

Pakistan Oilfields Limited



Condensed Interim Financial Information
Six Months Period Ended December 31, 2013



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

Dr. Ghaith R. Pharaon

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

Mr. Laith G. Pharaon

Alternate Director - **Mr. Iqbal A. Khwaja**

Mr. Wael G. Pharaon

Alternate Director - **Mr. Babar Bashir Nawaz**

Mr. Arif Kemal

Alternate Director - **Mr. Shuaib A. Malik**

Mr. Abdus Sattar

Mr. Nihal Cassim

Mr. Shuaib A. Malik

Chairman & Chief Executive

Syed Khalid Nafees Zaidi

Mr. Abdus Sattar

Chairman

Mr. Babar Bashir Nawaz

Member

Mr. Iqbal A. Khwaja

Member

Mr. Bilal Ahmad Khan

Member

Mr. Nihal Cassim

Member

Mr. Babar Bashir Nawaz

Chairman

Mr. Shuaib A. Malik

Member

Mr. Iqbal A. Khwaja

Member

A.F. Ferguson & Co.

Chartered Accountants

Khan & Piracha

Ali Sibtain Fazli & Associates

POL House, Morgah, Rawalpindi

www.pakoil.com.pk

**Company Secretary /
Chief Financial Officer**

Audit Committee

**Human Resource and
Remuneration (HR & R) Committee**

Auditors & Tax Advisors

Legal Advisors

Registered Office

Website



Directors' Review

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

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the half year ended December 31, 2013.

Financial results

We are pleased to announce that during this period, the Company has achieved the highest ever half yearly profit of its history. Gross sales of Rs 19,022 million are also the highest ever in the Company's history.

During the period, the Company made a profit after tax of Rs 6,905 million (2012: Rs 5,664 million), which is higher by 21.9 % as compared to corresponding period last year. The profit translates into earnings per share of Rs 29.19 (2012: Rs 23.94 per share). Overall net sales are higher by Rs 4,094 million, which is mainly because of higher production of crude oil, which increased by 30.88 % in comparison to the corresponding period last years. Increase in crude oil production is mainly from Makori East, Maramzai and Mamikhel fields which was slightly offset by decline in production from Manzalai and Makori fields. Increase in cost of sale is mainly because of increased amortisation of development costs and higher operating costs and royalty expense. Financial costs increased by Rs 379 million due to exchange loss and unwinding of discount related to decommissioning costs.

Production

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

		Six months period ended	
		Dec. 31, 2013	Dec. 31, 2012
Crude Oil/Condensate	(US Barrels)	1,017,045	777,047
Gas	(Million Cubic Feet)	14,595	14,028
LPG	(Metric Tones)	11,849	11,761
Sulphur	(Metric Tones)	978	821
Solvent Oil	(US Barrels)	11,066	13,507

The Company's share in production, including that from joint ventures, for the year under review averaged at 5,525 barrels per day (bpd) of crude, 79.32 million standard cubic feet per day (mmscfd) of gas, 60 bpd of solvent oil, 64.40 metric tons per day (mtd) of LPG and 5.32 mtd of Sulphur.

Exploration and development activities

Producing fields

At Pindori (operated by POL with a 35% share), Pindori-9 well has been drilled to a depth of 6,520 feet and further drilling is in progress. The objective of the well is to test the deeper reservoirs potential of the field and to recover the existing up-dip reserves to a maximum level.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori East-3 was drilled down to a total depth of 5,030 meters. The well tested and produced 4,436 bpd of condensate and 17.29 mmscfd of gas. Manzalai-11 well was spudded on December 27, 2013, where drilling at the depth of 308 meters is in progress. Also at Tal block, Maramzai-3, Makori East-4 and Makori East-5 wells have been approved for drilling during 2014–15.



The commissioning of the Makori Gas Processing Plant with a capacity to handle 150 mmscfd of gas, 20,000 bpd of oil/condensate and 420 MT of LPG per day is expected to be completed in the next month.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), Adhi-19 well was successfully commissioned at the plant facility on October 5, 2013. After hydraulic fracturing, the well is producing 498 barrels of oil and 7.6 mmscf of gas per day. Adhi-20 and Adhi-21 were spudded in November 2013 and are under drilling at 1113 meters and 1120 meters respectively.

At Bhangali field (operated by Ocean Pakistan Limited, where POL has 7% share), Bhangali-3 well has been approved and is expected to be spudded in the first quarter of 2014.

Exploration blocks

At Ikhlas block (operated by POL with an 80% share), acquisition of 165 square kilometers 3D seismic data has been planned and bids are under evaluation.

At Margala and Margala North Blocks (operated by MOL where POL has a 30% share), exploratory well (MGN-01) is planned to be drilled during 2014. Approximately 30-35 line kilometers of 2D seismic data acquisition and 400 line kilometers of 2D reprocessing is also planned to evaluate the remaining potential of the blocks.

At Tal block 3D seismic data processing of 547 sq. km is in progress in the Tolanj area while reprocessing of 2D data of 282 line km is in progress in the western part of the block. Kot-1 (an exploratory well in Tal block) was drilled down to the target depth of 5,648 meters, where drill stem testing is in progress. Two more exploratory wells, Mardankhel-1 and Malgin-1 are also in plan in Tal block and civil works have been completed.

At Gurgulot Block (operated by OGDCL where POL has a 20% share), processing of recently acquired 131 line km 2D seismic data has been completed, based on which the operator has proposed the location of exploratory well, Gurgulot X-1, which is being reviewed.

In Rajanpur block, 215.6 line kilometers and in D.G. Khan block 260.75 line kilometers 2D Seismic acquisition was acquired. Data processing of both blocks is in progress.

Acknowledgement

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

On behalf of the Board

Shuaib A. Malik
Chairman & Chief Executive

Dubai
January 22, 2014

*A. F. FERGUSON & CO.***Auditor's Report to the Members on Review of Interim Financial Information****Introduction**

We have reviewed the accompanying condensed interim balance sheet of Pakistan Oilfields Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for quarters ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants
Islamabad

Date: January 22, 2014

Engagement partner: Sohail M. Khan



Condensed Interim Balance Sheet (Unaudited)

As at December 31, 2013

	Note	Dec. 31, 2013	June 30, 2013
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2013: 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, 2013: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459
Revenue reserves	4	31,572,696	30,581,348
Fair value gain on available-for-sale investments		1,593	1,396
		33,939,748	32,948,203
NON CURRENT LIABILITIES			
Long term deposits		537,605	517,861
Deferred liabilities	5	12,905,294	12,234,362
		13,442,899	12,752,223
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	5,324,270	6,292,407
Provision for income tax		2,742,079	1,646,088
		8,066,349	7,938,495
CONTINGENCIES AND COMMITMENTS			
	7	55,448,996	53,638,921



	Note	Dec. 31, 2013	June 30, 2013
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	8	8,547,102	7,801,187
Development and decommissioning costs	9	15,110,631	16,610,402
Exploration and evaluation assets	10	4,075,431	2,978,577
		27,733,164	27,390,166
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	11	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	12	5,259	5,063
LONG TERM LOANS AND ADVANCES		18,072	15,557
CURRENT ASSETS			
Stores and spares		3,702,544	3,524,800
Stock in trade		147,184	151,345
Trade debts	13	4,763,766	4,871,092
Advances, deposits, prepayments and other receivables	14	1,061,058	816,263
Cash and bank balances	15	8,402,346	7,249,032
		18,076,898	16,612,532
		55,448,996	53,638,921

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Profit and Loss Account (Unaudited)

For the six months period ended December 31, 2013

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
		Rupees ('000)			
SALES		9,562,153	7,646,951	19,022,050	14,801,319
Sales tax		(589,257)	(549,171)	(1,184,736)	(1,057,528)
NET SALES	16	8,972,896	7,097,780	17,837,314	13,743,791
Operating costs	17	(1,899,072)	(1,824,531)	(3,813,501)	(3,468,467)
Excise duty and development surcharge		(73,405)	(68,052)	(144,642)	(138,287)
Royalty		(890,293)	(644,271)	(1,749,681)	(1,285,247)
Amortisation of development and decommissioning costs		(1,007,344)	(452,790)	(2,069,904)	(904,086)
		(3,870,114)	(2,989,644)	(7,777,728)	(5,796,087)
GROSS PROFIT		5,102,782	4,108,136	10,059,586	7,947,704
Exploration costs	18	(594,086)	(518,034)	(843,518)	(719,108)
		4,508,696	3,590,102	9,216,068	7,228,596
Administration expenses		(23,612)	(17,412)	(57,373)	(39,280)
Finance cost	19	(144,333)	(242,406)	(755,073)	(375,902)
Other charges	20	(257,222)	(299,162)	(622,250)	(566,471)
		(425,167)	(558,980)	(1,434,696)	(981,653)
		4,083,529	3,031,122	7,781,372	6,246,943
Other income	21	241,439	970,099	1,470,419	1,362,879
PROFIT BEFORE TAXATION		4,324,968	4,001,221	9,251,791	7,609,822
Provision for taxation	22	(1,026,845)	(903,588)	(2,346,795)	(1,946,328)
PROFIT FOR THE PERIOD		3,298,123	3,097,633	6,904,996	5,663,494
Earnings per share - Basic and diluted (Rs)		13.94	13.10	29.19	23.94

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)**

For the six months period ended December 31, 2013

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
	Rupees ('000)			
PROFIT FOR THE PERIOD	3,298,123	3,097,633	6,904,996	5,663,494
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:				
Items that may be subsequently reclassified to profit or loss				
Fair value adjustment on available-for-sale investments - net of tax	101	(73,139)	197	(56,766)
TOTAL COMPREHENSIVE INCOME	3,298,224	3,024,494	6,905,193	5,606,728

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

Shuaib A. Malik
Chief ExecutiveAbdus Sattar
Director



Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended December 31, 2013

		Six months period ended	
	Note	Dec. 31, 2013	Dec. 31, 2012
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		18,377,495	13,510,359
Operating and exploration costs paid		(6,711,899)	(4,656,568)
Royalty paid		(1,557,302)	(1,395,313)
Taxes paid		(1,333,596)	(1,919,658)
Cash provided by operating activities		8,774,698	5,538,820
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets additions		(2,791,723)	(3,325,899)
Proceeds from disposal of property, plant and equipment		5,644	4,427
Proceeds from sale of available-for-sale investments		-	681,000
Income on bank deposits and held-to-maturity investments		157,577	412,259
Dividend income received		530,196	474,728
Cash used in investing activities		(2,098,306)	(1,753,485)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(5,906,352)	(8,274,512)
EFFECT OF EXCHANGE RATE CHANGES		383,274	190,150
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,153,314	(4,299,027)
CASH AND CASH EQUIVALENTS AT JULY 1,		7,249,032	12,581,303
CASH AND CASH EQUIVALENTS AT DECEMBER 31,	24	8,402,346	8,282,276

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended December 31, 2013

	Share capital	Revenue reserves			Fair value gain/(loss) on available-for-sale investments	Total
		Insurance reserve	Investment reserve	Unappropriated profit		
	Rupees ('000)					
Balance at June 30, 2012 as previously reported	2,365,459	200,000	1,557,794	31,090,016	57,973	35,271,242
Cumulative effect for recognition of actuarial gains and losses on staff retirement benefit plans	-	-	-	(117,868)	-	(117,868)
Balance at June 30, 2012 as restated	2,365,459	200,000	1,557,794	30,972,148	57,973	35,153,374
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,663,494	-	5,663,494
Other comprehensive income	-	-	-	-	(56,766)	(56,766)
	-	-	-	5,663,494	(56,766)	5,606,728
Transactions with owners:						
Final dividend @ Rs 35 per share - Year ended June 30, 2012	-	-	-	(8,279,107)	-	(8,279,107)
Balance at December 31, 2012 as restated	2,365,459	200,000	1,557,794	28,356,535	1,207	32,480,995
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,164,860	-	5,164,860
Other comprehensive income	-	-	-	33,077	189	33,266
	-	-	-	5,197,937	189	5,198,126
Transactions with owners:						
Interim dividend @ Rs 20 per share - Year ended June 30, 2013	-	-	-	(4,730,918)	-	(4,730,918)
Balance at June 30, 2013	2,365,459	200,000	1,557,794	28,823,554	1,396	32,948,203
Total comprehensive income for the period:						
Profit for the period	-	-	-	6,904,996	-	6,904,996
Other comprehensive income	-	-	-	-	197	197
	-	-	-	6,904,996	197	6,905,193
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2013	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2013	2,365,459	200,000	1,557,794	29,814,902	1,593	33,939,748

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



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

For the six months period ended December 31, 2013

1. Legal status and operations

The Company is incorporated in Pakistan as a public limited company and its shares are quoted on Stock Exchanges in Pakistan. 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 six months period ended December 31, 2013 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, 2013.

	Dec. 31, 2013	June 30, 2013
	Rupees ('000)	
4. Revenue reserves		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	29,814,902	28,823,554
	31,572,696	30,581,348
5. Deferred liabilities		
Provision for deferred income tax	5,517,032	5,599,824
Provision for decommissioning cost	7,378,210	6,623,828
Provision for staff compensated absences	10,052	10,710
	12,905,294	12,234,362

6. Trade and other payables

These include balances due to joint venture partners amounting to Rs 478,730 thousand (June 30, 2013: Rs 1,479,380 thousand) and balances due to related parties amounting to Rs 545,072 thousand (June 30, 2013: Rs 798,923 thousand).

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

For the six months period ended December 31, 2013

7. Contingencies and commitments

Contingencies:

Subsequent to Finance Act of 2013, the Federal Government was required to notify provincial sales tax on services for the purposes of input tax under Sales Tax Act 1990 which has not been done. Further, Federal Board of Revenue stopped allowing adjustment of provincial sales tax on services from July 2013 onward. Accordingly, the Company has filed a writ petition with High Court and obtained an interim order, provisionally allowing the Company to adjust provincial sales tax on services. The amount adjusted upto Dec 31, 2013 was Rs 236,769 thousand (June 30, 2013: Nil).

Dec. 31, 2013	June 30, 2013
Rupees ('000)	

Commitments:

Capital expenditure commitments outstanding

- Share in Joint Ventures	11,150,214	10,423,047
- Own fields	3,392,999	3,371,591

8. Property, plant and equipment

Cost

Opening balance	9,703,813	8,713,497
Additions during the period / year	216,733	1,076,490
Disposals during the period / year	(6,307)	(86,174)
Closing balance	9,914,239	9,703,813

Accumulated depreciation

Opening balance	5,339,669	4,738,386
Depreciation for the period / year	378,814	680,143
Relating to disposals	(6,287)	(78,860)
Closing balance	5,712,196	5,339,669

Operating assets - written down value

Capital work in progress

Operating assets - written down value	4,202,043	4,364,144
Capital work in progress	4,345,059	3,437,043
	8,547,102	7,801,187



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

For the six months period ended December 31, 2013

Dec. 31, 2013 June 30, 2013
Rupees ('000)

9. Development and decommissioning costs

Development cost

Balance brought forward	14,498,689	13,808,784
Additions during the period / year	570,133	1,396,368
Wells cost transferred from exploration and evaluation assets - note 10	-	1,169,697
Disposals		
- Cost	-	(178,524)
- Accumulated Depreciation	-	178,524
	-	-
Amortisation for the period / year	(1,916,986)	(1,876,160)

13,151,836 14,498,689

Decommissioning cost

Balance brought forward	2,111,713	1,879,007
Additions during the period / year	-	110,839
Revision due to change in estimates	-	297,197
Disposals		
- Cost	-	(24,111)
- Accumulated Depreciation	-	24,111
	-	-
Amortisation for the period / year	(152,918)	(175,330)
	1,958,795	2,111,713

15,110,631 16,610,402

10. Exploration and evaluation assets

Balance brought forward	2,978,577	2,883,055
Additions during the period / year	1,096,854	1,484,272
	4,075,431	4,367,327
Wells cost transferred to development cost - note 9	-	(1,169,697)
Dry and abandoned wells cost charged to the profit and loss account	-	(219,053)
	4,075,431	2,978,577

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

For the six months period ended December 31, 2013

	Dec. 31, 2013		June 30, 2013	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
11. Long term investments in subsidiary and associated companies - at cost				
Subsidiary company				
Unquoted				
Cargas (Private) Limited	51	1,530	51	1,530
Associated companies				
Quoted				
National Refinery Limited - note 11.1	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

11.1 Based on a valuation analysis carried out at June 30, 2013, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation.

	Dec. 31, 2013	June 30, 2013
	Rupees ('000)	
12. Other long term investments		
Available-for-sale investments - at market value	5,259	5,063

13. Trade debts

These include Rs 2,053,004 thousand (June 30, 2013: Rs 2,892,041 thousand) receivable from related parties.

14. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amounting to Rs 18,573 thousand (June 30, 2013: Rs 80,506 thousand) and balances due from related parties amounting to Rs 212,687 thousand (June 30, 2013: Rs 148,668 thousand).



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

For the six months period ended December 31, 2013

	Dec. 31, 2013	June 30, 2013
	Rupees ('000)	
15. Cash and bank balances		
Bank balance on		
Short term deposits	6,215,100	5,912,106
Interest/ mark-up bearing saving accounts	2,046,302	1,246,177
Current accounts	138,953	85,755
	8,400,355	7,244,038
Cash in hand	1,991	4,994
	8,402,346	7,249,032

Bank balances include foreign currency balances of US \$ 45,477 thousand (June 30, 2013: US \$ 61,668 thousand).

	Three months period ended		Six months period ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	Rupees ('000)			
16. Net sales				
Crude oil	5,393,220	3,478,863	10,608,333	6,832,759
Gas	2,345,345	2,092,666	4,763,422	4,164,423
POLGAS - Refill of cylinders	1,169,368	1,439,120	2,328,840	2,564,131
Solvent oil	63,237	70,101	127,613	151,482
Sulphur	1,726	17,030	9,106	30,996
	8,972,896	7,097,780	17,837,314	13,743,791
17. Operating costs				
Operating cost				
- Own fields	176,796	138,944	337,183	270,131
- Share in joint ventures	827,685	473,372	1,404,280	858,430
Well work over	19,731	176,106	319,528	446,303
POLGAS-Costofgas/LPG, carriage etc	673,031	861,327	1,365,234	1,578,946
Pumping and transportation cost	17,134	5,256	25,267	15,722
Depreciation	182,326	154,771	357,848	306,379
	1,896,703	1,809,776	3,809,340	3,475,911
Opening stock of crude oil and other products	149,553	156,398	151,345	134,199
Closing stock of crude oil and other products	(147,184)	(141,643)	(147,184)	(141,643)
	1,899,072	1,824,531	3,813,501	3,468,467
18. Exploration costs				
Geological and geophysical cost	594,086	518,034	843,518	719,108



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

For the six months period ended December 31, 2013

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
	<u>Rupees ('000)</u>			
19. Finance cost				
Provision for decommissioning cost				
- Unwinding of discount	163,939	104,293	327,879	208,587
- Exchange (gain)/loss	(19,992)	137,829	426,503	166,543
Banks' commission and charges	386	284	691	772
	144,333	242,406	755,073	375,902
20. Other charges				
Workers' profit participation fund	228,907	216,784	493,420	410,486
Workers' welfare fund	28,315	82,378	128,830	155,985
	257,222	299,162	622,250	566,471
21. Other income				
Income from financial assets				
Income on bank saving accounts, deposits and held to maturity investments	100,555	123,935	173,122	350,756
Exchange gain on financial assets	(10,854)	165,871	383,274	190,150
Profit on sale of available-for-sale investments	-	83,968	-	83,968
Dividend from subsidiary and associated companies	-	457,515	530,196	474,728
Other income				
Rental income (net of related expenses)	40,389	54,680	78,954	97,303
Rig income (net of related expenses)	10,175	-	131,347	-
Crude oil / Gas transportation income (net of related expenses)	36,308	33,380	72,028	62,935
Gas processing fee	37,515	46,491	70,733	93,733
Profit on sale of property, plant and equipment	4,049	2,548	5,644	4,427
Sale of stores and scrap	21,358	223	21,380	232
Other	1,944	1,488	3,741	4,647
	241,439	970,099	1,470,419	1,362,879



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

For the six months period ended December 31, 2013

	Three months period ended		Six months period ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	Rupees ('000)			
22. Provision for taxation				
Current	925,085	793,588	2,429,587	1,656,328
Deferred	101,760	110,000	(82,792)	290,000
	1,026,845	903,588	2,346,795	1,946,328
23. Transactions with related parties				
Aggregate transactions with related parties of the Company were as follows:				
Sale of goods and services to:				
Associated companies	4,273,777	3,567,223	9,555,978	7,013,764
Subsidiary company	3,688	3,204	7,460	6,838
Parent company	-	317	-	317
Purchase of goods and services from:				
Associated companies	738,373	492,932	1,157,998	914,616
Subsidiary company	1,553	644	2,627	1,427
Parent company	24,845	23,486	41,878	44,092
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	16,453	30,426	44,208	41,921
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	15,311	18,267	31,089	33,247
Approved Contributory Provident Funds	5,450	6,846	11,085	12,461
Allocation to Workers' Profit Participation Fund	228,907	216,784	493,420	410,486



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

For the six months period ended December 31, 2013

Dec. 31, 2013	Dec. 31, 2012
Rupees ('000)	

24. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash and bank balances

8,402,346

8,282,276

25. Operating segments

The financial information has been prepared on the basis of a single reportable segment. Revenue from customers for products of the Company is disclosed in note 16.

Revenue from four major customers of the Company constitutes 84% of the total revenue during the period ended December 31, 2013 (December 31, 2012: 78%).

26. Non-adjusting event after the balance sheet date

The Board of Directors in their meeting held on January 22, 2014 have declared an interim cash dividend for the year ending June 30, 2014 @ Rs 20 per share, amounting to Rs 4,730,918 thousand (December 31, 2012: @ Rs 20 per share, amounting to Rs 4,730,918 thousand for the year ended June 30, 2013).

27. Date of authorisation for issue

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on January 22, 2014

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Consolidated Financial Information (Unaudited)



Condensed Interim Consolidated Balance Sheet (Unaudited)

As at December 31, 2013

	Note	Dec. 31, 2013	June 30, 2013
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,365,459	2,365,459
Capital reserves	5	542,881	532,400
Revenue reserves	6	33,061,641	32,405,311
Fair value gain on available-for-sale investments		1,593	1,396
		35,971,574	35,304,566
NON - CONTROLLING INTEREST		92,200	87,896
		36,063,774	35,392,462
NON CURRENT LIABILITIES			
Long term deposits		679,023	657,147
Deferred liabilities	7	12,912,814	12,241,882
		13,591,837	12,899,029
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	5,403,883	6,362,595
Provision for income tax		2,743,825	1,652,914
		8,147,708	8,015,509
CONTINGENCIES AND COMMITMENTS	9		
		57,803,319	56,307,000



	Note	Dec. 31, 2013	June 30, 2013
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	10	8,620,898	7,874,657
Development and decommissioning costs	11	15,110,631	16,610,402
Exploration and evaluation assets	12	4,075,431	2,978,577
Other intangible assets		19,890	23,400
		27,826,850	27,487,036
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES			
	13	11,551,469	11,880,484
OTHER LONG TERM INVESTMENTS			
	14	121,430	5,063
LONG TERM LOANS AND ADVANCES			
		18,072	15,557
CURRENT ASSETS			
Stores and spares		3,703,269	3,525,938
Stock in trade		181,424	179,750
Trade debts	15	4,763,973	4,871,286
Advances, deposits, prepayments and other receivables	16	1,086,579	838,108
Short term investments		36,870	-
Cash and bank balances	17	8,513,383	7,503,778
		18,285,498	16,918,860
		57,803,319	56,307,000

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the six months period ended December 31, 2013

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
		Rupees ('000)			
SALES		10,206,429	8,299,503	19,945,547	15,423,553
Sales tax		(976,910)	(936,824)	(1,607,443)	(1,195,776)
NET SALES	18	9,229,519	7,362,679	18,338,104	14,227,777
Operating costs	19	(2,135,642)	(2,057,355)	(4,263,211)	(3,889,355)
Excise duty and development surcharge		(73,405)	(68,052)	(144,642)	(138,287)
Royalty		(890,293)	(644,271)	(1,749,681)	(1,285,247)
Amortisation of development and decommissioning costs		(1,007,344)	(452,790)	(2,069,904)	(904,086)
		(4,106,684)	(3,222,468)	(8,227,438)	(6,216,975)
GROSS PROFIT		5,122,835	4,140,211	10,110,666	8,010,802
Exploration costs	20	(594,086)	(518,034)	(843,518)	(719,108)
		4,528,749	3,622,177	9,267,148	7,291,694
Administration expenses		(28,497)	(22,373)	(66,835)	(48,914)
Finance cost	21	(144,661)	(242,551)	(755,675)	(376,241)
Other charges	22	(258,650)	(301,483)	(625,889)	(570,944)
		(431,808)	(566,407)	(1,448,399)	(996,099)
		4,096,941	3,055,770	7,818,749	6,295,595
Other income	23	247,303	519,257	951,946	899,853
		4,344,244	3,575,027	8,770,695	7,195,448
Share in profits of associated companies - net of impairment loss		50,497	360,798	195,487	451,880
PROFIT BEFORE TAXATION		4,394,741	3,935,825	8,966,182	7,647,328
Provision for taxation	24	(1,033,398)	(914,550)	(2,363,489)	(1,967,452)
PROFIT FOR THE PERIOD		3,361,343	3,021,275	6,602,693	5,679,876
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		3,355,109	3,011,299	6,586,814	5,660,653
Non - controlling interests		6,234	9,976	15,879	19,223
		3,361,343	3,021,275	6,602,693	5,679,876
Earnings per share - Basic and diluted (Rs)		14.18	12.73	27.85	23.93

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the six months period ended December 31, 2013

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
	Rupees ('000)			
PROFIT FOR THE PERIOD	3,361,343	3,021,275	6,602,693	5,679,876
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently reclassified to profit or loss				
Fair value adjustments on available-for-sale investments - net of tax	101	17,341	197	(74,423)
Actuarial loss on staff retirement benefit plan by associated companies - net of tax	(1,737)	(8,768)	(6,355)	(17,657)
	(1,636)	8,573	(6,158)	(92,080)
TOTAL COMPREHENSIVE INCOME	3,359,707	3,029,848	6,596,535	5,587,796
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	3,353,473	3,019,872	6,580,656	5,568,573
Non - controlling interests	6,234	9,976	15,879	19,223
	3,359,707	3,029,848	6,596,535	5,587,796

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

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the six months period ended December 31, 2013

Six months period ended

Note	Dec. 31, 2013	Dec. 31, 2012
	Rupees ('000)	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	18,876,416	13,997,733
Operating and exploration costs paid	(7,163,445)	(5,012,452)
Royalty paid	(1,557,302)	(1,395,313)
Taxes paid	(1,355,377)	(1,932,884)
Cash provided by operating activities	8,800,292	5,657,084

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets additions	(2,798,128)	(3,326,077)
Proceeds from disposal of property, plant and equipment	8,482	5,234
Proceeds from sale of available-for-sale investments	112,000	681,000
Other investments	(115,984)	-
Income on bank deposits and held-to-maturity investments	166,694	424,279
Dividend received from associated companies	518,147	457,516
Cash used in investing activities	(2,108,789)	(1,758,048)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(5,906,352)	(8,274,512)
Dividend paid to non - controlling interest holders	(11,576)	(16,538)
Cash used in financing activities	(5,917,928)	(8,291,050)

EFFECT OF EXCHANGE RATE CHANGES

INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	1,156,849	(4,201,864)
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CASH AND CASH EQUIVALENTS AT JULY 01,	7,356,534	12,821,059
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CASH AND CASH EQUIVALENTS AT DEC. 31, 26	8,513,383	8,619,195
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The annexed notes 1 to 29 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
For the six months period ended December 31, 2013

	Attributable to owners of Pakistan Oilfields Limited									
	Share Capital	Capital Reserves		Revenue Reserves			Fair value gain/(loss) on available - for-sale investments	Total	Non-controlling interest	Total
		Bonus shares issued by subsidiary/ associated companies	Special reserve	Insurance Reserve	General Reserve	Unappropriated profit				
	Rupees ('000)									
Balance at June 30, 2012 restated	2,365,459	50,053	480,191	200,000	3,559,075	30,906,473	57,973	37,619,224	84,372	37,703,596
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	5,660,653 (17,657)	-	5,660,653 (74,423)	19,223	5,679,876 (74,423)
Other comprehensive income	-	-	-	-	-	5,642,996 (393,250)	(56,766)	5,586,230	19,223	5,605,453
Transfer to general reserve by an associated company	-	-	-	-	393,250	(393,250)	-	-	-	-
Transfer from special reserve by associated companies	-	-	1,686	-	-	(1,686)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final cash dividend @ Rs 35 per share - Year ended June 30, 2012	-	-	-	-	-	(8,279,107)	-	(8,279,107)	-	(8,279,107)
Dividend to CAPGAS non-controlling interest holders:										
Final cash dividend @ Rs 50 per share - Year ended June 30, 2012	-	-	-	-	-	-	-	-	(16,538)	(16,538)
Total transactions with owners	-	-	-	-	-	(8,279,107)	-	(8,279,107)	(16,538)	(8,295,645)
Balance at December 31, 2012 - restated	2,365,459	50,053	481,877	200,000	3,952,325	27,875,426	1,207	34,926,347	87,057	35,013,404
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	5,111,300	-	5,111,300	18,203	5,129,503
Other comprehensive income	-	-	-	-	-	(2,352)	189	(2,163)	-	(2,163)
Transfer from special reserve by associated companies	-	-	470	-	-	5,108,948 (470)	189	5,109,137	18,203	5,127,340
Transactions with owners:										
POL dividends:										
Interim dividend @ Rs 20 per share - Year ended June 30, 2013	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,918)
Dividend to CAPGAS non-controlling interest holders:										
Interim dividend @ Rs 52.5 per share - Year ended June 30, 2013	-	-	-	-	-	-	96	96	(17,364)	(17,268)
Total transactions with owners	-	-	-	-	-	(4,730,918)	96	(4,730,822)	(17,364)	(4,748,186)
Balance at June 30, 2013	2,365,459	50,053	482,347	200,000	3,952,325	28,252,986	1,492	35,304,662	87,896	35,392,558
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	6,586,814	-	6,586,814	15,879	6,602,693
Other comprehensive income	-	-	-	-	-	(6,355)	101	(6,254)	-	(6,254)
Bonus shares issued by an associated company	-	9,701	-	-	-	6,580,459 (9,701)	101	6,580,560	15,879	6,596,439
Transfer to general reserve by an associated company	-	-	-	-	515,118	(515,118)	-	-	-	-
Transfer from special reserve by associated companies	-	-	780	-	-	(780)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final dividend @ Rs 25 per share - Year ended June 30, 2013	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Dividend to CAPGAS non-controlling interest holders:										
Final cash dividend @ Rs 35 per share - Year ended June 30, 2013	-	-	-	-	-	-	-	-	(11,575)	(11,575)
Total transactions with owners	-	-	-	-	-	(5,913,648)	-	(5,913,648)	(11,575)	(5,925,223)
Balance at December 31, 2013	2,365,459	59,754	483,127	200,000	4,467,443	28,394,198	1,593	35,971,574	92,200	36,063,774

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

Wendy Jones

Shuaib A. Malik
Chief Executive

Dollar

Abdus Sattar
Director



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

For the six months period ended December 31, 2013

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 Stock Exchanges in Pakistan. 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, 2013: 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 six months period ended December 31, 2013 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.



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

For the six months period ended December 31, 2013

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, 2013.

5. Capital reserves

	Dec. 31, 2013	June 30, 2013
	Rupees ('000)	
Bonus shares issued by subsidiary/associated companies	59,754	50,053
Special reserve	483,127	482,347
	542,881	532,400

6. Revenue reserves

Insurance reserve	200,000	200,000
General reserve	4,467,443	3,952,325
Unappropriated profit	28,394,198	28,252,986
	33,061,641	32,405,311

7. Deferred liabilities

Provision for deferred income tax	5,522,225	5,605,017
Provision for decommissioning cost	7,378,210	6,623,828
Provision for Gratuity	2,327	2,327
Provision for staff compensated absences	10,052	10,710
	12,912,814	12,241,882

8. Trade and other payables

These include balances due to joint venture partners amount to Rs 478,730 thousand (June 30, 2013: Rs 1,479,380 thousand) and balances due to related parties amounting to Rs 530,370 thousand (June 30, 2013: Rs 788,652 thousand).

9. Contingencies and commitments

Contingencies:

Subsequent to Finance Act of 2013, the Federal Government was required to notify provincial sales tax on services for the purposes of input tax under Sales Tax Act 1990 which has not been done. Further, Federal Board of Revenue stopped allowing adjustment of provincial sales tax on services from July 2013 onward. Accordingly, the Company has filed a writ petition with High Court and obtained an interim order, provisionally allowing the Company to adjust provincial sales tax on services. The amount adjusted upto Dec 31, 2013 was Rs 236,769 thousand (June 30, 2013: Nil).

Commitments:

Capital expenditure commitments outstanding

- Share in Joint Ventures
- Own fields

Dec. 31, 2013	June 30, 2013
Rupees ('000)	
11,150,214	9,767,929
3,392,999	1,013,951



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

For the six months period ended December 31, 2013

Dec. 31, 2013 June 30, 2013
Rupees ('000)

10. Property, plant and equipment

Cost

Opening balance	9,945,290	8,945,937
Additions during the period/year	187,280	1,088,905
Disposals during the period/year	35,144	(89,552)
Closing balance	10,167,714	9,945,290

Accumulated depreciation

Opening balance	5,515,299	4,906,629
Charge for the period/year	384,427	690,908
Relating to disposals	4,860	(82,238)
Closing balance	5,904,586	5,515,299

Operating assets - written down value

Capital work in progress

4,263,128	4,429,991
4,357,770	3,444,666
8,620,898	7,874,657

11. Development and decommissioning costs

Development cost

Balance brought forward	14,498,689	13,808,784
Additions during the period / year	570,133	1,396,368
Wells cost transferred from exploration and evaluation assets - note 12	-	1,169,697
Disposals		
- Cost	-	(178,524)
- Accumulated Depreciation	-	178,524
	-	-
Amortisation for the period / year	(1,916,986)	(1,876,160)
	13,151,836	14,498,689

Decommissioning cost

Balance brought forward	2,111,713	1,879,007
Additions during the period / year	-	110,839
Revision due to change in estimates	-	297,197
Disposals		
- Cost	-	(24,111)
- Accumulated Depreciation	-	24,111
	-	-
Amortisation for the period / year	(152,918)	(175,330)
	1,958,795	2,111,713
	15,110,631	16,610,402

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

For the six months period ended December 31, 2013

	Dec. 31, 2013	June 30, 2013
	Rupees ('000)	
12. Exploration and evaluation assets		
Balance brought forward	2,978,577	2,883,055
Additions during the period/year	1,096,854	1,484,272
	4,075,431	4,367,327
Transfer to development costs - note 11	-	(1,169,697)
Dry and abandoned wells cost charged to the profit & loss account	-	(219,053)
	4,075,431	2,978,577
13. Long term investment in associated companies - equity method		
Beginning of the year	11,880,484	11,993,638
Share in profits of associated companies -net of impairment loss	195,487	379,791
Actuarial loss on staff retirement benefit plan	(6,355)	(35,429)
Dividend received during the period / year	(518,147)	(457,516)
End of the period / year	11,551,469	11,880,484
14. Other long term investments		
Held-to-maturity investments - at cost	87,375	-
Available-for-sale investments - at market price	121,430	5,063
	208,805	5,063
Investments maturing within twelve months	(87,375)	-
	121,430	5,063

15. Trade debts

These include Rs 2,094,921 thousand (June 30, 2013: Rs 2,892,041 thousand) receivable from related parties.

16. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amount to Rs 191,490 thousand (June 30, 2013: Rs 80,506 thousand) and balances due from related parties amounting to Rs 21,197 thousand (June 30, 2013: Rs 148,645 thousand).



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

For the six months period ended December 31, 2013

	Dec. 31, 2013	June 30, 2013
	Rupees ('000)	
17. Cash and bank balances		
Bank balance on:		
Interest/mark-up bearing saving accounts	2,157,231	1,352,554
Short term deposits	6,215,100	6,059,321
Current accounts	138,956	86,833
	8,511,287	7,498,708
Cash in hand	2,096	5,070
	8,513,383	7,503,778

Balance with banks include foreign currency balances of US \$ 45,477 thousand (June 30, 2013: US \$ 61,668 thousand).

	Three months period ended		Six months period ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	Rupees ('000)			
18. Net sales				
Crude oil	5,393,220	3,478,863	10,608,333	6,832,759
Gas	2,345,345	2,092,666	4,763,422	4,164,423
POLGAS/CAPGAS - Refill of cylinders	1,425,991	1,704,019	2,829,630	3,048,117
Solvent oil	63,237	70,101	127,613	151,482
Sulphur	1,726	17,030	9,106	30,996
	9,229,519	7,362,679	18,338,104	14,227,777
19. Operating costs				
Operating cost				
- Own fields	181,085	143,463	345,422	279,014
- Share in joint ventures	827,685	473,372	1,404,280	858,430
Well workover	19,731	176,106	319,528	446,303
POLGAS/CAPGAS -Cost of gas/LPG, carriage etc	916,464	1,084,841	1,803,602	1,972,505
Pumping and transportation cost	17,134	5,256	25,267	15,722
Depreciation	186,795	158,984	366,786	314,796
	2,148,894	2,042,022	4,264,885	3,886,770
Opening stock of crude oil and other products	168,172	163,547	179,750	150,799
Closing stock of crude oil and other products	(181,424)	(148,214)	(181,424)	(148,214)
	2,135,642	2,057,355	4,263,211	3,889,355

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

For the six months period ended December 31, 2013

	Three months period ended		Six months period ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	Rupees ('000)			
20. Exploration costs				
Geological and geophysical cost	590,932	518,034	850,698	719,108
21. Finance cost				
Provision for decommissioning costs				
- unwinding of discount	163,939	104,293	327,879	208,587
- exchange loss	(19,992)	137,829	426,503	166,543
Banks' commission and charges	714	429	1,293	1,111
	144,661	242,551	755,675	376,241
22. Other charges				
Workers' profit participation fund	229,942	218,466	496,057	413,727
Workers' welfare fund	28,708	83,017	129,832	157,217
	258,650	301,483	625,889	570,944
23. Other operating income				
Income from financial assets				
Income on bank deposits and held-to-maturity investments	106,148	130,284	184,052	363,201
Exchange gain on financial assets	(10,854)	165,871	383,274	190,150
Profit on disposal of available-for-sale investments	-	83,968	-	83,968
Other income				
Rental income -net of related expenses	40,038	54,524	78,252	96,601
Rig income -net of related expenses	10,175	-	131,347	-
Crude oil / gas transportation income -net of related expenses	36,308	33,380	72,028	62,935
Gas processing fee	37,515	46,491	70,733	93,733
Profit on sale of property, plant and equipment	5,605	2,548	8,010	5,234
Sale of stores and scrap	21,358	223	21,380	232
Others	1,010	1,968	2,870	3,799
	247,303	519,257	951,946	899,853



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

For the six months period ended December 31, 2013

	Three months period ended		Six months period ended	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
	Rupees ('000)			
24. Provision for taxation				
Current	931,638	804,550	2,446,281	1,677,452
Deferred	101,760	110,000	(82,792)	290,000
	1,033,398	914,550	2,363,489	1,967,452
25. Transactions with related parties				
Aggregate transactions with related parties of the Company were as follows:				
Sales of goods and services to:				
Parent company	-	317	-	317
Associated companies	4,273,777	3,567,223	9,555,978	7,013,764
Purchase of goods and services from:				
Parent company	24,845	23,486	41,878	44,092
Associated companies	738,373	492,932	1,157,998	914,616
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	18,601	32,389	48,504	45,845
Honorarium/ Remuneration to non- executives directors	-	180	-	360
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	15,925	18,828	32,317	34,369
Approved Contributory Provident Funds	5,757	7,126	11,699	13,022
Contribution to Workers' profit participation fund	228,907	218,466	493,420	413,727

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

For the six months period ended December 31, 2013

Dec. 31, 2013	Dec. 31, 2012
Rupees ('000)	

26. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash and bank balances	8,513,383	8,619,195
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27. Operating segments

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

Revenue from two major customers of the Company constitutes 84% of the total revenue during the period ended December 31, 2013 (December 31, 2012: 78%).

28. Non-adjusting event after the balance sheet date

The Board of Directors in their meeting held on January 22, 2014 have declared an interim cash dividend for the year ending June 30, 2014 @ Rs 20 per share, amounting to Rs 4,730,918 thousand (December 31, 2012: @ Rs 20 per share, amounting to Rs 4,730,918 thousand for the year ended June 30, 2013).

29. Date of authorisation

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on January 22, 2014.

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	100.00
Rajanpur	Pakistan Oilfields Limited	100.00
Gurgulot	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
Margala North	MOL Pakistan Oil and Gas Co. B.V	30.00

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
Kotra	Oil & Gas Development Company Limited	24.00
Bhangali	Ocean Pakistan Limited	7.00
Dhurnal	Ocean Pakistan Limited	5.00
Ratana	Ocean Pakistan Limited	4.545
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*

* Pre-Commerciality interest



PAKISTAN OILFIELDS LIMITED

POL House, Morgah, Rawalpindi – 46600, Pakistan
Tel: (051) 5487589-97 Fax: (051) 5487598-99
www.pakoil.com.pk