Pakistan Oilfields Limited

Condensed Interim Financial Information

Six Months Period Ended December 31, 2014

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
Alternate Director - **Mr. Bilal Ahmad Khan**

Mr. Laith G. Pharaon
Alternate Director - **Mr. Shuaib A. Malik**

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

Mr. Abdus Sattar

Mr. Nihal Cassim

Mr. Tariq Iqbal Khan

Mr. Shuaib A. Malik
Chairman & Chief Executive

Audit Committee

Mr. Abdus Sattar
Chairman

Mr. Nihal Cassim
Member

Mr. Tariq Iqbal Khan
Member

Mr. Babar Bashir Nawaz
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 / Chief Financial Officer

Syed 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
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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.

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, 2014.

Financial results

During the period, the Company has made a profit after tax of Rs. 5,347 million (December 31, 2013: Rs. 6,905 million), which is lower by 22.60 % as compared to the corresponding period last year. The profit translates into earning per share of Rs. 22.60 (December 31, 2013: Rs. 29.19 per share).

Although during the period, product sales volumes increased significantly - crude oil by 17.1% and LPG by 72.8%, overall net sales revenues managed to increase only by 0.5% because of the adverse impact of the significant decline in world crude oil prices, which decreased by a substantial 23% in the second quarter in comparison to the first quarter. Further, during the period, exploration costs increased by Rs 2,243 million, an increase of 266%, because of charging of dry and abandoned well costs amounting to Rs 2,630 million to the profit and loss account.

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, 2014	Dec. 31, 2013
Crude Oil/Condensate	(US Barrels)	**1,182,245**	1,017,045
Gas	(Million Cubic Feet)	**13,136**	14,595
LPG	(Metric Tonnes)	**23,178**	11,849
Sulphur	(Metric Tonnes)	**397**	978
Solvent Oil	(US Barrels)	**10,931**	11,066

The Company's share in production, including that from joint ventures, for the period under review averaged 6,423 barrels per day (bpd) of crude, 71.38 million standard cubic feet per day (mmscfd) of gas, 59 bpd of solvent oil, 125.96 metric tonnes per day (MTD) of LPG and 2.16 MTD of Sulphur.

Exploration and development activities

Producing fields

At Balkassar (100% owned by POL), Balkassar X-1(exploratory well), minor amounts of hydrocarbons have been indicated in tests conducted and the well is under evaluation to finalize completion strategy.

At Pindori (operated by POL with a 35% share), testing at Pindori-9 proved that the deeper formations were tight. Presently, the Sakesar formation is under evaluation and the future course will be decided after running logs.

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

Makori East-4 and Maramzai-3 wells are being under drilling at 15,170 feet and 2,284 feet respectively whereas Makori East-5 has been approved for drilling.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has an 11% share), after hydraulic fracturing and cleaning, Adhi-21 produced 163 bpd of oil and 2.1 mmscfd of gas. Also at Adhi, Adhi-22 and Adhi-24 were under drilling at 9,354 feet and 4,222 feet respectively.

At Bhangali field (operated by Ocean Pakistan Limited, where POL has a 7% share), Bhangali-3 failed to encounter any hydrocarbons. Presently efforts are under way to get production through gas lift. At Ratana field (also operated by Ocean Pakistan Limited, where POL has a 4.545% share), a workover is underway to deepen Ratana-3 (Ratana Deep-1) into the Wargal formation.

Exploration blocks

At DG Khan Block (Operated by POL and has 100% share), based on seismic interpretation additional 2D seismic acquisition has been planned for better evaluation of the block.

At Margala and Margala North Blocks (operated by MOL where POL has a 30% share), exploratory Well (MGN-01) is under drilling at 10,488 feet. An additional 33 line km of 2D seismic data has been acquired and processing is in progress. Interpretation of 422 line kilometers of 2D reprocessed data is also in progress.

At Tal block, to confirm the Tolanj-West lead, 87.3 line kilometers of 2D seismic data acquisition has been completed and processing is under way. Malgin-1 well which was drilled to 18,668 ft, failed to encounter any hydrocarbons during testing. Also at Tal block, Mardan Khel-1 well is under drilling at 13,999 feet whereas the location for Makori Deep-1 exploratory well has been finalized.

Acknowledgement

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

On behalf of the Board

Shuaib A. Malik

Chairman & Chief Executive

Lebanon

January 27, 2015

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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, 2014 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, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2014.

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, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants
Islamabad

January 27, 2015

Engagement partner: Sohail M. Khan

Condensed Interim Balance Sheet (Unaudited)
As at December 31, 2014

	Note	Dec. 31, 2014	June 30, 2014
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2014: 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, 2014: 236,545,920) ordinary shares of Rs 10 each		**2,365,459**	2,365,459
Revenue reserves	4	**30,487,966**	32,828,727
Fair value gain on available-for-sale investments		**2,088**	1,818
		32,855,513	35,196,004
NON CURRENT LIABILITIES			
Long term deposits		**689,121**	638,295
Deferred liabilities	5	**14,177,763**	13,700,892
		14,866,884	14,339,187
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	**6,138,965**	5,781,653
Provision for income tax		**3,093,738**	2,552,469
		9,232,703	8,334,122
CONTINGENCIES AND COMMITMENTS	7		
		56,955,100	57,869,313

	Note	Dec. 31, 2014	June 30, 2014
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	8	9,821,990	9,306,101
Development and decommissioning costs	9	12,288,209	13,161,001
Exploration and evaluation assets	10	4,286,002	4,666,461
		26,396,201	27,133,563
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	11	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	12	5,755	5,485
LONG TERM LOANS AND ADVANCES		14,425	16,196
CURRENT ASSETS			
Stores and spares		3,834,711	3,663,109
Stock in trade		204,542	264,170
Trade debts	13	4,149,372	5,093,725
Advances, deposits, prepayments and other receivables	14	1,237,142	1,251,141
Cash and bank balances	15	11,497,349	10,826,321
		20,923,116	21,098,466
		56,955,100	57,869,313

The annexed notes 1 to 26 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, 2014

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
		Rupees ('000)			
SALES		**8,766,301**	9,562,153	**19,226,106**	19,022,050
Sales tax		**(688,269)**	(589,257)	**(1,303,308)**	(1,184,736)
NET SALES	**16**	**8,078,032**	8,972,896	**17,922,798**	17,837,314
Operating costs	**17**	**(2,132,817)**	(1,899,072)	**(4,282,432)**	(3,813,501)
Excise duty and development surcharge		**(64,401)**	(73,405)	**(128,121)**	(144,642)
Royalty		**(642,807)**	(890,293)	**(1,560,644)**	(1,749,681)
Amortisation of development and decommissioning costs		**(781,335)**	(1,007,344)	**(1,533,026)**	(2,069,904)
		(3,621,360)	(3,870,114)	**(7,504,223)**	(7,777,728)
GROSS PROFIT		**4,456,672**	5,102,782	**10,418,575**	10,059,586
Exploration costs	**18**	**(2,798,977)**	(594,086)	**(3,086,757)**	(843,518)
		1,657,695	4,508,696	**7,331,818**	9,216,068
Administration expenses		**(38,821)**	(23,612)	**(76,745)**	(57,373)
Finance costs	**19**	**(24,501)**	(144,333)	**(521,930)**	(755,073)
Other charges	**20**	**(126,791)**	(257,222)	**(493,396)**	(622,250)
		(190,113)	(425,167)	**(1,092,071)**	(1,434,696)
		1,467,582	4,083,529	**6,239,747**	7,781,372
Other income	**21**	**110,402**	241,439	**940,349**	1,470,419
PROFIT BEFORE TAXATION		**1,577,984**	4,324,968	**7,180,096**	9,251,791
Provision for taxation	**22**	**(397,766)**	(1,026,845)	**(1,833,115)**	(2,346,795)
PROFIT FOR THE PERIOD		**1,180,218**	3,298,123	**5,346,981**	6,904,996
Earnings per share - Basic and diluted (Rs)		**4.99**	13.94	**22.60**	29.19

The annexed notes 1 to 26 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, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
Profit for the period	**1,180,218**	3,298,123	**5,346,981**	6,904,996
Other Comprehensive Income				
Item that may be subsequently reclassified to profit or loss				
Fair value adjustment on available-for-sale investments - net of tax	**148**	101	**270**	197
TOTAL COMPREHENSIVE INCOME	**1,180,366**	3,298,224	**5,347,251**	6,905,193

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Cash Flow Statement (Unaudited)
For the six months period ended December 31, 2014

	Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**19,316,475**	18,377,495
Operating and exploration costs paid	**(6,929,696)**	(6,711,899)
Royalty paid	**(1,861,001)**	(1,557,302)
Taxes paid	**(1,371,797)**	(1,333,596)
Cash provided by operating activities	**9,153,981**	8,774,698
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets additions	**(1,378,714)**	(2,791,723)
Proceeds from disposal of property, plant and equipment	**6,087**	5,644
Income on bank deposits and held-to-maturity investments	**299,382**	157,577
Dividend income received	**190,970**	530,196
Cash used in investing activities	**(882,275)**	(2,098,306)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(7,673,484)**	(5,906,352)
Cash used in financing activities	**(7,673,484)**	(5,906,352)
EFFECT OF EXCHANGE RATE CHANGES	**72,806**	383,274
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**671,028**	1,153,314
CASH AND CASH EQUIVALENTS AT JULY 01,	**10,826,321**	7,249,032
CASH AND CASH EQUIVALENTS AT DEC. 31,	**11,497,349**	8,402,346

The annexed notes 1 to 26 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, 2014

	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, 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)
Total transaction with owners	-	-	-	(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
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,982,398	-	5,982,398
Other comprehensive income	-	-	-	4,551	225	4,776
	-	-	-	5,986,949	225	5,987,174
Transaction with owners:						
Interim dividend @ Rs 20 per share - Year ended June 30, 2014	-	-	-	(4,730,918)	-	(4,730,918)
Total transaction with owners	-	-	-	(4,730,918)	-	(4,730,918)
Balance at June 30, 2014	2,365,459	200,000	1,557,794	31,070,933	1,818	35,196,004
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,346,981	-	5,346,981
Other comprehensive income	-	-	-	-	270	270
	-	-	-	5,346,981	270	5,347,251
Transaction with owners:						
Final dividend @ Rs 32.50 per share - Year ended June 30, 2014	-	-	-	(7,687,742)	-	(7,687,742)
Total transaction with owners	-	-	-	(7,687,742)	-	(7,687,742)
Balance at December 31, 2014	**2,365,459**	**200,000**	**1,557,794**	**28,730,172**	**2,088**	**32,855,513**

The annexed notes 1 to 26 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, 2014

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, 2014 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, 2014.

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
4. Revenue reserves		
Insurance reserve - note 4.1	**200,000**	200,000
Investment reserve - note 4.2	**1,557,794**	1,557,794
Unappropriated profit	**28,730,172**	31,070,933
	30,487,966	32,828,727

4.1 The Company has set aside an insurance reserve for self insurance of assets which have not been insured and deductibles against insurance claims.

4.2 The Company has set aside gain on sale of investments as investment reserve to meet any future losses / impairment on investments.

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

For the six months period ended December 31, 2014

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
5. Deferred liabilities		
Provision for deferred income tax	**5,845,000**	5,924,951
Provision for decommissioning cost	**8,323,954**	7,765,490
Provision for staff compensated absences	**8,809**	10,451
	14,177,763	13,700,892

6. Trade and other payables

These include balance due to joint venture partners amounting to Rs 1,091,793 thousand (June 30, 2014: Rs 496,677 thousand) and balances due to related parties amounting to Rs 419,432 thousand (June 30, 2014: Rs 987,651 thousand).

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
7. Contingencies and commitments		
Capital expenditure commitments outstanding		
-Share in joint ventures	**10,186,177**	10,839,663
-Own fields	**2,062,489**	2,840,940
8. Property, plant and equipment		
Operating assets		
Opening net book value	**8,306,460**	4,364,144
Additions during the period / year	**405,563**	4,886,473
Depreciation for the period / year	**(618,567)**	(943,773)
Disposals during the period / year	**(1,699)**	(384)
Operating assets - net book value	**8,091,757**	8,306,460
Capital work in progress - at cost	**1,730,233**	999,641
	9,821,990	9,306,101

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

For the six months period ended December 31, 2014

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
9. Development and decommissioning costs		
Development cost		
Opening net book value	11,128,796	14,498,689
Additions during the period / year	623,018	1,262,187
Amortisation for the period / year	(1,364,447)	(4,632,080)
Closing net book value	10,387,367	11,128,796
Decommissioning cost		
Opening net book value	2,032,205	2,111,713
Additions during the period / year	37,216	64,600
Revision due to change in estimates	-	424,635
Amortisation for the period / year	(168,579)	(568,743)
Closing net book value	1,900,842	2,032,205
	12,288,209	13,161,001
10. Exploration and evaluation assets		
Balance brought forward	4,666,461	2,978,577
Additions during the period/ year	2,249,185	2,317,579
Dry and abandoned wells cost charged to the profit & loss account	(2,629,644)	(629,695)
	4,286,002	4,666,461

	December 31, 2014		June 30, 2014	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
11. Long term investments in subsidiary and associated companies -at cost				
Subsidiary company				
Unquoted				
Capgas (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

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

For the six months period ended December 31, 2014

11.1 Based on valuation analysis carried out at June 30, 2014, 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, 2014	June 30, 2014
	Rupees ('000)	
12. Other long term investments		
Available-for-sales investments - at market price	**5,755**	5,485

13. Trade debts

These include Rs 1,960,892 thousand (June 30, 2014: Rs 2,705,674 thousand) receivable from related parties.

14. Advances, deposits, prepayments and other receivables

These include balances with joint venture partners amounting to Rs 82,226 thousand (June 30, 2014 : Rs 31,988 thousand) and balances with related parties amounting to Rs 71,431 thousand (June 30, 2014 : Rs 90,342 thousand).

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
15. Cash and bank balances		
Bank balance on:		
Short term deposits	**8,410,785**	5,748,468
Interest/ mark-up bearing saving accounts	**3,062,311**	4,934,663
Current account	**24,203**	141,418
	11,497,299	10,824,549
Cash in hand	**50**	1,772
	11,497,349	10,826,321

Balance with banks include foreign currency balances of US $ 72,255 thousand (June 30, 2014: US $ 61,396 thousand).

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
16. Net sales				
Crude oil	**4,059,627**	5,393,220	**10,184,772**	10,608,333
Gas	**1,905,282**	2,345,345	**3,906,764**	4,763,422
POLGAS -Refill of cylinders	**2,063,165**	1,169,368	**3,708,053**	2,328,840
Solvent oil	**45,765**	63,237	**119,016**	127,613
Sulphur	**4,193**	1,726	**4,193**	9,106
	8,078,032	8,972,896	**17,922,798**	17,837,314

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

For the six months period ended December 31, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
17. Operating costs				
Operating Cost				
- Own fields	224,318	176,796	443,055	337,183
- Share in joint ventures	670,426	827,685	1,339,599	1,404,280
Well workover	9,580	19,731	29,831	319,528
POLGAS-Cost of gas/LPG, Carriage etc.	913,314	673,031	1,757,153	1,365,234
Pumping and transportation cost	23,322	17,134	42,633	25,267
Depreciation	307,964	182,326	610,533	357,848
	2,148,924	1,896,703	4,222,804	3,809,340
Opening stock of crude oil and other products	188,435	149,553	264,170	151,345
Closing stock of crude oil and other products	(204,542)	(147,184)	(204,542)	(147,184)
	2,132,817	1,899,072	4,282,432	3,813,501
18. Exploration costs				
Geological & geophysical cost	169,333	594,086	457,113	843,518
Dry and abandoned wells cost charged to exploration costs - note 10	2,629,644	-	2,629,644	-
	2,798,977	594,086	3,086,757	843,518
19. Finance costs				
Provision for decommissioning cost				
- Unwinding of discount	188,313	163,939	376,626	327,879
- Exchange loss	(164,166)	(19,992)	144,622	426,503
Banks' commission and charges	354	386	682	691
	24,501	144,333	521,930	755,073
20. Other charges				
Workers' profit participation fund	82,832	228,907	383,370	493,420
Workers' welfare fund	43,959	28,315	110,026	128,830
	126,791	257,222	493,396	622,250

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

For the six months period ended December 31, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
21. Other income				
Income from financial assets				
Income on bank saving accounts, deposits and held-to-maturity investments	**146,920**	100,555	**324,836**	173,122
Exchange gain / (loss) on financial assets	**(158,915)**	(10,854)	**72,806**	383,274
Dividend from subsidiary and associated companies	**6,885**	-	**190,970**	530,196
Other income				
Rental income - net of related expenses	**36,128**	40,389	**157,185**	78,954
Rig income - net of related expenses	**(102)**	10,175	**8,310**	131,347
Crude oil / Gas transportation income - net of related expenses	**37,916**	36,308	**70,786**	72,028
Gas processing fee	**37,915**	37,515	**77,823**	70,733
Profit on sale of property, plant and equipment	**504**	4,049	**6,087**	5,644
Sale of stores and scrap	**294**	21,358	**22,909**	21,380
Others	**2,857**	1,944	**8,637**	3,741
	110,402	241,439	**940,349**	1,470,419
22. Provision for taxation				
Current	**727,717**	925,085	**1,913,066**	2,429,587
Deferred	**(329,951)**	101,760	**(79,951)**	(82,792)
	397,766	1,026,845	**1,833,115**	2,346,795

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

For the six months period ended December 31, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
23. Transaction with related parties				
Aggregate transactions with related parties of the Company were as follows:				
Sales of goods and services to:				
Associated companies	3,297,542	4,273,777	7,884,144	9,555,978
Subsidiary company	4,629	3,688	9,246	7,460
Parent company	-	-	-	-
Purchase of goods and services from:				
Associated companies	328,796	738,373	654,641	1,157,998
Subsidiary company	1,321	1,553	2,557	2,627
Parent company	17,683	24,845	39,785	41,878
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	19,100	16,453	54,981	44,208
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	17,864	15,311	38,863	31,089
Approved Contributory Provident Funds	6,496	5,450	14,309	11,085
Contribution to Workers' Profit Participation Fund	82,832	228,907	383,370	493,420

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

For the six months period ended December 31, 2014

24. 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 76% of the total revenue during the period ended December 31, 2014 (December 31, 2013: 84%).

25. Non-adjusting event after balance sheet date

The Board of Directors in their meeting held on January 27, 2015 have declared an interim cash dividend for the year ending June 30, 2015 @ Rs 15 per share, amounting to Rs 3,548,189 thousand (December 31, 2013: @ Rs 20 per share, amounting to Rs 4,730,918 thousand for the year ended June 30, 2014).

26. Date of authorization

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on January 27, 2015.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

PAKISTAN OILFIELDS LIMITED

Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six months period ended December 31, 2014

Condensed Interim Consolidated Balance Sheet (Unaudited)
As at December 31, 2014

	Note	Dec. 30, 2014	June 30, 2014
		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	543,554	542,886
Revenue reserves	6	31,862,860	34,269,317
Fair value gain on available-for-sale investments		2,088	1,818
		34,773,961	37,179,480
NON - CONTROLLING INTEREST		110,435	86,710
		34,884,396	37,266,190
NON CURRENT LIABILITIES			
Long term deposits		837,867	785,560
Deferred liabilities	7	14,188,330	13,711,459
		15,026,197	14,497,019
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	6,221,350	5,852,139
Provision for income tax		3,113,224	2,554,159
		9,334,574	8,406,298
CONTINGENCIES AND COMMITMENTS	9		
		59,245,167	60,169,507

	Note	Dec. 30, 2014	June 30, 2014
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	10	9,896,230	9,386,258
Development and decommissioning costs	11	12,288,209	13,161,001
Exploration and evaluation assets	12	4,286,002	4,666,461
Other intangible assets		12,870	16,380
		26,483,311	27,230,100
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES	13	11,419,109	11,508,834
OTHER LONG TERM INVESTMENTS	14	5,755	5,485
LONG TERM LOANS AND ADVANCES		14,425	16,196
CURRENT ASSETS			
Stores and spares		3,834,715	3,663,146
Stock in trade		214,801	281,634
Trade debts	15	4,150,232	5,093,846
Advances, deposits, prepayments and other receivables	16	1,260,856	1,276,375
Short term investments	17	123,903	120,342
Cash and bank balances	18	11,738,060	10,973,549
		21,322,567	21,408,892
		59,245,167	60,169,507

The annexed notes 1 to 30 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, 2014

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
		Rupees ('000)			
SALES		9,107,216	10,206,429	19,865,704	19,945,547
Sales tax		(738,737)	(976,910)	(1,398,040)	(1,607,443)
NET SALES	19	8,368,479	9,229,519	18,467,664	18,338,104
Operating costs	20	(2,335,207)	(2,135,871)	(4,698,988)	(4,263,211)
Excise duty and development surcharge		(64,401)	(73,405)	(128,121)	(144,642)
Royalty		(642,807)	(890,293)	(1,560,644)	(1,749,681)
Amortisation of development and decommissioning costs		(781,335)	(1,007,344)	(1,533,026)	(2,069,904)
		(3,823,750)	(4,106,913)	(7,920,779)	(8,227,438)
GROSS PROFIT		4,544,729	5,122,606	10,546,885	10,110,666
Exploration costs	21	(2,798,977)	(594,086)	(3,086,757)	(843,518)
		1,745,752	4,528,520	7,460,128	9,267,148
Administration expenses		(44,312)	(28,497)	(88,043)	(66,835)
Finance costs	22	(24,774)	(144,661)	(522,494)	(755,675)
Other charges	23	(132,925)	(258,650)	(502,298)	(625,889)
		(202,011)	(431,808)	(1,112,835)	(1,448,399)
		1,543,741	4,096,712	6,347,293	7,818,749
Other income	24	110,135	247,532	761,955	951,946
		1,653,876	4,344,244	7,109,248	8,770,695
Share in profits of associated companies - net of impairment loss		212,334	50,497	91,952	195,487
PROFIT BEFORE TAXATION		1,866,210	4,394,741	7,201,200	8,966,182
Provision for taxation	25	(425,081)	(1,033,398)	(1,872,754)	(2,363,489)
PROFIT FOR THE PERIOD		1,441,129	3,361,343	5,328,446	6,602,693
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		1,413,953	3,355,109	5,289,009	6,586,814
Non - controlling interests		27,176	6,234	39,437	15,879
		1,441,129	3,361,343	5,328,446	6,602,693
Earnings per share - Basic and diluted (Rs)		5.98	14.18	22.36	27.85

The annexed notes 1 to 30 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, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
PROFIT FOR THE PERIOD	1,441,129	3,361,343	5,328,446	6,602,693
OTHER COMPREHENSIVE INCOME				
Fair value adjustments on available-for -sale investments - net of tax	101	17,341	270	(6,254)
Acturial loss on staff retirement benefit plan by associated companies - net of tax	(2,438)	2,534	(7,056)	(6,355)
	(2,337)	19,875	(6,786)	(12,609)
TOTAL COMPREHENSIVE INCOME	1,438,792	3,381,218	5,321,660	6,590,084
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	1,411,616	3,374,984	5,282,223	6,574,205
Non - controlling interests	27,176	6,234	39,437	15,879
	1,438,792	3,381,218	5,321,660	6,590,084

The annexed notes 1 to 30 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, 2014

	Note	Six months period ended	
		Dec. 31, 2014	Dec. 31, 2013
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		19,863,449	18,876,416
Operating and exploration costs paid		(7,337,952)	(7,163,445)
Royalty paid		(1,861,001)	(1,557,302)
Taxes paid		(1,393,639)	(1,355,377)
Cash provided by operating activities		9,270,857	8,800,292
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets additions		(1,378,714)	(2,798,128)
Proceeds from disposal of property, plant and equipment		6,228	8,482
Proceeds from sale of available-for-sale investments		-	112,000
Other investments		-	(115,984)
Income on bank deposits and held-to-maturity investments		311,473	166,694
Dividend received from associated companies		174,618	518,147
Cash used in investing activities		(886,395)	(2,108,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(7,673,484)	(5,906,352)
Dividend paid to non - controlling interest holders		(15,712)	(11,576)
Cash used in financing activities		(7,689,196)	(5,917,928)
EFFECT OF EXCHANGE RATE CHANGES		72,806	383,274
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		768,072	1,156,849
CASH AND CASH EQUIVALENTS AT JULY 01,		11,093,891	7,356,534
CASH AND CASH EQUIVALENTS AT DEC. 31,	27	11,861,963	8,513,383

The annexed notes 1 to 30 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, 2014

	Attributable to owners of Pakistan Oilfields Limited									
		Capital Reserves		Revenue Reserves						
	Share Capital	Bonus shares issued by subsidiary/ associated companies	Special reserve	Insurance Reserve	General Reserve	Unappropriated profit	Fair value gain/(loss)on available - for-sale investments	Total	Non-controlling interest	Total
	Rupees ('000)									
Balance at June 30, 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)
	-	-	-	-	-	6,580,459	101	6,580,560	15,879	6,596,439
Bonus shares issued by an associted company	-	9,701	-	-	-	(9,701)	-	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	515,118	(515,118)	-	-	-	-
Transfer from special reserve by associated companies	-	-	785	-	-	(785)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final cash 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	-	-	-	-	-	-	-	-	(11,576)	(11,576)
Total transactions with owners	-	-	-	-	-	(5,913,648)	-	(5,913,648)	(11,576)	(5,925,224)
Balance at December 31, 2013	2,365,459	59,754	483,132	200,000	4,467,443	28,394,193	1,593	35,971,574	92,199	36,063,773
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	5,925,559	-	5,925,559	-	5,925,559
Other comprehensive income	-	-	-	-	-	13,040	-	13,040	-	13,040
	-	-	-	-	-	5,938,599	-	5,938,599	-	5,938,599
Transfer to general reserve by an associated company	-	-	-	-	(115,118)	115,118	-	-	-	-
Transactions with owners:										
POL dividends:										
Interim dividend @ Rs 20 per share -										
Year ended June 30, 2014	-	-	-	-	-	(4,730,918)	-	(4,730,918)	9,064	(4,721,854)
Dividend to CAPGAS non-controlling interest holders:										
Interim dividend @ Rs 44 per share -										
Year ended June 30, 2014	-	-	-	-	-	-	225	225	(14,553)	(14,328)
Total transactions with owners	-	-	-	-	-	(4,730,918)	225	(4,730,693)	(5,489)	(4,736,182)
Balance at June 30, 2014	2,365,459	59,754	483,132	200,000	4,352,325	29,716,992	1,818	37,179,480	86,710	37,266,190
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	5,289,009	-	39,437	5,328,446
Other comprehensive income	-	-	-	-	-	(7,056)	270	(6,786)	-	(6,786)
	-	-	-	-	-	5,281,953	270	(6,786)	39,437	5,321,660
Transfer from special reserve by associated companies	-	-	668	-	-	(668)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final dividend @ Rs 32.5 per share -										
Year ended June 30, 2014	-	-	-	-	-	(7,687,742)	-	(7,687,742)	-	(7,687,742)
Dividend to CAPGAS non-controlling interest holders:										
Final cash dividend @ Rs 27.5 per share -										
Year ended June 30, 2014									(9,096)	(9,096)
Interim cash dividend @ Rs 20.0 per share -										
Year ended June 30, 2015	-	-	-	-	-	-	-	-	(6,616)	(6,616)
Total transactions with owners	-	-	-	-	-	(7,687,742)	-	(7,687,742)	(15,712)	(7,703,454)
Balance at December 31, 2014	**2,365,459**	**59,754**	**483,800**	**200,000**	**4,352,325**	**27,310,535**	**2,088**	**29,484,952**	**110,435**	**34,884,396**

The annexed notes 1 to 30 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 Consolidated Financial Information (Unaudited)

For the six months period ended December 31, 2014

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.

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

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

2. Basis of consolidation

The consolidated financial information include the financial statements of POL and its subsidiary Cap Gas (Private) Limited with 51% holding (June 30, 2014: 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, 2014 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, 2014

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, 2014.

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
5. Capital reserves		
Bonus shares issued by subsidiary/associated companies	59,754	59,754
Special reserve	483,800	483,132
	543,554	542,886
6. Revenue reserves		
Insurance reserve	200,000	200,000
General reserve	4,352,325	4,352,325
Unappropriated profit	27,310,535	29,716,992
	31,862,860	34,269,317
7. Deferred liabilities		
Provision for deferred income tax	5,852,767	5,932,718
Provision for decommissioning cost	8,323,954	7,765,490
Provision for Gratuity	2,800	2,800
Provision for staff compensated absences	8,809	10,451
	14,188,330	13,711,459

8. Trade and other payables

These include balances due to joint venture partners amounting to Rs 1,091,793 thousand (June 30, 2014: Rs 496,677 thousand) and balances due to related parties amounting to Rs 425,062 thousand (June 30, 2014: Rs 991,829 thousand).

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
9. Contingencies and commitments		
Capital expenditure commitments outstanding		
- Share in Joint Ventures	10,186,177	10,839,663
- Own fields	2,062,489	2,840,940

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

For the six months period ended December 31, 2014

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
10. Property, plant and equipment		
Operating assets		
Opening net book value	8,384,782	4,429,991
Additions during the period/year	406,876	4,909,892
Depreciation for the period/year	(624,455)	(954,245)
Disposals during the period/year	(1,732)	(856)
Operating assets - net book value	8,165,471	8,384,782
Capital work in progress	1,730,759	1,001,476
	9,896,230	9,386,258
11. Development and decommissioning costs		
Development cost		
Opening net book value	11,128,796	14,498,689
Additions during the period / year	623,018	1,262,187
Amortisation for the period / year	(1,364,447)	(4,632,080)
Closing net book value	10,387,367	11,128,796
Decommissioning cost		
Opening net book value	2,032,205	2,111,713
Additions during the period / year	37,216	64,600
Revision due to change in estimates	-	424,635
Amortisation for the period / year	(168,579)	(568,743)
Closing net book value	1,900,842	2,032,205
	12,288,209	13,161,001
12. Exploration and evaluation assets		
Balance brought forward	4,666,461	2,978,577
Additions during the period/year	2,249,185	2,317,579
Dry and abandoned wells cost charged to the profit & loss account	(2,629,644)	(629,695)
	4,286,002	4,666,461

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

For the six months period ended December 31, 2014

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
13. Long term investment in associated companies - equity method		
Beginning of the year	11,508,834	11,899,896
Share in profits of associated companies - net of impairment loss	91,949	239,869
Acturial loss on staff retirement benefit plan	(7,056)	(10,923)
Dividend received during the period / year	(174,618)	(620,008)
End of the period / year	11,419,109	11,508,834
14. Other long term investments		
Available-for-sale investments	5,755	5,485

15. Trade debts

These include Rs 1,930,891 thousand (June 30, 2014: Rs 2,705,674 thousand) receivable from related parties.

16. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amounting to Rs 82,226 thousand (June 30, 2014: Rs 31,988 thousand) and balances due from related parties amounting to Rs 70,431 thousand (June 30, 2014: Rs 90,342 thousand).

	Dec. 31, 2014	June 30, 2014
	Rupees ('000)	
17. Short term investments		
Held to maturity investments:		
Treasury bills	123,903	120,342
18. Cash and bank balances		
Bank balance on:		
Interest/mark-up bearing saving accounts	3,266,287	5,046,140
Short term deposits	8,445,785	5,783,468
Current accounts	25,856	141,974
	11,737,928	10,971,582
Cash in hand	132	1,967
	11,738,060	10,973,549

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

For the six months period ended December 31, 2014

Balance with banks include foreign currency balances of US $ 72,255 thousand (June 30, 2014: US $ 61,396 thousand).

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
19. Net sales				
Crude oil	4,059,627	5,393,220	10,184,772	10,608,333
Gas	1,905,282	2,345,345	3,906,764	4,763,422
POLGAS/Cap Gas - Refill of cylinders	2,353,612	1,425,991	4,252,919	2,829,630
Solvent oil	45,765	63,237	119,016	127,613
Sulphur	4,193	1,726	4,193	9,106
	8,368,479	9,229,519	18,467,664	18,338,104
20. Operating costs				
Operating cost				
- Own fields	229,212	181,085	452,389	345,422
- Share in joint ventures	670,426	827,685	1,339,599	1,404,280
Well workover	9,580	19,731	29,831	319,528
POLGAS/Cap Gas -Cost of gas/ LPG, carriage etc	1,112,779	916,693	2,147,928	1,803,602
Pumping and transportation cost	22,990	17,134	42,633	25,267
Depreciation	312,585	186,795	619,775	366,786
	2,357,572	2,149,123	4,632,155	4,264,885
Opening stock of crude oil and other products	192,436	168,172	281,634	179,750
Closing stock of crude oil and other products	(214,801)	(181,424)	(214,801)	(181,424)
	2,335,207	2,135,871	4,698,988	4,263,211
21. Exploration costs				
Geological and geophysical cost	169,333	594,086	457,113	843,518
Dry and abandoned wells cost charged to the profit & loss account - note 12	2,629,644	-	2,629,644	-
	2,798,977	594,086	3,086,757	843,518

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

For the six months period ended December 31, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
22. Finance costs				
Provision for decommissioning cost				
- unwinding of discount	188,313	163,939	376,626	327,879
- exchange loss/(gain)	(164,166)	(19,992)	144,622	426,503
Banks' commission and charges	627	714	1,246	1,293
	24,774	144,661	522,494	755,675
23. Other charges				
Workers' profit participation fund	87,277	229,942	389,821	496,057
Workers' welfare fund	45,648	28,708	112,477	129,832
	132,925	258,650	502,298	625,889
24. Other income				
Income from financial assets				
Income on bank saving accounts, deposits and held-to-maturity investments	154,184	106,148	338,524	184,052
Exchange gain / (loss) on financial assets	(158,915)	(10,854)	72,806	383,274
Other income				
Rental income -net of related expenses	35,777	40,038	156,483	78,252
Rig income - net of related expenses	(102)	10,175	8,310	131,347
Crude oil / gas transportation income - net of related expenses	37,916	36,308	70,786	72,028
Gas processing fee	37,915	37,515	77,823	70,733
Profit on sale of property, plant and equipment	504	5,605	6,197	8,010
Sale of stores and scrap	294	21,358	22,909	21,380
Others	2,562	1,239	8,117	2,870
	110,135	247,532	761,955	951,946

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

For the six months period ended December 31, 2014

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
25. Provision for taxation				
Current	755,032	931,638	1,952,705	2,446,281
Deferred	(329,951)	101,760	(79,951)	(82,792)
	425,081	1,033,398	1,872,754	2,363,489

26. Transactions with related parties

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

	Three months period ended		Six months period ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)			
Sales of goods and services to:				
Associated companies	3,297,542	4,273,777	7,884,144	9,555,978
Purchase of goods and services from:				
Parent company	17,683	24,485	39,785	41,878
Associated companies	328,796	738,373	654,641	1,157,998
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	22,283	18,601	61,347	48,504
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	18,501	15,925	40,136	32,317
Approved Contributory Provident Funds	6,814	5,757	14,946	11,699
Contribution to Workers' profit participation fund	87,277	229,942	389,821	496,057

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

For the six months period ended December 31, 2014

	Dec. 31, 2014	Dec. 31, 2013
	Rupees ('000)	
27. Cash and cash equivalents		
Cash and cash equivalents comprise:		
Cash and bank balances	11,738,060	8,513,383
Short term investments - maturing within next three months	123,903	-
Cash and bank balances	11,861,963	8,513,383

28. 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 19.

Revenue from two major customers of the Company constitutes 76% of the total revenue during the period ended December 31, 2014 (December 31, 2013: 84%).

29. Non-adjusting event after the balance sheet date

The Board of Directors in their meeting held on January 27, 2015 has declared an interim cash dividend @ Rs 15 per share, amounting to Rs 3,548,189 thousand for the year ending June 30, 2015 (December 31, 2013: @ Rs 20 per share, amounting to Rs 4,730,918 thousand for the year ended June 30, 2014).

30. 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 27, 2015.

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
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
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

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