



Pakistan Oilfields Limited

Interim Financial Information
Six Months Period Ended December 31, 2015



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. Iqbal A. Khwaja**

Mr. Mofarrih Saeed H. Alghamdi

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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E-mail: polcms@pakoil.com.pk
Website: www.pakoil.com.pk

Shareholder Enquiries

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

Quarterly Report

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

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 financial results and operations of the Company for the six months ending December 31, 2015.

Financial results

During the period, the Company has made a profit after tax of Rs. 3,671.4 million (December 31, 2014: Rs. 5,346.9 million), which is lower by 31.3 % as compared to the corresponding period last year. The profit translates into earning per share of Rs. 15.52 (December 31, 2014: Rs. 22.60 per share). Net Sales of Rs. 12,243.2 million are lower by Rs. 5,679.6 million mainly because of lower average crude oil selling price, which decreased by 46.5% as compared to the corresponding period last year.

Gas and LPG production increased by 4.6% and 9.4% respectively while crude oil production volume declined by 6.3%, primarily because of a shutdown of processing facilities in Tal block, natural decline at Pariwali and mechanical issues at two wells at Balkassar field, where production has been restored at one well and a workover is planned at the other. In the second quarter, Makori East-4 well was connected to production, whereas Mardankhel well is expected to be connected to production in the fourth quarter of the current financial year.

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, 2015	Dec. 31, 2014
Crude Oil/Condensate	(US Barrels)	1,107,509	1,182,245
Gas	(Million Cubic Feet)	13,741	13,136
LPG	(Metric Tonnes)	25,361	23,178
Sulphur	(Metric Tonnes)	274	397
Solvent Oil	(US Barrels)	14,679	10,931

The Company's share in production, including that from joint ventures, for the period under review averaged 6,018 barrels per day (bpd) of crude, 74.68 million standard cubic feet per day (mmscfd) of gas, 79 bpd of solvent oil, 137.84 metric tonnes per day (MTD) of LPG and 1.49MTD of Sulphur.

Exploration and development activities

Producing Fields

At Balkassar (100% owned by POL), Balkassar B-7A well initially tested a maximum of 250 bpd of crude with no water. A survey has indicated that the producing zone is partially stimulated, for which an acid job is planned to stimulate the unconnected zone.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori East-4 well was connected to production adding 3,385 bpd of oil and 14.98 mmscfd of gas. Makori East 5 was under drilling at 13,005 feet.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has an 11% share), a frac job at Adhi-23 well resulted in production of 936 bpd of condensate and 1.393 mmscfd of gas. Adhi-25 well is under drilling at 7,228 feet. The new Adhi gas processing Plant-3, having a capacity of 30 mmscfd of gas is expected to be fully functional by the next quarter.

At Ratana Field (Operated by Ocean Pakistan Limited, where POL has a 4.545% share), a successful workover at Ratana-4 well resulted in production of 204 bpd of condensate and 4.8 mmscfd of gas. At Dhurnal field (also operated by Ocean Pakistan Limited, where POL has a 5% share), a workover on Dhurnal-2 well has tested 1.05 mmscfd of gas and 194 bpd of oil.

Exploration blocks

At Ikhlās Block (operated by POL with an 80% share), Jhandial-1 well has been planned for drilling in the fourth quarter. At DG Khan Block (operated by POL with a 70% share), 2D seismic data acquisition of 264 line kilometers has been planned to firm up identified leads.

At Tal block, Makori Deep and Tolanj West exploratory wells were under drilling at 14,787 feet, and 12,048 feet respectively while the location of Tolanj East, Mardankhel-2 and Mardankhel-3 wells have been finalized. Tolanj South-1 well has achieved its target depth of 19,652 feet and well logging is under progress.

At Chak naurang field (operated by OGDCL, where POL has a 15% share), production of 180 bpd of oil was achieved after installation of a jet pump at South-1. At Gurgalot Block (also operated by OGDCL, where POL has a 20% share), Surqamar-1 well is under drilling at 14,430 feet.

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

Beirut, Lebanon.

February 10, 2016

*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, 2015 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 three months period ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2015.

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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants
Islamabad

February 10, 2016

Engagement partner: M. Imtiaz Aslam

Condensed Interim Balance Sheet (Unaudited)

As at December 31, 2015

	Note	Dec. 31, 2015	June 30, 2015
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2015: 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, 2015: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459
Revenue reserves	5	27,754,751	29,997,000
Fair value gain on available-for-sale investments		2,076	2,059
		30,122,286	32,364,518
NON CURRENT LIABILITIES			
Long term deposits		742,238	724,863
Deferred liabilities	6	14,910,648	13,818,663
		15,652,886	14,543,526
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	7	5,517,421	4,876,036
Provision for income tax		2,789,704	3,660,240
		8,307,125	8,536,276
CONTINGENCIES AND COMMITMENTS			
	8		
		54,082,297	55,444,320

	Note	Dec. 31, 2015	June 30, 2015
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	9	10,277,350	10,488,713
Development and decommissioning costs	10	12,272,817	12,412,441
Exploration and evaluation assets	11	3,192,418	2,661,303
		25,742,585	25,562,457
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	12	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	13	5,743	5,726
LONG TERM LOANS AND ADVANCES		11,921	15,636
CURRENT ASSETS			
Stores and spares		4,167,915	4,276,065
Stock in trade		167,283	147,929
Trade debts	14	3,341,348	3,476,993
Advances, deposits, prepayments and other receivables	15	1,360,798	1,729,918
Cash and bank balances	16	9,669,101	10,613,993
		18,706,445	20,244,898
		54,082,297	55,444,320

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, 2015

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
		Rupees ('000)			
SALES		7,140,402	8,766,301	13,443,942	19,226,106
Sales tax		(649,130)	(688,269)	(1,200,782)	(1,303,308)
NET SALES	17	6,491,272	8,078,032	12,243,160	17,922,798
Operating costs	18	(2,323,370)	(2,132,817)	(4,467,621)	(4,282,432)
Excise duty and development surcharge		(68,893)	(64,401)	(133,299)	(128,121)
Royalty		(500,838)	(642,807)	(977,850)	(1,560,644)
Amortisation of development and decommissioning costs		(644,628)	(781,335)	(1,406,737)	(1,533,026)
		(3,537,729)	(3,621,360)	(6,985,507)	(7,504,223)
GROSS PROFIT		2,953,543	4,456,672	5,257,653	10,418,575
Exploration costs	19	(60,797)	(2,798,977)	(1,196,182)	(3,086,757)
		2,892,746	1,657,695	4,061,471	7,331,818
Administration expenses		(37,872)	(38,821)	(76,447)	(76,745)
Finance costs	20	(227,068)	(24,501)	(643,551)	(521,930)
Other charges	21	(158,591)	(126,791)	(251,806)	(493,396)
		(423,531)	(190,113)	(971,804)	(1,092,071)
		2,469,215	1,467,582	3,089,667	6,239,747
Other income	22	252,735	110,402	1,091,006	940,349
PROFIT BEFORE TAXATION		2,721,950	1,577,984	4,180,673	7,180,096
Provision for taxation	23	(458,419)	(397,766)	(509,274)	(1,833,115)
PROFIT FOR THE PERIOD		2,263,531	1,180,218	3,671,399	5,346,981
Earnings per share - Basic and diluted (Rs)		9.57	4.99	15.52	22.60

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, 2015

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
	Rupees ('000)			
Profit for the period	2,263,531	1,180,218	3,671,399	5,346,981
Other Comprehensive Income				
Item that may be subsequently reclassified to profit or loss				
Fair value adjustment on available-for-sale investments - net of tax	17	148	17	270
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,263,548	1,180,366	3,671,416	5,347,251

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 Cash Flow Statement (Unaudited)

For the six months period ended December 31, 2015

Six months period ended

Dec. 31, 2015 Dec. 31, 2014
Rupees ('000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	12,698,087	19,316,475
Operating and exploration costs paid	(4,443,169)	(6,929,696)
Royalty paid	(918,342)	(1,861,001)
Taxes paid	(1,100,380)	(1,371,797)
Cash provided by operating activities	6,236,196	9,153,981

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets additions	(2,108,224)	(1,378,714)
Proceeds from disposal of property, plant and equipment	12,284	6,087
Income on bank deposits and held-to-maturity investments	192,380	299,382
Dividend income received	340,879	190,970
Cash used in investing activities	(1,562,681)	(882,275)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(5,900,135)	(7,673,484)
Cash used in financing activities	(5,900,135)	(7,673,484)

EFFECT OF EXCHANGE RATE CHANGES

281,728 72,806

INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS

(944,892) 671,028

CASH AND CASH EQUIVALENTS AT JULY 01,

10,613,993 10,826,321

CASH AND CASH EQUIVALENTS AT DEC. 31,

9,669,101 11,497,349

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, 2015

	Share capital	Insurance reserve	Revenue reserves Investment reserve	Unappropriated profit	Fair value gain/(loss) on available-for-sale investments	Total
	Rupees ('000)					
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
Transactions 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
Total comprehensive income for the period:						
Profit for the period	-	-	-	3,111,894	-	3,111,894
Other comprehensive income	-	-	-	(54,671)	(29)	(54,700)
	-	-	-	3,057,223	(29)	3,057,194
Transaction with owners:						
Interim dividend @ Rs 15 per share - Year ended June 30, 2015	-	-	-	(3,548,189)	-	(3,548,189)
Total transaction with owners	-	-	-	(3,548,189)	-	(3,548,189)
Balance at June 30, 2015	2,365,459	200,000	1,557,794	28,239,206	2,059	32,364,518
Total comprehensive income for the period:						
Profit for the period	-	-	-	3,671,399	-	3,671,399
Other comprehensive income	-	-	-	-	17	17
	-	-	-	3,671,399	17	3,671,416
Transaction with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2015	-	-	-	(5,913,648)	-	(5,913,648)
Total transaction with owners	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2015	2,365,459	200,000	1,557,794	25,996,957	2,076	30,122,286

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, 2015

1. Legal status and operations

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

2. Statement of compliance

This condensed interim financial information of the Company for the six months period ended December 31, 2015 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, 2015.

4. Critical accounting estimates and judgments

The preparation of interim financial information requires management to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015 except for the following:

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

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

For the six months period ended December 31, 2015

In terms of supplemental agreements, draft statements specifying sums aggregating US \$ 34.39 million (equivalent Rs 3,597 million) till June 30, 2015 due to the company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block and Domial discovery in Ikhlas block have been submitted to the Government. Such statements shall be finalized within next six months. The Government shall facilitate issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.

	Dec. 31, 2015	June 30, 2015
	Rupees ('000)	
5. Revenue reserves		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	25,996,957	28,239,206
	27,754,751	29,997,000

	Dec. 31, 2015	June 30, 2015
	Rupees ('000)	
6. Deferred liabilities		
Provision for deferred income tax	5,643,000	5,363,570
Provision for decommissioning cost	9,257,537	8,442,955
Provision for staff compensated absences	10,111	12,138
	14,910,648	13,818,663

7. Trade and other payables

These include balance due to joint venture partners amounting to Rs 991,513 thousand (June 30, 2015: Rs 1,091,620 thousand) and balances due to related parties amounting to Rs 262,109 thousand (June 30, 2015: Rs 68,944 thousand).

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

For the six months period ended December 31, 2015

Dec. 31, 2015 June 30, 2015
Rupees ('000)

8. Contingencies and commitments

Contingencies:

Guarantee issued by banks on behalf of the company 5,967 5,967

Commitments:

Capital expenditure commitments outstanding

- Share in joint ventures	10,577,766	9,691,246
- Own fields	768,540	1,647,832
-Letter of credit issued by banks on behalf of the company	301,555	127,866

9. Property, plant and equipment

Operating assets

Opening net book value	8,275,395	8,306,460
Additions during the period / year	1,442,941	1,245,890
Depreciation for the period / year	(693,918)	(1,272,174)
Disposals during the period / year	(5,131)	(4,781)

Closing net book value	9,019,287	8,275,395
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Capital work in progress	1,258,063	2,213,318
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10,277,350	10,488,713
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10. Development and decommissioning costs

Development cost

Opening net book value	10,790,695	11,128,796
Additions during the period / year	1,094,378	1,537,637
Well cost transferred from exploration and evaluation assets	-	1,047,278
Amortisation for the period / year	(1,326,004)	(2,923,016)
Closing book value	10,559,069	10,790,695

Decommissioning cost

Opening net book value	1,621,746	2,032,205
Additions during the period / year	172,735	183,882
Revision due to change in estimates	-	(490,283)
Amortisation for the period / year	(80,733)	(104,058)
Closing book value	1,713,748	1,621,746

12,272,817	12,412,441
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Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the six months period ended December 31, 2015

Dec. 31, 2015 **June 30, 2015**
Rupees ('000)

11. Exploration and evaluation assets

Balance brought forward	2,661,303	4,666,461
Additions during the period / year	1,657,036	3,533,112
	4,318,339	8,199,573
Well cost transferred to development costs	-	(1,047,278)
Dry and abandoned wells cost charged to the profit & loss account	(1,125,921)	(4,490,992)
	3,192,418	2,661,303

December 31, 2015		June 30, 2015	
Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)

12. 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 12.1	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

12.1 Based on valuation analysis carried out at June 30, 2015, 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, 2015 **June 30, 2015**
Rupees ('000)

13. Other long term investments

Available-for-sales investments - at market price	5,743	5,726
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Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the six months period ended December 31, 2015

14. Trade debts

These include Rs 1,399,902 thousand (June 30, 2015: Rs 1,606,248 thousand) receivable from related parties.

15. Advances, deposits, prepayments and other receivables

These include balances with joint venture partners amounting to Rs 461,016 thousand (June 30, 2015 : Rs 580,831 thousand) and balances with related parties amounting to Rs 64,296 thousand (June 30, 2015 : Rs 261,725 thousand).

Dec. 31, 2015 June 30, 2015
Rupees ('000)

16. Cash and bank balances

Bank balance on:

Short term deposits	7,699,396	7,510,125
Interest/ mark-up bearing saving accounts	1,890,899	3,063,979
Current account	106,073	37,087

9,666,368 10,611,191

Cash in hand **2,733** 2,802

9,669,101 10,613,993

Balance with banks include foreign currency balances of US \$ 63,309 thousand (June 30, 2015: US \$ 76,267 thousand).

Three months period ended **Six months period ended**
Dec. 31, 2015 Dec. 31, 2014 **Dec. 31, 2015** Dec. 31, 2014
Rupees ('000)

17. Net sales

Crude oil	2,634,774	4,059,627	5,152,198	10,184,772
Gas	2,175,028	1,905,282	4,129,131	3,906,764
POLGAS-Refill of cylinders	1,626,932	2,063,165	2,850,336	3,708,053
Solvent oil	54,538	45,765	106,634	119,016
Sulphur	-	4,193	4,861	4,193
	6,491,272	8,078,032	12,243,160	17,922,798

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

For the six months period ended December 31, 2015

	Three months period ended		Six months period ended	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	Rupees ('000)			
18. Operating costs				
Operating Cost				
- Own fields	256,420	224,318	486,293	443,055
- Share in joint ventures	751,898	670,426	1,452,843	1,339,599
Well workover	97,473	9,580	249,833	29,831
POLGAS-Cost of gas/LPG, Carriage etc.	833,002	913,314	1,607,839	1,757,153
Pumping and transportation cost	8,281	23,322	19,913	42,633
Depreciation	339,260	307,964	670,254	610,533
	2,286,334	2,148,924	4,486,975	4,222,804
Opening stock of crude oil and other products	204,319	188,435	147,929	264,170
Closing stock of crude oil and other products	(167,283)	(204,542)	(167,283)	(204,542)
	2,323,370	2,132,817	4,467,621	4,282,432
19. Exploration costs				
Geological & geophysical cost	60,797	169,333	70,261	457,113
Dry and abandoned wells cost charged to the exploration costs - note 11	-	2,629,644	1,125,921	2,629,644
	60,797	2,798,977	1,196,182	3,086,757
20. Finance costs				
Provision for decommissioning cost				
- Unwinding of discount	192,922	188,313	385,843	376,626
- Exchange loss/(gain)	33,033	(164,166)	256,004	144,622
Banks' commission and charges	1,113	354	1,704	682
	227,068	24,501	643,551	521,930
21. Other charges				
Workers' profit participation fund	144,077	82,832	221,684	383,370
Workers' welfare fund	14,514	43,959	30,122	110,026
	158,591	126,791	251,806	493,396

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

For the six months period ended December 31, 2015

	Three months period ended		Six months period ended	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	Rupees ('000)			
22. Other income				
Income from financial assets				
Income on bank saving accounts, deposits and held-to-maturity investments	103,143	146,920	216,875	324,836
Exchange gain/(loss) on financial assets	33,578	(158,915)	281,728	72,806
Dividend from investment in subsidiary company	-	6,885	340,879	190,970
Other income				
Rental income - net of related expenses	19,466	36,128	47,264	157,185
Rig income - net of related expenses	160	(102)	21,622	8,310
Crude oil / Gas transportation income - net of related expenses	37,899	37,916	79,863	70,786
Gas processing fee	50,129	37,915	93,837	77,823
Profit on sale of property, plant and equipment	6,722	504	7,153	6,087
Sale of stores and scrap	1,104	294	1,251	22,909
Others	534	2,857	534	8,637
	252,735	110,402	1,091,006	940,349
23. Provision for taxation				
Current	71,419	727,717	229,844	1,913,066
Deferred	387,000	(329,951)	279,430	(79,951)
	458,419	397,766	509,274	1,833,115

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

For the six months period ended December 31, 2015

Three months period ended		Six months period ended	
Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Rupees ('000)			

24. Transaction with related parties

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

Sales of goods and services to:

Associated companies	2,133,860	3,297,542	4,316,075	7,884,144
Subsidiary company	5,122	4,629	10,316	9,246

Purchase of goods and services from:

Associated companies	243,315	328,796	473,986	654,641
Subsidiary company	1,671	1,321	2,931	2,557
Parent company	14,273	17,683	30,312	39,785

Other related parties:

Remuneration of Chief Executive and key management personnel including benefits and perquisites	19,357	19,100	52,513	54,981
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	17,179	17,864	34,938	38,863
Approved Contributory Provident Funds	6,562	6,496	13,183	14,309
Contribution to Workers' Profit Participation Fund	144,077	82,832	221,684	383,370

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

For the six months period ended December 31, 2015

25. Operating segments

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

Revenue from two major customers of the Company constitutes 62% of the total revenue during the period ended December 31, 2015 (December 31, 2014: 76%).

26. Non-adjusting event after balance sheet date

The Board of Directors in their meeting held on February 10, 2016 have declared an interim cash dividend for the year ending June 30, 2016 @ Rs 15 per share, amounting to Rs 3,548,189 thousand.

27. Date of authorization

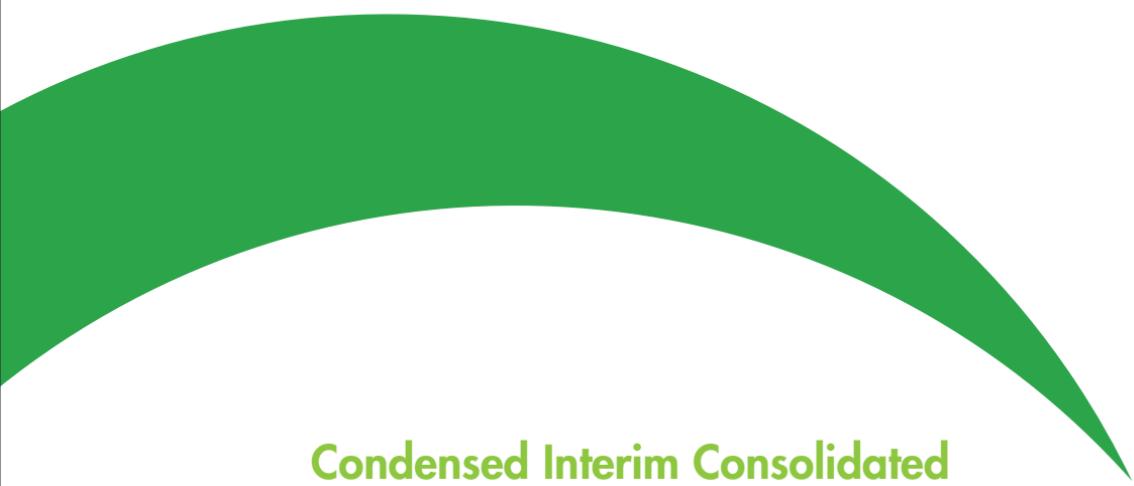
This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on February 10, 2016.



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

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**Condensed Interim Consolidated
Financial Statements (Unaudited)**
For the Six months period ended December 31, 2015

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Condensed Interim Consolidated Balance Sheet (Unaudited)

As at December 31, 2015

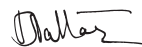
	Note	Dec. 31, 2015	June 30, 2015
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,365,459	2,365,459
Capital reserves	6	548,636	536,293
Revenue reserves	7	28,898,024	31,162,747
Fair value gain on available-for-sale investments		2,076	2,059
		31,814,194	34,066,558
NON - CONTROLLING INTEREST		101,217	94,870
		31,915,411	34,161,428
NON CURRENT LIABILITIES			
Long term deposits		895,200	875,786
Deferred liabilities	8	14,927,161	13,835,176
		15,822,361	14,710,962
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	9	5,574,887	4,940,352
Provision for income tax		2,804,538	3,668,106
		8,379,425	8,608,458
CONTINGENCIES AND COMMITMENTS		10	
		56,117,197	57,480,848

	Note	Dec. 31, 2015 Rupees ('000)	June 30, 2015
FIXED ASSETS			
Property, plant and equipment	11	10,370,814	10,586,000
Development and decommissioning costs	12	12,272,817	12,412,441
Exploration and evaluation assets	13	3,192,418	2,661,303
Other intangible assets		84,210	9,360
		25,920,259	25,669,104
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES			
	14	11,202,169	11,218,906
OTHER LONG TERM INVESTMENTS			
	15	5,743	5,726
LONG TERM LOANS AND ADVANCES			
		11,921	15,636
CURRENT ASSETS			
Stores and spares		4,167,919	4,276,069
Stock in trade		170,427	166,109
Trade debts	16	3,342,103	3,477,782
Advances, deposits, prepayments and other receivables	17	1,374,678	1,756,086
Short term investments		130,744	126,080
Cash and bank balances	18	9,791,234	10,769,350
		18,977,105	20,571,476
		56,117,197	57,480,848

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, 2015

Note	Three months period ended		Six months period ended	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Rupees ('000)				
SALES	7,385,030	9,107,216	13,914,524	19,865,704
Sales tax	(675,951)	(738,737)	(1,271,867)	(1,398,040)
NET SALES	6,709,079	8,368,479	12,642,657	18,467,664
Operating costs	(2,497,417)	(2,335,208)	(4,799,005)	(4,698,988)
Excise duty and development surcharge	(68,893)	(64,401)	(133,299)	(128,121)
Royalty	(500,838)	(642,807)	(977,850)	(1,560,644)
Amortisation of development and decommissioning costs	(644,628)	(781,335)	(1,406,737)	(1,533,026)
	(3,711,776)	(3,823,751)	(7,316,891)	(7,920,779)
GROSS PROFIT	2,997,303	4,544,728	5,325,766	10,546,885
Exploration costs	(60,797)	(2,798,977)	(1,196,182)	(3,086,757)
	2,936,506	1,745,751	4,129,584	7,460,128
Administration expenses	(44,028)	(44,312)	(89,811)	(88,043)
Finance costs	(227,276)	(24,774)	(643,909)	(522,494)
Other charges	(161,358)	(132,925)	(255,976)	(502,298)
	(432,662)	(202,011)	(989,696)	(1,112,835)
Other income	2,503,844	1,543,740	3,139,888	6,347,293
	255,447	110,135	756,176	761,955
	2,759,291	1,653,875	3,896,064	7,109,248
Share in profits of associated companies - net of impairment loss	165,343	212,334	316,088	91,952
PROFIT BEFORE TAXATION	2,924,634	1,866,209	4,212,152	7,201,200
Provision for taxation	(470,367)	(425,081)	(527,280)	(1,872,754)
PROFIT FOR THE PERIOD	2,454,267	1,441,128	3,684,872	5,328,446
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	2,441,824	1,413,952	3,666,122	5,289,009
Non - controlling interests	12,443	27,176	18,750	39,437
	2,454,267	1,441,128	3,684,872	5,328,446
Earnings per share - Basic and diluted (Rs)	10.32	5.98	15.50	22.36

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, 2015

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
	Rupees ('000)			
PROFIT FOR THE PERIOD	2,454,267	1,441,128	3,684,872	5,328,446
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit & loss				
Acturial loss on staff retirement benefit plan by associated companies - net of tax	(108)	(2,438)	(4,855)	(7,056)
Item that may be subsequently reclassified to profit & loss				
Fair value adjustments on available for sale investments	17	101	17	270
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,454,176	1,438,791	3,680,034	5,321,660
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	2,441,733	1,411,615	3,661,284	5,282,223
Non - controlling interests	12,443	27,176	18,750	39,437
	2,454,176	1,438,791	3,680,034	5,321,660

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, 2015

Six months period ended

Dec. 31, 2015 Dec. 31, 2014
Rupees ('000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	13,098,724	19,863,449
Operating and exploration costs paid	(4,757,812)	(7,337,952)
Royalty paid	(918,342)	(1,861,001)
Taxes paid	(1,111,417)	(1,393,639)
Cash provided by operating activities	6,311,153	9,270,857

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets additions	(2,112,018)	(1,378,714)
Proceeds from disposal of property, plant and equipment	12,368	6,228
Purchase of LPG quota	(81,501)	-
Income on bank deposits and held-to-maturity investments	199,387	311,473
Dividend received from associated companies	327,970	174,618
Cash used in investing activities	(1,653,794)	(886,395)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(5,900,135)	(7,673,484)
Dividend paid to non - controlling interest holders	(12,404)	(15,712)
Cash used in financing activities	(5,912,539)	(7,689,196)

EFFECT OF EXCHANGE RATE CHANGES	281,728	72,806
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INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(973,452)	768,072
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CASH AND CASH EQUIVALENTS AT JULY 01,	10,895,430	11,093,891
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CASH AND CASH EQUIVALENTS AT DEC. 31,	9,921,978	11,861,963
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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, 2015

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, 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 (7,056)	- 270	5,289,009 (6,786)	39,437 -	5,328,446 (6,786)
Other comprehensive income	-	-	-	-	-	5,281,953 (668)	270	5,282,223 -	39,437 -	5,321,660 -
Transfer from special reserve by associated companies	-	-	668	-	-	(668)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final cash 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 dividend @ Rs 20 per share - Year ended June 30, 2015	-	-	-	-	-	-	-	-	(6,616)	(61,616)
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	34,773,961	110,435	34,884,396
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	2,938,325 (97,510)	- (29)	2,938,325 (97,539)	9,748 (507)	2,948,073 (98,046)
Other comprehensive income	-	-	-	-	-	2,840,815 (7,261)	(29)	2,840,786 -	9,241 -	2,850,027 -
Transfer from special reserve by associated companies	-	-	(7,261)	-	-	7,261	-	-	-	-
Transactions with owners:										
POL dividends:										
Interim dividend @ Rs 15 per share - Year ended June 30, 2015	-	-	-	-	-	(3,548,189)	-	(3,548,189)	-	(3,548,189)
Dividend to CAPGAS non-controlling interest holders:										
Second Interim dividend @ Rs 75 per share - Year ended June 30, 2015	-	-	-	-	-	-	-	-	(24,806)	(24,806)
Total transactions with owners	-	-	-	-	-	(3,548,189)	-	(3,548,189)	(24,806)	(3,572,995)
Balance at June 30, 2015	2,365,459	59,754	476,539	200,000	4,352,325	26,610,422	2,059	34,066,558	94,870	34,161,428
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	3,666,122 (4,855)	- 17	3,666,122 (4,838)	18,750 -	3,684,872 (4,838)
Other comprehensive income	-	-	-	-	-	3,661,267 (12,343)	17	3,661,284 -	18,750 -	3,680,034 -
Transfer to special reserve by associated companies	-	-	12,343	-	-	(12,343)	-	-	-	-
Transfer to general reserve by associated companies	-	-	-	-	750,000	(750,000)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final dividend @ Rs 25 per share - Year ended June 30, 2015	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Dividend to CAPGAS non-controlling interest holders:										
Final cash dividend @ Rs 27.5 per share - Year ended June 30, 2015	-	-	-	-	-	-	-	-	(12,403)	(12,403)
Total transactions with owners	-	-	-	-	-	(5,913,648)	-	(5,913,648)	(12,403)	(5,926,051)
Balance at December 31, 2015	2,365,459	59,754	488,882	200,000	5,102,325	31,814,194	2,076	31,814,194	101,217	31,915,411

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

Wendell J. 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, 2015

1. Legal status and operations

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

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, 2015: 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, 2015 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, 2015

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, 2015.

5. Critical accounting estimates and judgments

The preparation of interim financial information requires management to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015 except for the following:

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

In terms of supplemental agreements, draft statements specifying sums aggregating US \$ 34.39 million (equivalent Rs 3,597 million) till June 30, 2015 due to the company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block and Domial discovery in Ikhlas block have been submitted to the Government. Such statements shall be finalized within next six months. The Government shall facilitate issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.

6. Capital reserves

	Dec. 31, 2015	June 30, 2015
	Rupees ('000)	
Bonus shares issued by subsidiary/associated companies	59,754	59,754
Special reserve	488,882	476,539
	548,636	536,293

7. Revenue reserves

Insurance reserve	200,000	200,000
General reserve	5,102,325	4,352,325
Unappropriated profit	23,595,699	26,610,422
	28,898,024	31,162,747

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

For the six months period ended December 31, 2015

	Dec. 31, 2015	June 30, 2015
	Rupees ('000)	
8. Deferred liabilities		
Provision for deferred income tax	5,654,987	5,375,557
Provision for decommissioning cost	9,257,537	8,442,955
Provision for gratuity	4,526	4,526
Provision for staff compensated absences	10,111	12,138
	14,927,161	13,835,176

9. Trade and other payables

These include balances due to joint venture partners amounting to Rs 991,513 thousand (June 30, 2015: Rs 1,091,911 thousand) and balances due to related parties amounting to Rs 268,517 thousand (June 30, 2015: Rs 77,332 thousand).

	Dec. 31, 2015	June 30, 2015
	Rupees ('000)	

10. Contingencies and commitments

Contingencies:

Guarantee issued by banks on behalf of the company	5,967	5,967
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Commitments:

Capital expenditure commitments outstanding		
- Share in joint ventures	10,577,766	9,691,246
- Own fields	768,540	1,647,832
-Letter of credit issued by banks on behalf of the company	301,555	127,866

11. Property, plant and equipment

Operating assets

Opening net book value	8,363,419	8,384,782
Additions during the period/year	1,434,987	1,267,738
Depreciation for the period/year	(695,901)	(1,284,254)
Disposals during the period/year - net book value	(2,653)	(4,847)
Closing net book value	9,099,852	8,363,419
Capital work in progress	1,270,962	2,222,581
	10,370,814	10,586,000

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

For the six months period ended December 31, 2015

Dec. 31, 2015	June 30, 2015
Rupees ('000)	

12. Development and decommissioning costs
Development cost

Opening net book value	10,790,695	11,128,796
Additions during the period/year	1,094,378	1,537,637
Well cost transferred from exploration and evaluation assets	-	1,047,278
Amortization for the period/year	(1,326,004)	(2,923,016)
Closing net book value	10,559,069	10,790,695

Decommissioning cost

Opening net book value	1,621,746	2,032,205
Additions during the period/year	172,735	183,882
Revision due to change in estimates	-	(490,283)
Amortization for the period/year	(80,733)	(104,058)
Closing net book value	1,713,748	1,621,746

12,272,817	12,412,441
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13. Exploration and evaluation assets

Balance brought forward	2,661,303	4,666,461
Additions during the period / year	1,657,036	3,533,112
	4,318,339	8,199,573
Well cost transferred to development costs	-	(1,047,278)
Dry and abandoned wells cost charged to the profit & loss account note 21	(1,125,921)	(4,490,992)
	3,192,418	2,661,303

14. Long term investment in associated companies - equity method

Beginning of the year	11,218,906	11,508,834
Share in profits of associated companies - net of impairment loss	316,088	(243)
Acturial loss on staff retirement benefit plan	(4,855)	(42,310)
Dividend received during the period / year	(327,970)	(247,375)
	11,202,169	11,218,906

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

For the six months period ended December 31, 2015

Dec. 31, 2015	June 30, 2015
Rupees ('000)	

15. Other long term investments

Available-for-sale investments	5,743	5,726
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16. Trade debts

These include Rs 1,399,902 thousand (June 30, 2015: Rs 1,606,248 thousand) receivable from related parties.

17. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amounting to Rs 453,821 thousand (June 30, 2015: Rs 580,831 thousand) and balances due from related parties amounting to Rs 58,685 thousand (June 30, 2015: Rs 423,598 thousand).

Dec. 31, 2015	June 30, 2015
Rupees ('000)	

18. Cash and bank balances

Bank balance on:		
Interest/mark-up bearing saving accounts	1,975,509	3,182,569
Short term deposits	7,704,396	7,545,125
Current accounts	108,450	38,780
	9,788,355	10,766,474
Cash in hand	2,879	2,876
	9,791,234	10,769,350

Balance with banks include foreign currency balances of US \$ 63,309 thousand (June 30, 2015: US \$ 76,267 thousand).

Three months period ended		Six months period ended	
Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Rupees ('000)			

19. Net sales

Crude oil	2,634,774	4,059,627	5,152,198	10,184,772
Gas	2,175,028	1,905,282	4,129,131	3,906,764
POLGAS/Cap Gas - Refill of cylinders	1,844,739	2,353,612	3,249,833	4,252,919
Solvent oil	54,538	45,765	106,634	119,016
Sulphur	-	4,193	4,861	4,193
	6,709,079	8,368,479	12,642,657	18,467,664

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

For the six months period ended December 31, 2015

	Three months period ended		Six months period ended	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	Rupees ('000)			
20. Operating costs				
Operating cost				
- Own fields	262,696	229,213	497,130	452,389
- Share in joint ventures	751,898	670,426	1,452,843	1,339,599
Well workover	97,473	9,580	249,833	29,831
POLGAS/Cap Gas -Cost of gas/ LPG, carriage etc.	983,059	1,112,779	1,899,340	2,147,928
Pumping and transportation cost	7,920	22,990	19,913	42,633
Depreciation	348,141	312,585	684,264	619,775
	2,451,187	2,357,573	4,803,323	4,632,155
Opening stock of crude oil and other products	216,657	192,436	166,109	281,634
Closing stock of crude oil and other products	(170,427)	(214,801)	(170,427)	(214,801)
	2,497,417	2,335,208	4,799,005	4,698,988
21. Exploration costs				
Geological and geophysical cost	60,797	169,333	70,261	457,113
Dry and abandoned wells cost charged to the profit & loss account - note 13	-	2,629,644	1,125,921	2,629,644
	60,797	2,798,977	1,196,182	3,086,757
22. Finance costs				
Provision for decommissioning cost				
- unwinding of discount	192,922	188,313	385,843	376,626
- exchange loss/(gain)	33,033	(164,166)	256,004	144,622
Banks' commission and charges	1,321	627	2,062	1,246
	227,276	24,774	643,909	522,494
23. Other charges				
Workers' profit participation fund	146,082	87,277	224,706	389,821
Workers' welfare fund	15,276	45,648	31,270	112,477
	161,358	132,925	255,976	502,298

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

For the six months period ended December 31, 2015

Three months period ended		Six months period ended	
Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Rupees ('000)			

24. Other income

Income from financial assets

Income on bank saving accounts, deposits and held-to-maturity investments	106,796	154,184	224,551	338,524
Exchange gain / (loss) on financial assets	33,578	(158,915)	281,728	72,806

Other income

Rental income -net of related expenses	19,115	35,777	46,562	156,483
Rig income - net of related expenses	160	(102)	21,622	8,310
Crude oil / gas transportation income - net of related expenses	37,899	37,916	79,863	70,786
Gas processing fee	50,129	37,915	93,837	77,823
Profit on sale of property, plant and equipment	6,723	504	7,237	6,197
Sale of stores and scrap	1,104	294	1,251	22,909
Others	(57)	2,562	(475)	8,117
	255,447	110,135	756,176	761,955

25. Provision for taxation

Current	83,367	755,032	247,850	1,952,705
Deferred	387,000	(329,951)	279,430	(79,951)
	470,367	425,081	527,280	1,872,754

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

For the six months period ended December 31, 2015

26. Transactions with related parties

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

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
	Rupees ('000)			
Sales of goods and services to:				
Associated companies	2,133,860	3,297,542	4,316,075	7,884,144
Purchase of goods and services from:				
Parent company	14,273	17,683	30,312	39,785
Associated companies	243,315	328,796	473,986	654,641
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	19,358	22,283	52,513	61,347
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	18,104	18,501	36,788	40,136
Approved Contributory Provident Funds	7,025	6,814	14,108	14,946
Contribution to Workers' profit participation fund	146,082	87,277	224,706	389,821



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

For the six months period ended December 31, 2015

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 19.

Revenue from two major customers of the Company constitutes 62% of the total revenue during the period ended December 31, 2015 (December 31, 2014: 76%).

28. Non-adjusting event after the balance sheet date

The Board of Directors in their meeting held on February 10, 2016 has declared an interim cash dividend @ Rs 15 per share, amounting to Rs 3,548,189 thousand for the year ending June 30, 2016.

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 February 10, 2016.

A handwritten signature in black ink, appearing to read 'Shuaib A. Malik'.

Shuaib A. Malik
Chief Executive

A handwritten signature in black ink, appearing to read 'Abdus Sattar'.

Abdus Sattar
Director



Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Operator	Interest %
Ikhlas	Pakistan Oilfields Limited	80.00
Kirthar South	Pakistan Oilfields Limited	85.00
D.G. Khan	Pakistan Oilfields Limited	70.00
Gurgalot	Oil & Gas Development Company Limited	20.00
Tal Block	MOL Pakistan Oil and Gas Co. B.V	25.00
Margala	MOL Pakistan Oil and Gas Co. B.V	30.00
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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