	13	4,300,921	3,292,966
Advances, deposits, prepayments and other receivables	14	1,031,053	1,306,481
Cash and bank balances	15	17,268,519	14,181,528
		26,468,116	22,900,340
		61,401,183	57,651,581

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Khalid Nafees CFO

Shuaib A. Malik Chief Executive

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Abdus Sattar Director



Condensed Interim Profit and Loss Account (Unaudited)

For the 1st quarter ended September 30, 2017

		Three months period ended	
	Note	Sep 30, 2017 Sep 30, 2016 Rupees ('000)	
SALES Sales tax		7,925,551 (684,747)	6,293,436 (569,246)
NET SALES	16	7,240,804	5,724,190
Operating costs Excise duty and development surcharge Royalty Amortisation of development and	17	(1,973,382) (70,432) 662,499	(2,024,699) (62,012) (497,680)
decommissioning costs		(511,812)	(560,714)
		3,218,125	(3,145,105)
GROSS PROFIT		4,022,679	2,579,085
Exploration costs	18	(272,448)	(64,497)
		3,750,231	2,514,588
Administration expenses Finance cost Other charges	19 20	(37,979) (188,400) (244,326) (470,705)	(37,680) (194,820) (171,670) (404,170)
		3,279,526	2,110,418
Other income	21	248,773	716,607
PROFIT BEFORE TAXATION		3,528,299	2,827,025
Provision for taxation	22	(994,125)	(509,555)
PROFIT FOR THE PERIOD		2,534,174	2,317,470
Earnings per share - Basic and diluted (Rs)		10.71	9.80

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Statement of Comprehensive Income (Unaudited) For the 1st quarter ended September 30, 2017

	Three months period ended		
	Sep 30, 2017 Sep 30, 20 Rupees ('000)		
Profit for the period	2,534,174	2,317,470	
Other Comprehensive Income for the period			
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,534,174	2,317,470	

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Cash Flow Statement (Unaudited)

For the 1st quarter ended September 30, 2017

	Three months period ended	
Note		Sep 30, 2016 ees ('000)———
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers Operating and exploration costs paid Royalty paid Taxes paid Cash provided by operating activities	6,316,860 (1,483,332) (579,495) (222,714) 4,031,319	6,048,569 (1,464,962) (469,734) (235,729) 3,878,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets additions Proceeds from disposal of property, plant and equipment Income on bank deposits and held-to-maturity investments Dividend income received Cash used in investing activities	(1,100,510) 132 125,570 - (974,808)	(1,383,486) 8,352 79,785 227,706 (1,067,643)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,275)	(2,135)
Cash used in financing activities	(2,275)	(2,135)
EFFECT OF EXCHANGE RATE CHANGES	32,755	(13,034)
INCREASE IN CASH AND CASH EQUIVALENTS	3,086,991	2,795,332
CASH AND CASH EQUIVALENTS AT JULY 01,	14,181,528	10,763,801
CASH AND CASH EQUIVALENTS AT SEP 30,	17,268,519	13,559,133

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Statement of Changes in Equity (Unaudited)

For the 1st quarter ended September 30, 2017

	Share Capital	Rev Insurance Reserve	venue reserves Investment Reserve	S Unappropriated profit	on available-	Total
				s ('000) ——	for-sale investments	
Balance at June 30, 2016	2,365,459	200,000	•	26,028,483	1,995	30,153,731
Total comprehensive income for the period	od:					
Profit for the period Other comprehensive income		-	-	2,317,470		2,317,470
	-	-	-	2,317,470	-	2,317,470
Transactions with owners: Final dividend @ Rs 20 per share -						
Year ended June 30, 2016	-	-	-	(4,730,918)) -	(4,730,918)
Total transaction with owners	-	-	-	(4,730,918)) -	(4,730,918)
Balance at September 30, 2016	2,365,459	200,000	1,557,794	23,615,035	1,995	27,740,283
Total comprehensive income for the peri-	od:					
Profit for the period Other comprehensive income	-	-	-	7,361,036	- 8	7,361,036 (55,202)
		-	-	7,305,826	8	7,305,834
Transaction with owners:				.,	-	.,,
Interim dividend @ Rs 15 per share - Year ended June 30, 2017	_	-	-	(3,548,189)) –	(3,548,189)
Total transaction with owners	-	-	-	(3,548,189)) -	(3,548,189)
Balance at June 30, 2017	2,365,459	200,000	1,557,794	27,372,672	2,003	31,497,928
Total comprehensive income for the peri-	od:					
Profit for the period	-	-	-	2,534,174	-	2,534,174
Other comprehensive income	-	-	-	-	-	-
Transaction with owners: Proposed Final dividend @	-	-	-	2,534,174	-	2,534,174
Rs 25 per share - Year ended June 30, 2017	-	-	-	(5,913,648)) -	(5,913,648)
Total transaction with owners	-	-	-	(5,913,648)) -	(5,913,648)
Balance at September 30, 2017	2,365,459	200,000	1,557,794	23,993,198	2,003	28,118,454

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2017

1. Legal status and operations

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

2. Statement of compliance

This condensed interim financial information of the Company for the 1st quarter ended September 30, 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 shall prevail.

3. Accounting policies

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2017.

4.	Revenue reserves	Sep 30, 2017 Rupe	June 30, 2017 ees ('000)
	Insurance reserve Investment reserve Unappropriated profit	200,000 1,557,794 23,993,198	200,000 1,557,794 27,372,672
5.	Deferred liabilities	25,750,992	29,130,466
	Provision for deferred income tax Provision for decommissioning cost Provision for staff compensated absences	6,350,200 8,732,488 10,075	6,411,100 8,578,227 10,075
		15,092,763	14,999,402

6. Trade and other payables

These include balance due to joint venture partners amounting to Rs 1,719,131 thousand (June 30, 2017: Rs 2,158,196 thousand) and balances due to related parties amounting to Rs 206,459 thousand (June 30, 2017: Rs 130,469 thousand).



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Selected notes to and forming part of the Condensed Interim **Financial Information (Unaudited)**

For the 1st guarter ended September 30, 2017



The Company is currently contesting applicability of super tax @ 3% of taxable profits from oil b and gas operations under Petroleum Concession Agreements (PCAs) and has filed writ petitions in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petitions will be decided in favour of the company, accordingly provision of Rs 522 million has not been made in these financial statements in respect of years ended June 30, 2015, June 30, 2016 and June 30, 2017.

	Sep 30, 2017 ————————————————————————————————————	June 30, 2017 es ('000)
Commitments:		
- Share in joint ventures - Own fields - Letter of credit issued by banks on beh	6,274,024 2,686,117 alf	7,622,953 2,774,835
of the company	6,473	56,868
8. Property, plant and equipment		
Opening net book value Additions during the period / year Depreciation for the period / year Disposals during the period / year	8,941,806 192,776 (381,655) -	9,629,028 925,625 (1,577,936) (34,911)
Operating assets - written down value Capital work in progress	8,752,927 1,089,284	8,941,806 912,728
	9,842,211	9,854,534



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited) For the 1st quarter ended September 30, 2017

	Sep 30, 2017 Rupe	June 30, 2017 es ('000)
9. Development and decommissioning costs		
Development cost		
Opening net book value Additions during the period / year Well cost transferred from exploration	12,913,828 2,990	12,649,020 2,039,456
and evaluation assets Amortisation for the period / year	- (531,838)	944,410 (2,719,058)
Closing book value	12,384,980	12,913,828
Decommissioning cost		
Opening net book value Additions during the period / year Revision due to change in estimates Amortisation for the period / year	459,026 - - (13,087)	1,935,893 121,754 (1,507,610) (91,011)
Closing book value	445,939	459,026
	12,830,919	13,372,854
10. Exploration and evaluation assets		
Balance brought forward Additions during the period/ year	1,884,356 735,564	900,813 2,899,238
Wells cost transferred to development costs Dry and abandoned wells cost charged to the	2,619,920 -	3,800,051 (944,410)
profit & loss account	-	(971,285)
	2,619,920	1,884,356



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2017

		Septer	nbei	r 30, 2017	June 3	June 30, 2017	
11.	Long term investments in subsidiar and associated companies -at cost	Percent holdin Ƴ	<u> </u>	Amount Rupees ('000	Percentage) holding	Amount Rupees ('000)	
	Subsidiary company						
	Unquoted Capgas (Private) Limited	51		1,530	51	1,530	
	Associated companies						
	Quoted National Refinery Limited	25		8,046,635	25	8,046,635	
	Attock Petroleum Limited	7		1,562,938	7	1,562,938	
	Unquoted Attock Information Technology Services (Private) Limited	10		4,500	10	4,500	
				9,615,603		9,615,603	
12.	Other long term investments			Sep	30, 2017 Ju Rupees ('0	une 30, 2017 000)————	
	Available-for-sales investments - at m	larket pri	се		6,255	6,255	

13. Trade debts

These include Rs 2,485,020 thousand (June 30, 2017: Rs 1,442,801 thousand) receivable from related parties.

14. Advances, deposits, prepayments and other receivables

These include balances with joint venture partners amounting to Rs 136,212 thousand (June 30, 2017 : Rs 352,183 thousand) and balances with related parties amounting to Rs 88,656 thousand (June 30, 2017 : Rs 99,183 thousand).



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2017

15. Cash and bank balances	Sep 30, 2017 Rupe	June 30, 2017 ees ('000)
Bank balance on: Short term deposits Interest/ mark-up bearing saving accounts Current account	15,772,606 1,464,867 27,597	12,615,073 1,543,023 20,534
Cash in hand	17,265,070 3,449	14,178,630 2,898
	17,268,519	14,181,528

Balance with banks include foreign currency balances of US 80,173 thousand (June 30,2017: US 73,533 thousand).The balances in saving accounts and short term deposits earned interest/mark-up ranging from 0.10 % to 6.70 % (2017: 0.25% to 6.85%).

	Three months	s period ended
	Sep 30, 2017 ———Rupee	Sep 30, 2016 s ('000)———
16. Net sales		
Crude oil	3,251,930	2,419,160
Gas	2,609,534	2,090,904
POLGAS -Refill of cylinders	1,345,636	1,181,559
Solvent oil	33,704	32,567
	7,240,804	5,724,190

16.1 The Company has signed the Supplemental Agreements with the Government of Pakistan (the Government) for conversion of Petroleum Concession Agreements (PCA) to Petroleum Exploration & Production Policy 2012 in respect of Ikhlas, DG Khan, Kirthar South, Margala, Margala North, Gurgalot and Tal Block. Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned blocks.

In terms of supplemental agreements, draft statements specifying sums aggregating US \$ 34.39 million till June 30, 2015 due to the Company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block and Domial discovery in Ikhlas block have been submitted to the Government. The Government shall facilitate issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited) For the 1st quarter ended September 30, 2017

	Three months period ended			
	Sep 30, 2017	Sep 30, 2016 es ('000)———		
17. Operating costs	rapoe			
Operating Cost - Own fields - Share in joint ventures Well workover POLGAS-Cost of gas /LPG, Carriage etc. Pumping and transportation cost Depreciation	324,677 557,101 (4,035) 697,435 7,480 363,174	293,605 658,997 46,313 693,430 6,424 381,994		
Opening stock of crude oil and other products Closing stock of crude oil and other products	1,945,832 221,893 (194,343)	2,080,763 375,521 (431,585)		
	1,973,382	2,024,699		
18. Exploration costs				
Geological & geophysical cost	272,448	64,497		
19. Finance cost				
Provision for decommissioning cost- - Unwinding of discount - Exchange loss Banks' commission and charges	150,832 36,542 1,026 188,400	189,604 4,669 547 194,820		
20. Other charges				
Workers' profit participation fund Workers' welfare fund	188,624 55,702	149,517 22,153		
	244,326	171,670		



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2017

	Three months	Three months period ended			
	Sep 30, 2017 ————————————————————————————————————	Sep 30, 2016 s ('000)———			
21. Other income		- ()			
Income from financial assets					
Income on bank deposits	150,984	82,273			
Exchange gain/(loss) on financial assets	32,755	(13,034)			
Dividend from investment in associated/ subsidiary companies		555,675			
Other income					
Rental income - net of related expenses	34,070	25,304			
Crude oil transportation income - net of related expenses	14,163	34,820			
Gas processing fee	16,434	22,312			
Profit on sale of property, plant and equipment	132	8,352			
Sale of stores and scrap	8	7			
Others	227	898			
	248,773	716,607			
22. Provision for taxation					
Current Deferred	1,055,025 (60,900)	356,559 152,996			
	994,125	509,555			

23. Operating Segments

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 16.

Revenue from two major customers of the Company constitutes 70% of the total revenue during the period ended September 30, 2017 (September 30, 2016: 63%).



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2017

	Three months period ended			
	Sep 30, 2017 ——Rupe	Sep 30, 2016 ees ('000)———		
24. Transaction with related parties				
Aggregate transactions with related parties of the Company were as follows:				
Sales of goods and services to:				
Associated companies Subsidiary company	3,008,950 3,102	2,045,519 5,272		
Purchase of goods and services from:				
Associated companies Subsidiary company Parent company	212,095 904 16,534	204,655 1,583 12,875		
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	21,380	28,122		
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund Approved Contributory Provident Funds	19,431 7,176	17,591 6,723		
Contribution to Workers' Profit Participation Fund	188,624	149,517		

25. Date of authorization

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on October 19, 2017.

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director

Condensed Interim Consolidated Financial Information (Unaudited) For the 1st quarter ended September 30, 2017



Condensed Interim Consolidated Balance Sheet (Unaudited)

As at September 30, 2017

	Note	Sep 30, 2017 Ruper	June 30, 2017 es ('000)
SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,365,459	2,365,459
Capital reserves	5	2,189,897	2,015,858
Revenue reserves	6	30,389,807	33,841,980
Fair value gain on available-for-sale investments		2,003	2,003
		34,947,166	38,225,300
NON - CONTROLLING INTEREST		113,106	106,317
		35,060,272	38,331,617
NON CURRENT LIABILITIES			
Long term deposits	_	1,006,386	1,004,620
Deferred liabilities	7	15,916,781 16,923,167	15,823,456 16,828,076
CURRENT LIABILITIES AND PROVISIONS		10,525,107	10,020,070
Trade and other payables	8	6,280,900	6,038,213
Proposed dividend Provision for income tax		5,913,648	-
		5,238,189 17,432,737	4,406,640
CONTINGENCIES AND COMMITMENTS	9	11,402,101	10,777,000
		69,416,176	65,604,546



	Note Sep 30, 2017 Ju Rupees ('0			
FIXED ASSETS				
Property, plant and equipment	10	9,919,004	9,935,172	
Development and decommissioning costs	11	12,830,919	13,372,854	
Exploration and evaluation assets	12	2,619,920	1,884,356	
Other Intangible assets		267,197	283,363	
		25,637,040	25,475,745	
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES	13	17,138,686	17,044,413	
OTHER LONG TERM INVESTMENTS	14	6,255	6,255	
LONG TERM LOANS AND ADVANCES		18,159	17,639	
CURRENT ASSETS				
Stores and spares		3,674,012	3,898,248	
Stock in trade		216,094	245,060	
Trade debts	15	4,301,522	3,293,220	
Advances, deposits, prepayments & other receivables	16	1,045,702	1,325,306	
Cash and bank balances	17	17,378,706	14,298,660	
		26,616,036	23,060,494	
		69,416,176	65,604,546	

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the 1st quarter ended September 30, 2017

		Three months period ended			
	Note	Sep 30, 2017 Sep 30, 2016 Rupees ('000)			
SALES Sales tax		8,128,841 (715,129)	6,464,766 (595,366)		
NET SALES	18	7,413,712	5,869,400		
Operating costs Excise duty and development surcharge Royalty Amortisation of development and	19	(2,120,311) (70,432) (662,499)	(2,138,277) (62,012) (497,680)		
decommissioning costs		(511,812)	(560,714)		
		(3,365,054)	(3,258,683)		
GROSS PROFIT		4,048,658	2,610,717		
Exploration costs	20	(272,448)	(64,497)		
		3,776,210	2,546,220		
Administration expenses Finance costs Other charges	21 22	(42,527) (188,400) (245,793) (476,720)	(44,182) (194,929) (173,599) (412,710)		
Other income	23	3,299,490 248,603	2,133,510 163,868		
Share in profits of associated companies - net of		3,548,093	2,297,378		
impairment loss		94,249	510,329		
PROFIT BEFORE TAXATION		3,642,342	2,807,707		
Provision for taxation	24	(1,000,063)	(517,624)		
PROFIT FOR THE PERIOD		2,642,279	2,290,083		
Attributable to: Owners of Pakistan Oilfields Limited (POL) Non - controlling interests		2,635,490 6,789 2,642,279	2,281,283 8,800 2,290,083		
Earnings per share - Basic and diluted (Rupees)		11.14	9.64		

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the 1st quarter ended September 30, 2017

	Three montl	hs period ended
	Sep 30, 2017 ———Rupe	Sep 30, 2016 ees ('000)
PROFIT FOR THE PERIOD	2,642,279	2,290,083
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
Items that will not reclassified to profit & loss		
Acturial Loss on staff retirement benefit plan by associated companies - net of tax	24	(237)
TOTAL COMPREHENSIVE INCOME	2,642,303	2,289,846
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	2,635,514	2,281,046
Non - controlling interests	6,789	8,800
	2,642,303	2,289,846

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the 1st quarter ended September 30, 2017

	Three mont	hs period ended
Note	Sep 30, 2017 ———Rupe	Sep 30, 2016 ees ('000)———
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers Operating and exploration costs paid Royalty paid Taxes paid Cash provided by operating activities	6,485,568 (1,650,279) (579,495) (229,375) 4,026,419	6,191,182 (1,580,868) (469,734) (243,583) 3,896,997
	4,020,410	0,000,001
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets additions Proceeds from disposal of property, plant and equipment Income on bank deposits and held-to-maturity investments Dividend received from associated companies	(1,100,510) 132 126,742 -	(1,383,486) 8,928 85,796 217,378
Cash used in investing activities	(973,636)	(1,071,384)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid Dividend paid to non - controlling interest holders Cash used in financing activities	(2,275) - (2,275)	(2,135) (9,923) (12,058)
EFFECT OF EXCHANGE RATE CHANGES	32,755	(13,034)
INCREASE IN CASH AND CASH EQUIVALENTS	3,083,263	2,800,521
CASH AND CASH EQUIVALENTS AT JULY 01,	14,295,443	10,994,832
CASH AND CASH EQUIVALENTS AT SEP. 30,	17,378,706	13,795,353

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the 1st quarter ended September 30, 2017

					ers of Pakista						
		Сар	ital Reserves	5	Revenue Reserves						
	Share Capital	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	reserve	Jnappropriated profit	Fair value gain/ (loss) on available for-sale investments	-	Non- controlling interest	Total
Balance at June 30, 2016 Total comprehensive income for the period:	2,365,459	59,754	962,745	-	200,000		s ('000)— 25,967,858	1,995	34,660,136	100,216	34,760,352
Profit for the period Other comprehensive income	-	-	-	-	-	-	2,281,283 (237)	-	2,281,283 (237)	8,800 -	2,290,083 (23)
Transfer to special reserve by	-	-	-	-	-	-	2,281,046	-	2,281,046	8,800	2,289,84
associated companies Transfer to general reserve by associated companies Transactions with owners: POL dividends:	-	-	99,398 -	-	-	- 1,000,000	(99,398) (1,000,000)	-	-	-	-
Final dividend @ Rs 20 per share - Year ended June 30, 2016 Dividend to CAPGAS non-controlling Interest holders:	-	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,91
Final cash dividend @ Rs 37.5 per share - Year ended June 30, 2015	-	-	-	-	-	-		-	-	(9,923)	(9,92
Total transactions with owners	-	-	-	-	-	-	(4,730,918)	-	(4,730,918)	(9,923)	(4,740,84
alance at September 30, 2016 otal comprehensive income for the period:	2,365,459	59,754	1,062,144	-	200,000	6,102,325	22,418,587	1,995	32,210,264	99,093	32,309,35
Profit for the period Dther comprehensive income	-	-	-	-	-	-	9,600,776 (37,559)	- 8	9,600,776 (37,551)	14,213 (44)	9,614,98 (37,59
	-	-	-	-	-	-	9,563,217	8	9,563,225	14,169	9,577,39
Fransfer to general reserve by an associated company	-	-	-	-	-	-	-	-	-	-	-
ransfer to special reserve by issociated companies ransfer to utilised special reserve by	-	-	893,961	-	-	-	(893,961)	-	-	-	-
ransier to dunsed special reserve by associated companies Fransactions with owners:	-	-	(1,941,044) 1,941,044	-	-	-	-	-	-	-
POL dividends: nterim dividend @ Rs 15 per share -											
/ear ended June 30, 2017 Dividend to CAPGAS non-controlling	-	-	-	-	-	-	(3,548,189)	-	(3,548,189)	-	(3,548,18
nterest holders: nterim dividend @ Rs 21 per share - /ear ended June 30, 2017	-	-	-				-	-	-	(6,945)	(6,94
Total transactions with owners	-	-	-	-	-	-	(3,548,189)	-	(3,548,189)	(6,945)	(3,555,13
Balance at June 30, 2017 Total comprehensive income for the period:	2,365,459	59,754	15,060	1,941,044	200,000	6,102,325	27,539,655	2,003	38,225,300	106,317	38,331,61
Profit for the period Dther comprehensive income	-	-	-	-	-	-	2,635,490 24	-	2,635,490 24	6,789 -	2,642,27
	-	-	-	-	-	-	2,635,514	-	2,635,514	6,789	2,642,30
Transfer to special reserve by an associated company Transactions with owners: POL dividends:			174,039			-	(174,039)				-
Proposed Final dividend @ Rs 25 per share - /ear ended June 30, 2017	-	-	_]]	(5,913,648)	-	(5,913,648)	-	(5,913,64
Total transactions with owners	-	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,64
Balance at September 30, 2017	2,365,459	59,754	189,099	1,941,044	200,000	6,102,325	24,087,482	2,003	34,947,166	113,106	35,060,27

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Abdus Sattar Director

Khalid Nafees CFO

Shuaib A. Malik **Chief Executive**



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st quarter ended September 30, 2017

1. Legal status and operations

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

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

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

2. Basis of consolidation

The consolidated financial information include the financial statements of POL and its subsidiary Capgas (Private) Limited with 51% holding (June 30, 2017: 51%).

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

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

Material intra-group balances and transactions have been eliminated.

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

3. Statement of compliance

This condensed interim financial information of the Company for the 1st. quarter ended September 30, 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

4. Accounting policies

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2017.



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st quarter ended September 30, 2017

	-	Sep 30, 2017 Rupee	June 30, 2017 s ('000)
5.	Capital reserves		
	Bonus shares issued by subsidiary/associated companies Special reserve Utilised special reserve	59,754 189,099 1,941,044	59,754 15,060 1,941,044
		2,189,897	2,015,858
6.	Revenue reserves		
	Insurance reserve General reserve Unappropriated profit	200,000 6,102,325 24,087,482	200,000 6,102,325 27,539,655
		30,389,807	33,841,980
7.	Deferred liabilities		
	Provision for deferred income tax Provision for decommissioning cost Provision for Gratuity Provision for staff compensated absences	7,168,065 8,732,488 6,153 10,075	7,229,001 8,578,227 6,153 10,075
		15,916,781	15,823,456

8. Trade and other payables

These include balances due to joint venture partners amount to Rs 1,719,131 thousand (June 30, 2017: Rs 2,158,196 thousand) and balances due to related parties amounting to Rs 205,670 thousand (June 30, 2017: Rs 134,117 thousand).

Sep 30, 2017	June 30, 2017
Rupees	s ('000)———

3.083

9. Contingencies and commitments

Contingencies:

- a Guarantee issued by banks on behalf of the company
- b The Company is currently contesting applicability of super tax @ 3% of taxable profits from oil and gas operations under Petroleum Concession Agreements (PCAs) and has filed a writ petition in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Managment based on legal advise is confident that the writ petition will be decided in favour of the company, accordingly no provision has been made in this respect in the financial statements for the years ended June 30, 2015, June 30, 2016 and June 30, 2017.

28.755



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st quarter ended September 30, 2017

	Sep 30, 2017 Rupe	June 30, 2017 es ('000)
Commitments:		
 Share in Joint Ventures Own fields Letter of credit issued by banks on behalf of the company 	6,274,024 2,686,117 6,473	9,691,246 1,647,832 157,138
10. Property, plant and equipment		
Opening net book value Additions during the period / year Depreciation for the period / year Disposals during the period / year	9,022,444 192,442 (385,166) -	9,724,414 926,095 (1,593,152) (34,913)
Operating assets - written down value Capital work in progress	8,829,720 1,089,284	9,022,444 912,728
	9,919,004	9,935,172
11. Development and decommissioning costs		
Development cost		
Opening net book value Additions during the period / year Well cost transferred from exploration and evaluation assets Amortisation for the period / year	12,913,828 2,990 - (531,838)	12,649,020 2,039,456 944,410 (2,719,058)
Closing book value	12,384,980	12,913,828
Decommissioning cost		
Opening net book value Additions during the period / year Revision due to change in estimates Amortisation for the period / year Closing book value	459,026 - - (13,087) 445,939	1,935,893 121,754 (1,507,610) (91,011) 459,026
	12,830,919	13,372,854



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st guarter ended September 30, 2017

	Sep 30, 2017 Rupee	June 30, 2017 es ('000)
12. Exploration and evaluation assets		
Balance brought forward Additions during the period/year	1,884,356 735,564	900,813 2,899,238
Transfer to development costs - note 11 Dry and abandoned wells cost charged to the profit	2,619,920 -	3,800,051 (944,410)
& loss account	-	(971,285)
	2,619,920	1,884,356
13. Long term investments in associated companies - equity method		
Beginning of the year Share in profits of associated companies -	17,044,413	14,017,705
net of impairment loss Acturial loss on staff retirement benefit plan Impairment reversal against investment in NRL Dividend received during the period / year	94,249 24 - -	2,387,070 17,460 1,254,835 (632,657)
End of the period /year	17,138,686	17,044,413
14. Other long term investments		
Available-for-sale investments - at market price	6,255	6,255

15. Trade debts

These include Rs 2,485,020 thousand (June 30, 2017: Rs 1,442,801 thousand) receivable from related parties.

16. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amount to Rs 136,212 thousand (June 30, 2017: Rs 352,183 thousand) and balances due from related parties amounting to Rs 84,346 thousand (June 30, 2017: Rs 99,183 thousand).



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited)

For the 1st quarter ended September 30, 2017

17. Cash and bank balances	Sep 30, 2017 ———Rup	June 30, 2017 ees ('000) Rupees ('000)
Bank balance on: Interest/mark-up bearing saving accounts Short term deposits Current accounts	1,574,326 15,772,606 28,281	1,655,764 12,615,073 24,848
Cash in hand	17,375,213 3,493	14,295,685 2,975
	17,378,706	14,298,660

Balance with banks include foreign currency balances of US \$ 80,173 thousand (June 30, 2017: US \$ 73,533 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 0.10 % to 6.70 % (2017: 0.25% to 6.85%).

	Three months	Three months period ended	
18. Net sales	Sep 30, 2017 ———Rupee	Sep 30, 2016 es ('000)———	
Crude oil Gas POLGAS/CAPGAS - Refill of cylinders Solvent oil	3,251,930 2,609,534 1,518,544 33,704	2,419,160 2,090,904 1,326,769 32,567	
	7,413,712	5,869,400	

18.1 The Company has signed the Supplemental Agreements with the Government of Pakistan (the Government) for conversion of Petroleum Concession Agreements (PCA) to Petroleum Exploration & Production Policy 2012 in respect of Ikhlas, DG Khan, Kirthar South, Margala, Margala North, Gurgalot and Tal Block. Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned blocks.

In terms of supplemental agreements, draft statements specifying sums aggregating US \$ 34.39 million till June 30, 2015 due to the Company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block and Domial discovery in Ikhlas block have been submitted to the Government. The Government shall facilitate issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.

41.



Selected notes to and forming part of the condensed interim **Consolidated Financial Information (Unaudited)** For the 1st quarter ended September 30, 2017

	Three months period ended	
	Sep 30, 2017 ————————————————————————————————————	Sep 30, 2016 es ('000)
19. Operating costs		
Operating cost - Own fields - Share in joint ventures Well workover POLGAS/CAPGAS -Cost of gas/LPG, carriage etc. Head office and insurance charges Pumping and transportation cost Depreciation Opening stock of crude oil and other products Closing stock of crude oil and other products	329,825 557,101 (4,035) 817,537 330 7,480 383,107 2,091,345 245,060 (216,094)	300,315 658,997 46,313 789,815 362 6,424 392,228 2,194,454 380,087 (436,264)
	2,120,311	2,138,277
20. Exploration costs		
Geological & geophysical cost	272,448	64,497
21. Finance costs		
Provision for decommissioning costs - unwinding of discount - exchange loss Banks' commission and charges	150,832 36,542 1,026 188,400	189,604 4,669 656 194,929
22. Other charges		
Workers' profit participation fund Workers' welfare fund	189,687 56,106	150,915 22,684



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st guarter ended September 30, 2017

	Three months	Three months period ended	
	Sep 30, 2017 Rupee	Sep 30, 2016 s ('000)	
23. Other income			
Income from financial assets			
Income on bank deposits	151,984	83,461	
Income on held-to-maturity investments	-	1,961	
Exchange gain on financial assets	32,755	(13,034)	
Other income			
Rental income -net of related expenses	33,719	24,953	
Crude oil / gas transportation income -net of related expenses	14,163	34,820	
Gas processing fee	16,434	22,312	
Profit on sale of property, plant and equipment	132	8,928	
Sale of stores and scrap	8	7	
Others	(592)	460	
	248,603	163,868	
24. Provision for taxation			
Current Deferred	1,060,963 (60,900)	364,628 152,996	
	1,000,063	517,624	

25. Operating Segments

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 18.

Revenue from two major customers of the Company constitutes 68% of the total revenue during the period ended September 30, 2017 (September 30, 2016: 61%).



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st guarter ended September 30, 2017

	Three months period ended	
-	Sep 30, 2017 Rupe	Sep 30, 2016 es ('000)———
26. Transaction with related parties		
Aggregate transactions with related parties of the Company were as follows:		
Sales of goods and services to:		
Associated companies	3,008,950	2,045,519
Purchase of goods and services from:		
Parent company	16,534	12,875
Associated companies	212,095	204,655
Remuneration of Chief Executive and key management personnel including benefits and perquisites	21,380	32,864
Contribution to staff retirement benefits plans		
Management Staff Pension Fund and Gratuity Fund	24,227	18,083
Approved Contributory Provident Funds	9,574	6,969
Contribution to Workers' profit participation fund	189,687	150,915

27. Date of authorisation

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on October 19, 2017.

Khalid Nafees CFO

Shuaib A. Malik Chief Executive

Abdus Sattar Director



Shareholding in Exploration Licenses and D&P / Mining Leases

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

* Pre-Commerciality interest



Pakistan Oilfields Limited

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