



Pakistan Oilfields Limited



Condensed Interim Financial Information

Six Months Period Ended December 31, 2017

VISION

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

MISSION

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

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

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Corporate Information

Directors

Mr. Laith G. Pharaon

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

Mr. Wael G. Pharaon

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

Mr. Sajid Nawaz

Mr. Abdus Sattar

Mr. Tariq Iqbal Khan

Mr. Nihal Cassim

Mr. Shuaib A. Malik

Chairman & Chief Executive

Audit Committee

Mr. Abdus Sattar

Chairman

Mr. Babar Bashir Nawaz

Member

Mr. Nihal Cassim

Member

Mr. Tariq Iqbal Khan

Member

Mr. Bilal Ahmad Khan

Member

Human Resource and Remuneration (HR & R) Committee

Mr. Babar Bashir Nawaz

Chairman

Mr. Shuaib A. Malik

Member

Mr. Abdus Sattar

Member

Mr. Bilal Ahmad Khan

Member

Company Secretary / CFO

Khalid Nafees

Auditors & Tax Advisors

A.F. Ferguson & Co.

Chartered Accountants

Legal Advisors

Khan & Piracha

Ali Sibtain Fazli & Associates

Registered Office

Pakistan Oilfields Limited
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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' Report

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, 2017.

Financial results

During the period, the Company has made a profit after tax of Rs. 4,761.7 million (December 31, 2016: Rs. 4,655.7 million), which is higher by 2.3 % as compared to the corresponding period last year. The profit translates into earnings per share of Rs. 20.13 (December 31, 2016: Rs. 19.68 per share). Increase in production volume of crude oil, gas and LPG increased by 10.51% and 13.11% and 9.02% respectively in comparison to corresponding period last year. Average crude oil price increased by 19.7 % in comparison to corresponding period last year.

As explained in note 16.1 of the Interim Financial Information that the Company on prudent basis adjusted revenue on account of enhanced gas price for the period July 01, 2015 to December 31, 2017 of Rs. 3,011 million, which was billed due to conversion of TAL block to 2012 Petroleum Policy, as Ministry of Energy (Petroleum Division) has notified amendments in the 2012 Petroleum Policy that already executed Supplemental Agreements for conversion from 1994 & 1997 Petroleum Policies shall be amended within 90 days to include Windfall Levy on Oil/Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive. All these Supplemental Agreements were signed on gas price only and WLO was not applicable. Based on legal advice the Company is confident that already executed Supplemental Agreements with the Government cannot be changed unilaterally and will challenge the imposition of WLO in the court of law. Upon resolution of this matter the entire revenue on account of gas price incentive of Rs. 6,404 million till December 31, 2017 will be accounted for accordingly. During the period the Company made a consolidated profit after tax of Rs. 4,782 million (December 31, 2016: Rs. 4,769.4 million) which translate into consolidated earnings per share of Rs. 20.16 (December 31, 2016: Rs. 20.07 per share).

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, 2017	Dec. 31, 2016
Crude Oil/Condensate	(US Barrels)	1,317,082	1,191,851
Gas	(Million Cubic Feet)	15,530	13,730
LPG	(Metric Tonnes)	30,935	28,376
Sulphur	(Metric Tonnes)	340	279
Solvent Oil	(US Barrels)	10,474	9,202

The Company's share in production, including that from joint ventures, for the period under review averaged 7,160 barrels per day (bpd) of crude, 84.40 million standard cubic feet per day (mmscfd) of gas, 168.12 metric tonnes per day (MTD) of LPG 1.85 MTD of sulphur and 57 bpd of solvent oil.

Exploration and development activities

Producing Fields

At Balkassar field (100% owned by POL), 3D Seismic Data acquisition of 191.25 Square kilometers has been completed. 3D seismic data processing is in progress.

At Joyamair field (100% owned by POL), Joyamair Deep-1 (an exploratory well) has been spudded on October 14, 2017 and drilling at 6,863 ft is in progress to explore deeper potential. Target depth of the well is +/- 8,900 ft.

At Khaur Lease (100% owned by POL), Khaur North-1 (an exploratory well) was spudded on November 08, 2017 and drilling down to 7,650 ft is in progress to explore remaining potential of the area. Target Depth of the well is +/- 14,640 ft.

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

At Pariwali Lease (operated by POL with 82.50% share), reservoir simulation study has been completed. Based on study, workover on Pariwali-2 well has been planned.

At Pindori Lease (operated by POL with a 35% share), Pindori-10 a development well to drain the remaining up-dip potential of the field has been approved. Acquisition of long lead items is in progress.

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

Makori East-6 was spudded on January 22, 2017 tested Datta formation but no hydrocarbon observed at surface, after that Hungu/Lamshiwal formations were tested and well produced 1,817 barrels of condensate per day, 4.63 million cubic feet of gas per day at 32/64" fixed choke size at flowing wellhead pressure of 1,594 psi. It is expected that this well will be connected to production line in the month of February, 2018.

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

Adhi-31 well location has been approved.

Adhi-29: The well was spudded on March 24, 2017, achieved well target depth of 11,017 ft. Tested Tobra and Khewra formations and produced 504 barrels of oil per day and 1.61 million cubic feet of gas per day at 48/64" choke size. The well has been connected to the production line.

Adhi-30: Well was spudded on May 28, 2017 and drilling of side track-1 hole down to 10,450 ft. is in progress.

Adhi South X-1 an exploratory well was spudded on June 30, 2017 and drilled down to 10,384 ft. is in progress. The planned target depth is +/- 11,893 ft.

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

At Ratana Field (operated by Ocean Pakistan Limited, where POL has 4.545% share), 3D seismic data acquisition of 376.86 square kilometers has been acquired and data processing is in process.

Exploration Blocks

At Ikhlas block (operated by POL with 80% share), working on way forward of Ikhlas concession is in progress. Preparation of evaluation report of Domial Field, including Domial Deep prospectivity is in progress. Seismic Acquisition planning over Langrial prospect is in progress. Presently, "Jhandial – 1" is under evaluation and producing around 1,000 barrels of oil per day and 8.7 million cubic feet of gas per day.

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

At TAL block (operated by MOL where POL has a pre-commerciality share of 25%), 2D/3D seismic data interpretation is in progress to explore the possible deeper plays in TAL block. Acquisition of 870 sq.km of gravity survey over western part of Manzalai has been completed and interpretation is in progress.

Tolanj East-01 an exploratory well was spudded on April 27, 2017 and preparation of sidetrack-1 down to 14,058 ft is in progress. The target depth +/- 16,569 ft.

Mamikhel Deep-1 an exploratory well was spudded on December 16, 2017 and drilling down to 4,580 ft is in progress. The target depth is +/- 17,156 ft.

To explore deeper potential in the TAL block Location of Mamikhel South-1 has been approved by the Joint Ventures Partners. In-house 2D/3D seismic data interpretation is in progress to explore the additional plays in TAL Block.

At Gurgalot block (operated by OGDCL where POL has a 20% share), Gurgalot 3D seismic data acquisition is in progress, so far 35.469 Square kilometers has been recorded out of 320 Square kms. seismic data to cover all the mapped leads has been planned.

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

Acknowledgement

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

On behalf of the Board



Shuaib A. Malik
Chairman & Chief Executive

Rawalpindi,
January 24, 2018

دریائی قطعات:

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل) میں مزید پیش رفت جاری ہے۔ ڈھمال فیلڈ کی بشمول ڈھمال ڈیپ کے امکانات کی تشخیصی رپورٹ پر کام ہو رہا ہے۔ Langrial کے امکانات جاننے کے لئے ارضیاتی اعداد و شمار کی منصوبہ بندی ہو رہی ہے۔ فی الوقت جنڈیال۔۱ زیرِ تشخیص ہے اور یہاں سے یومیہ تقریباً ۱۰۰۰ بیرل خام تیل اور ۸.۷ ملین مکعب فٹ گیس یومیہ کی پیداوار حاصل ہو رہی ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) گذشتہ حاصل ہونے والے ارضیاتی اعداد و شمار نے نئی لیڈز متعارف کرائی ہیں تقریباً ۲۶۴ لائن کلومیٹر اضافی 2D ارضیاتی اعداد و شمار کی مدد سے شناخت شدہ لیڈز کی تصدیق کا مکمل شروع ہو چکا ہے۔

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے)

2D/3D ارضیاتی اعداد و شمار کو پرکھنے کا مکمل جاری ہے تاکہ تل بلاک میں ممکن حد تک گہرائی کے علاقے دریافت کیے جاسکیں۔ منزلائی کے غربی حصے میں ۸۷۰ مربع کلومیٹر علاقے میں کثرتِ ثقل (Gravity Survey) سے اعداد و شمار کے حصول کے بعد ان کو پرکھنے کا مکمل جاری ہے۔

تولج شرقی۔۱ : دریائی کنویں کی کھدائی کا آغاز اپریل ۲۰۱۷ء کو ہوا تھا اور ۱۴،۰۵۸ فٹ چھنی ٹریک۔۱ کی تیاری کی جارہی ہے۔ گہرائی کا ہدف ۱۶،۵۶۹+ فٹ ہے۔

مامی خیل ڈیپ۔۱ : دریائی کنویں کی کھدائی کا آغاز دسمبر ۲۰۱۷ء کو ہوا تھا اور ۴،۵۸۰ فٹ پرکھائی جاری ہے۔ گہرائی کا ہدف ۱۵،۱۵۶+ فٹ ہے۔

تل بلاک میں زیادہ گہرائی میں موجود امکانات دریافت کرنے کے لئے مشترکہ منصوبوں کے شرکاء نے مامی خیل جنوبی۔۱ کنویں کی منظوری دے دی ہے۔ تل بلاک میں اضافی صلاحیتوں کو دریافت کرنے کے لئے 2D/3D ارضیاتی اعداد و شمار کی تشریح کی جارہی ہے۔

گرگٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے)

3D ارضیاتی اعداد و شمار کا حصول جاری ہے تاہم ۳۲۰ مربع کلومیٹر میں سے ۳۵،۳۶۹ مربع کلومیٹر کے اعداد و شمار درج کر لئے گئے ہیں تاکہ نشاندہی شدہ لیڈز کا احاطہ کیا جاسکے۔

حسال بلاک (زیر انتظام پی او ایل جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) میں پہلے دریائی کنویں مصریال-XI کی کھدائی کا اس ماہ آغاز کر دیا جائے گا۔ مزید عموال کی نشاندہی کے لئے ۶۳.۲۵ لائن کلومیٹر کے ارضیاتی اعداد و شمار کے حصول کی منصوبہ بندی کر لی گئی ہے۔

اعتراف:

بورڈ تمام سٹیک ہولڈرز کے مسلسل تعاون کرنے پر ان کا شکریہ ادا کرتا ہے۔

منجانب بورڈ



شعبہ اے ملک

چیرمین و چیف ایگزیکٹو

راولپنڈی،

جنوری ۲۰۱۸ء

زیر جائزہ مدت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی : خام تیل ۱۶۰، ۷ بیرل یومیہ، گیس ۸۴۴۰ ملین سٹینڈرڈ کیوبک فٹ یومیہ، مائع پٹرولیم گیس ۱۶۸.۱۲ میٹرک ٹن یومیہ، سلفر ۱.۸۵ میٹرک ٹن اور سالوٹ آئل ۵۷ بیرل یومیہ۔

دریافتی اور ترقیاتی سرگرمیاں :

پیداواری فیلڈز :

بلسکر (۱۰۰ انی صدی اوایل کی ملکیت) میں ۱۹۱.۲۵ مربع کلومیٹر کے 3D ارضیاتی اعداد و شمار حاصل کر لئے گئے ہیں۔ ان حاصل شدہ اعداد و شمار پر عمل جاری ہے۔
جوامیر (۱۰۰ انی صدی اوایل کی ملکیت) میں زیادہ گہرائی میں امکانات دریافت کرنے کے لئے اکتوبر ۱۴، ۲۰۱۷ء کو جوامیر ڈیپ-۱ (دریافتی کنواں) کی کھدائی کا آغاز ہو چکا ہے اور ۶۸.۶۳ فٹ پر کھدائی جاری ہے۔ کنویں کی گہرائی کا ہدف ۸۰۰۰-۸۰۰۰ فٹ مقرر کیا گیا ہے۔
کھوڑ (۱۰۰ انی صدی اوایل کی ملکیت) میں علاقے کی باقی ماندہ امکانات کو دریافت کرنے کے لئے نومبر ۸، ۲۰۱۷ء کو کھوڑ شمالی-۱ (دریافتی کنواں) کی کھدائی کا آغاز ہو چکا ہے اور ۶۵، ۷ فٹ گہرائی پر کھدائی جاری ہے۔ کنویں کی گہرائی کا ہدف ۶۴۰۰-۱۴۰۰ فٹ مقرر کیا گیا ہے۔
ترکوال (۶۷.۳۷ فٹ حصص کے ساتھ پی او ایل کے زیر انتظام) میں علاقے کی مکمل صلاحیت کو دریافت کرنے کے لئے 3D ارضیاتی منصوبہ بندی پر کام جاری ہے۔
پری والی (۸۲.۵ فٹ حصص کے ساتھ پی او ایل کے زیر انتظام) میں ذخائر کے پیداواری عمل کا مطالعہ مکمل ہو چکا ہے، تحقیق کی بنیاد پر پری والی-۲ پر اضافی کام (Workover) کی منصوبہ بندی کی گئی ہے۔
پنڈوری (۳۵ فٹ حصص کے ساتھ پی او ایل کے زیر انتظام) میں فیلڈ کی باقی ماندہ صلاحیتوں کو حاصل کرنے کے لئے پنڈوری-۱۰ ترقیاتی کنویں کی منظوری دی جا چکی ہے۔
طویل لیڈ اشیاء کے حصول پر کام جاری ہے۔

تل بلاک (زیر انتظام مول جہاں قبل از تجارتی پیداواری اوایل کا حصہ ۲۵ فی صد ہے)

مکوڑی شرقی-۶ کی کھدائی کا آغاز جنوری ۲۲، ۲۰۱۷ء کو ہوا تھا۔ Data فارمیشن کی جانچ کی گئی مگر سطح پر ہائیڈروکاربن کے اثرات نہیں ملے، اس کے بعد Hungu/Lamshiwal فارمیشن چیک کی گئیں اور کنویں نے یومیہ ۱۰، ۸۱ بیرل کنڈنسٹ ۳۳/۶۴ فٹسڈ چوک سائز پر کنویں کے بہاؤ کے دباؤ ۱، ۵۹۳ Psi پر ۲.۶۳ ملین مکعب فٹ گیس پیداواری۔ اُمید ہے کہ یہ کنواں پیداواری لائن کے ساتھ فروری ۲۰۱۸ء میں منسلک کر دیا جائے گا۔
آہدی (زیر انتظام پی او ایل جہاں پی او ایل کا حصہ ۱۰۰ فی صد ہے) آہدی فیلڈ کی (Simulation Study (Dynamic Model جاری ہے۔
آہدی-۳۱ کنویں کی جگہ کی منظوری دی جا چکی ہے۔

آہدی-۲۹ : مارچ ۲۴، ۲۰۱۷ء کو کنویں کی کھدائی کا آغاز ہوا تھا۔ گہرائی کا ہدف ۱۱، ۰۱۷ فٹ حاصل کر لیا گیا ہے۔ Tobra and Khewra فارمیشنز کی جانچ کی گئی اور ۶۸/۶۴ فٹ چوک سائز پر خام تیل کی پیداوار ۵۰۴ بیرل یومیہ اور ۱.۶۱ ملین مکعب فٹ گیس یومیہ حاصل ہوئی۔ کنواں پیداواری لائن کے ساتھ منسلک کر دیا گیا ہے۔

آہدی-۳۰ : مئی ۲۸، ۲۰۱۷ء کو کنویں کی کھدائی کا آغاز ہوا تھا اور ضمنی ٹریک-۱ کی ۴، ۵۰ فٹ پر کھدائی جاری ہے۔

آہدی جنوبی-1 : ایک دریافتی کنویں کی جون ۳۰، ۲۰۱۷ء کو کھدائی کا آغاز ہوا تھا۔ ۳۸۴، ۰ فٹ تک کھدائی ہو چکی ہے مزید کھدائی جاری ہے۔ ۸۹۳، ۱۱-۱۱ فٹ گہرائی کا ہدف مقرر کیا گیا ہے۔

جھل گسی جنوبی (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۴ فی صد ہے) میں پلانٹ کی تنصیب رکی ہوئی ہے کیوں کہ SSGCL کی جانب سے پائپ لائن بچھانے کا حتمی فیصلہ نہیں ہوا۔

رتانہ (زیر انتظام اوٹن پاکستان لمیٹڈ جہاں پی او ایل کا حصہ ۴۵ فی صد ہے)

۶۸۶، ۳۷ مربع کلومیٹر کے 3D ارضیاتی اعداد و شمار حاصل کر لیے گئے ہیں، ان اعداد و شمار پر کام جاری ہے۔

ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم والا ہے۔

السلام علیکم!

ڈائریکٹرز کو دسمبر ۳۱، ۲۰۱۷ کو اختتام پذیر نصف سال کے مالیاتی نتائج اور کمپنی کے امور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

مالیاتی نتائج:

اس عرصہ میں کمپنی نے بعد از ٹیکس ۷.۷۱، ۷.۷۱ بلین روپے (دسمبر ۳۱، ۲۰۱۶ء: ۷.۷۱، ۷.۷۱ بلین روپے) منافع کمایا جو الحمد للہ گذشتہ برس اسی دورانیے کے مقابلے میں ۲.۳۳ فی صد زائد ہے۔ یہ منافع فی حصص آمدنی ۲۰۱۳ (دسمبر ۳۱، ۲۰۱۶ء: ۱۹.۶۸ روپے فی حصص) کو ظاہر کرتا ہے۔ خام تیل، گیس اور مائع پٹرولیم گیس کے پیداواری حجم میں گذشتہ برس اسی دورانیے کے مقابلے بالترتیب ۱۰.۵۱ فی صد، ۱۳.۱۱ فی صد اور ۹.۰۲ فی صد اضافہ ہوا۔ خام تیل کی اوسط قیمت گذشتہ برس کے اسی دورانیے کے مقابلے میں ۱۹.۷ فی صد بڑھی۔

جیسا کہ ششماہی مالیاتی رپورٹ کے نوٹ ۱۶.۱ میں وضاحت کر دی گئی ہے کہ کمپنی نے جولائی ۲۰۱۵ء سے دسمبر ۳۱، ۲۰۱۷ء تک ۳.۰۱ بلین روپے کے گیس کی قیمت میں ہونے والے اضافے سے حاصل شدہ اس آمدنی کو احتیاطاً ایڈجسٹ کر دیا ہے جس کی بلنگ تیل بلاک کی ۲۰۱۲ پٹرولیم پالیسی میں منتقلی کی وجہ سے کی گئی تھی۔ اس کی وجہ توانائی کی وزارت (پٹرولیم ڈویژن) کی ۲۰۱۲ء پٹرولیم پالیسی میں ترامیم ہے۔ جس کے ذریعے ۱۹۹۳ اور ۱۹۹۷ء کی پٹرولیم پالیسیوں سے منتقلی کے تشکیل شدہ معاہدوں کو ۹۰ دنوں میں ترمیم کیا جائے گا تاکہ خام تیل / کنڈنسیٹ (WLO) میں Wind fall levy شامل کی جاسکے۔ اور نہ کرنے کی صورت میں دلچسپی رکھنے والے مالکان گیس کی اضافی قیمت حاصل کرنے کے اہل نہیں رہیں گے۔ حالانکہ تمام ضمنی معاہدوں پر صرف گیس کی قیمت کے لیے دخل کیے گئے تھے اور WLO قابل اطلاق نہیں تھا۔ قانونی مشورے کی بناء پر کمپنی پر امید ہے کہ حکومت پہلے سے تشکیل شدہ ضمنی معاہدے کو یک طرفہ تبدیل نہیں کر سکتی اور WLO کا نفاذ قانون کی عدالت میں چیلنج کیا جائے گا۔ اس معاملے کے حل ہونے کے بعد دسمبر ۳۱، ۲۰۱۷ء تک ۶.۲۰۴ بلین روپے گیس کی اضافی قیمت سے حاصل شدہ آمدنی کو باقاعدہ طور پر اندراج کیا جائے گا۔ اس عرصے میں کمپنی نے مجموعی منافع بعد از ٹیکس ۷.۷۱ بلین روپے حاصل کیا (دسمبر ۳۱، ۲۰۱۶ء: ۷.۷۱ بلین روپے) جو فی حصص مجموعی منافع ۲۰.۱۶ روپے (دسمبر ۳۱، ۲۰۱۶ء: ۲۰.۱۶ روپے فی حصص) کو ظاہر کرتا ہے۔

پیداوار:

کمپنی کی اپنی اور دیگر انتظامی و غیر انتظامی مشترکہ منصوبوں سے حاصل شدہ متناسب پیداوار کا موازنہ درج ذیل ہے :

ششماہی مدت کا اختتام

دسمبر ۳۱، ۲۰۱۶ء	دسمبر ۳۱، ۲۰۱۷ء		
۱،۱۹۱،۸۵۱	۱،۳۱۷،۰۸۲	(یو ایس بیرل)	خام تیل / Condensate
۱۳،۷۳۰	۱۵،۵۳۰	(ملین کیوبک فٹ)	گیس
۲۸،۳۷۶	۳۰،۹۳۵	(میٹرک ٹن)	مائع پٹرولیم گیس LPG
۲۷۹	۳۳۰	(میٹرک ٹن)	سلفر
۹،۲۰۲	۱۰،۴۷۴	(یو ایس بیرل)	سلاوٹ آئل

*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, 2017 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, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

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, 2017 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 24, 2018

Engagement partner: M. Imtiaz Aslam

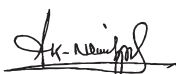
Condensed Interim Balance Sheet (Unaudited)

As at December 31, 2017

	Note	Dec. 31, 2017	June 30, 2017
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2017: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital 236,545,920 (June 30, 2017: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459
Revenue reserves	4	27,978,171	29,130,466
Fair value gain on available-for-sale investments		2,153	2,003
		30,345,783	31,497,928
NON CURRENT LIABILITIES			
Long term deposits		847,498	846,958
Deferred liabilities	5	15,728,542	14,999,402
		16,576,040	15,846,360
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	7,464,311	5,903,348
Provision for income tax		4,252,660	4,403,945
		11,716,971	10,307,293
CONTINGENCIES AND COMMITMENTS			
	7	58,638,794	57,651,581

	Note	Dec. 31, 2017	June 30, 2017
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	8	9,688,277	9,854,534
Development and decommissioning costs	9	14,198,781	13,372,854
Exploration and evaluation assets	10	1,764,052	1,884,356
		25,651,110	25,111,744
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES			
	11	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	12	6,405	6,255
LONG TERM LOANS AND ADVANCES			
		15,210	17,639
CURRENT ASSETS			
Stores and spares		3,568,971	3,897,472
Stock in trade		241,029	221,893
Trade debts	13	2,785,339	3,292,966
Advances, deposits, prepayments and other receivables	14	1,242,400	1,306,481
Cash and bank balances	15	15,512,727	14,181,528
		23,350,466	22,900,340
		58,638,794	57,651,581

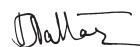
The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



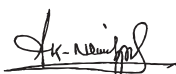
Abdus Sattar
Director

Condensed Interim Profit and Loss Account (Unaudited)

For the six months period ended December 31, 2017

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
		Rupees ('000)			
SALES		6,236,524	7,750,274	14,162,075	14,043,710
Sales tax		(236,976)	(669,563)	(921,723)	(1,238,809)
NET SALES	16	5,999,548	7,080,711	13,240,352	12,804,901
Operating costs	17	(2,155,456)	(2,092,518)	(4,128,838)	(4,117,217)
Excise duty		(76,493)	(67,958)	(146,925)	(129,970)
Royalty		(428,061)	(576,017)	(1,090,560)	(1,073,697)
Amortisation of development and decommissioning costs		(978,425)	(865,125)	(1,490,237)	(1,425,839)
		(3,638,435)	(3,601,618)	(6,856,560)	(6,746,723)
GROSS PROFIT		2,361,113	3,479,093	6,383,792	6,058,178
Exploration costs	18	(467,960)	(125,834)	(740,408)	(190,331)
		1,893,153	3,353,259	5,643,384	5,867,847
Administration expenses		(51,956)	(33,260)	(89,935)	(70,940)
Finance costs	19	(487,042)	(194,958)	(675,442)	(389,778)
Other charges	20	(148,168)	(211,688)	(392,494)	(383,358)
		(687,166)	(439,906)	(1,157,871)	(844,076)
		1,205,987	2,913,353	4,485,513	5,023,771
Other income	21	1,316,189	231,229	1,564,962	947,836
PROFIT BEFORE TAXATION		2,522,176	3,144,582	6,050,475	5,971,607
Provision for taxation	22	(294,997)	(806,334)	(1,289,122)	(1,315,889)
PROFIT FOR THE PERIOD		2,227,179	2,338,248	4,761,353	4,655,718
Earnings per share - Basic and diluted (Rs)		9.42	9.88	20.13	19.68

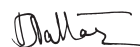
The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



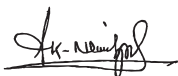
Abdus Sattar
Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months period ended December 31, 2017

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			
PROFIT FOR THE PERIOD	2,227,179	2,338,248	4,761,353	4,655,718
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:				
Items that may be subsequently reclassified to profit or loss				
Fair value adjustment on available-for-sale investments - net of tax	150	170	150	170
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,227,329	2,338,418	4,761,503	4,655,888


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



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended December 31, 2017

Six months period ended

Dec. 31, 2017 Dec. 31, 2016
Rupees ('000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	13,938,346	12,377,985
Operating and exploration costs paid	(2,687,200)	(3,073,761)
Royalty paid	(1,267,532)	(938,301)
Taxes paid	(1,431,895)	(593,894)
Cash provided by operating activities	8,551,719	7,772,029

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets additions	(2,712,057)	(3,098,625)
Proceeds from disposal of property, plant and equipment	439	10,142
Income on bank deposits and held-to-maturity investments	319,906	212,108
Dividend income received	609,878	555,675
Cash used in investing activities	(1,781,834)	(2,320,700)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(5,893,058)	(4,724,518)
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EFFECT OF EXCHANGE RATE CHANGES	454,372	(4,469)
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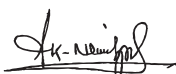
INCREASE IN CASH AND CASH EQUIVALENTS	1,331,199	722,342
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CASH AND CASH EQUIVALENTS AT JULY 1,	14,181,528	10,763,801
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CASH AND CASH EQUIVALENTS AT DECEMBER 31,	15,512,727	11,486,143
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Cash and cash equivalent comprises of cash and bank balances.

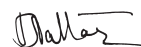
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Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



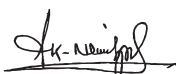
Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended December 31, 2017

	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, 2016	2,365,459	200,000	1,557,794	26,028,483	1,995	30,153,731
Total comprehensive income for the period:						
Profit for the period	-	-	-	4,655,718	-	4,655,718
Other comprehensive income	-	-	-	-	170	170
	-	-	-	4,655,718	170	4,655,888
Transactions with owners:						
Final dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	(4,730,918)	-	(4,730,918)
Balance at December 31, 2016	2,365,459	200,000	1,557,794	25,953,283	2,165	30,078,701
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,022,788	-	5,022,788
Other comprehensive income	-	-	-	(55,210)	(162)	(55,372)
	-	-	-	4,967,578	(162)	4,967,416
Transactions with owners:						
Interim dividend @ Rs 15 per share - Year ended June 30, 2017	-	-	-	(3,548,189)	-	(3,548,189)
Balance at June 30, 2017	2,365,459	200,000	1,557,794	27,372,672	2,003	31,497,928
Total comprehensive income for the period:						
Profit for the period	-	-	-	4,761,353	-	4,761,353
Other comprehensive income	-	-	-	-	150	150
	-	-	-	4,761,353	150	4,761,503
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2017	2,365,459	200,000	1,557,794	26,220,377	2,153	30,345,783

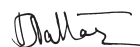
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Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

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

For the six months period ended December 31, 2017

1. LEGAL STATUS AND OPERATIONS

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

2. STATEMENT OF COMPLIANCE

The condensed interim financial information of the Company for the six month period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated October 04, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) companies whose financial year, including interim period, closes on or before December 31, 2017 shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. ACCOUNTING POLICIES

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

4. REVENUE RESERVES

	Dec. 31, 2017	June 30, 2017
	Rupees ('000)	
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	26,220,377	27,372,672
	27,978,171	29,130,466

5. DEFERRED LIABILITIES

Provision for deferred income tax	6,419,612	6,411,100
Provision for decommissioning cost	9,300,758	8,578,227
Provision for staff compensated absences	8,172	10,075
	15,728,542	14,999,402

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

For the six months period ended December 31, 2017

6. TRADE AND OTHER PAYABLES

These include balances due to joint operating partners amounting to Rs 2,014,772 thousand (June 30, 2017: Rs 2,158,196 thousand) and balances due to related parties amounting to Rs 410,607 thousand (June 30, 2017: Rs 130,469 thousand).

Dec. 31, 2017	June 30, 2017
Rupees ('000)	

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies:

- a) Guarantees issued by banks on behalf of the company
- b) The Company is currently contesting applicability of super tax @ 3% of taxable profit from oil and gas operation under Petroleum Concession Agreement (PCAs) and has filed a writ petition in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advice is confident that the writ petition will be decided in favour of the company, accordingly provision of Rs 522 million has not been made in this respect in the financial statements of years ended June 30, 2015, June 30, 2016 and June 30, 2017.

Dec. 31, 2017	June 30, 2017
Rupees ('000)	

7.2 Commitments:

-Share in joint operations	7,141,372	7,622,953
-Own fields	1,947,799	2,774,835
-Letter of credit issued by banks on behalf of the company	14,050	56,868

8. PROPERTY, PLANT AND EQUIPMENT

Operating assets		
Opening net book value	8,941,806	9,629,028
Additions during the period / year	358,188	925,625
Disposals during the period / year	(392)	(34,911)
Depreciation for the period / year	(765,478)	(1,577,936)
Closing net book value	8,534,124	8,941,806
Capital work in progress - at cost	1,154,153	912,728
	9,688,277	9,854,534

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

For the six months period ended December 31, 2017

Dec. 31, 2017 June 30, 2017
Rupees ('000)

9. DEVELOPMENT AND DECOMMISSIONING COSTS

Development cost

Opening net book value	12,913,828	12,649,020
Additions during the period / year	162,216	2,039,456
Wells cost transferred from exploration and evaluation assets	2,070,532	944,410
Amortisation for the period / year	(1,444,539)	(2,719,058)
Closing net book value	13,702,037	12,913,828

Decommissioning cost

Opening net book value	459,026	1,935,893
Additions during the period / year	83,416	121,754
Revision due to change in estimates	-	(1,507,610)
Amortisation for the period / year	(45,698)	(91,011)
Closing net book value	496,744	459,026

14,198,781 13,372,854

10. EXPLORATION AND EVALUATION ASSETS

Balance brought forward	1,884,356	900,813
Additions during the period / year	1,950,228	2,899,238
Wells cost transferred to development cost	(2,070,532)	(944,410)
Dry and abandoned wells cost charged to the profit and loss account	-	(971,285)
	1,764,052	1,884,356

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

For the six months period ended December 31, 2017

	December 31, 2017		June 30, 2017	
	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	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

Dec. 31, 2017	June 30, 2017
Rupees ('000)	Rupees ('000)

12. OTHER LONG TERM INVESTMENTS

Available-for-sale investments - at market value	6,405	6,255
--	--------------	-------

13. TRADE DEBTS

These include Rs 2,092,259 thousand (June 30, 2017: Rs 1,442,801 thousand) receivable from related parties.

14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include balances due from joint operating partners amounting to Rs 67,851 thousand (June 30, 2017: Rs 352,183 thousand) and balances due from related parties amounting to Rs 84,782 thousand (June 30, 2017: Rs 137,333 thousand).

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

For the six months period ended December 31, 2017

Dec. 31, 2017 June 30, 2017
 ————— Rupees ('000) —————

15. CASH AND BANK BALANCES

Bank balance on		
Short term deposits	13,241,275	12,615,073
Interest/ mark-up bearing saving accounts	2,267,550	1,543,023
Current accounts	412	20,534
	15,509,237	14,178,630
Cash in hand	3,490	2,898
	15,512,727	14,181,528

Bank balances include foreign currency balances of US \$ 83,364 thousand (June 30, 2017: US \$ 73,533 thousand).

Three months period ended Six months period ended
 Dec. 31, 2017 Dec. 31, 2016 Dec. 31, 2017 Dec. 31, 2016
 ————— Rupees ('000) —————

16. NET SALES

Crude oil	4,106,680	3,174,792	7,358,610	5,593,952
Gas - note 16.1	140,402	2,319,673	2,749,936	4,410,577
POLGAS - Refill of cylinders	1,708,581	1,554,577	3,054,217	2,736,136
Solvent oil	43,885	31,669	77,589	64,236
	5,999,548	7,080,711	13,240,352	12,804,901

16.1 On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). 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 block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34.2 million (Rs 3,390 million) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. These statements are pending finalization by the parties to the agreement. During the period, Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified amendments in Petroleum Policy 2012 and has imposed windfall levy on Oil/Condensate. Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within

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

For the six months period ended December 31, 2017

90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company's is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect and the Company will challenge the imposition of WLO in the court of law. The impact of WLO on conversion of TAL block till to date is approximately US \$ 134 million (Rs13,687 million) and value of enhance gas price revenue is US \$ 63 million (Rs 6,404 million). On prudent basis effect of adjustment on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 for the period July 1, 2015 to June 30, 2017 previously accounted for amounting to Rs 2,225 million has been reversed. Similarly, effect of related adjustment for the period July 1, 2017 to December 31, 2017 amounting to Rs 786 million has also been reversed. Entire revenue on account of enhanced gas price incentive of Rs 6,404 million till December 31, 2017 related to conversion of TAL Block from Petroleum policy 1997 to Petroleum policy 2012 will be accounted for upon resolution of this matter as per the accounting policy of the Company.

<u>Three months period ended</u>		<u>Six months period ended</u>	
<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
Rupees ('000)			

17. OPERATING COSTS

Operating cost				
- Own fields	286,049	310,167	610,726	603,772
- Share in joint operations	651,991	486,191	1,209,092	1,145,188
Well work over	(24,516)	76,323	(28,551)	122,636
POLGAS - Cost of gas/LPG, carriage etc.	912,429	841,059	1,609,864	1,534,489
Pumping and transportation cost	10,402	9,636	17,882	16,060
Depreciation	365,787	382,879	728,961	764,873
	2,202,142	2,106,255	4,147,974	4,187,018
Opening stock of crude oil and other products	194,343	431,585	221,893	375,521
Closing stock of crude oil and other products	(241,029)	(445,322)	(241,029)	(445,322)
	2,155,456	2,092,518	4,128,838	4,117,217

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

For the six months period ended December 31, 2017

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			
18. EXPLORATION COSTS				
Geological and geophysical cost	467,960	125,834	740,408	190,331
19. FINANCE COSTS				
Provision for decommissioning cost				
- Unwinding of discount	96,740	189,604	247,572	379,208
- Exchange loss	389,485	4,668	426,027	9,337
Banks' commission and charges	817	686	1,843	1,233
	487,042	194,958	675,442	389,778
20. OTHER CHARGES				
Workers' profit participation fund	133,523	167,842	322,147	317,359
Workers' welfare fund	14,645	43,846	70,347	65,999
	148,168	211,688	392,494	383,358
21. OTHER INCOME				
Income from financial assets				
Income on bank saving accounts, deposits and held to maturity investments	180,876	132,158	331,860	214,431
Exchange gain/(loss) on financial assets	421,617	8,565	454,372	(4,469)
Dividend from subsidiary and associated companies	609,878	-	609,878	555,675
Other income				
Rental income (net of related expenses)	30,139	11,352	64,209	36,656
Crude oil / Gas transportation net income of related expenses)	35,355	49,036	49,518	83,856
Gas processing fee	34,544	26,658	50,978	48,970
Profit/ (loss) on sale of property, plant and equipment	(85)	(572)	47	7,780
Profit on sale of stores and scrap	1,318	2,938	1,326	2,945
Others	2,547	1,094	2,774	1,992
	1,316,189	231,229	1,564,962	947,836

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

For the six months period ended December 31, 2017

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			

22. PROVISION FOR TAXATION

Current	225,585	774,460	1,280,610	1,131,019
Deferred	69,412	31,874	8,512	184,870
	294,997	806,334	1,289,122	1,315,889

23. TRANSACTIONS WITH RELATED PARTIES

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

Sale of goods and services to

Subsidiary company	3,395	5,294	6,497	10,566
Associated companies	3,856,524	2,298,721	6,865,474	4,344,240

Purchase of goods and services from

Parent company	39,064	11,322	55,598	24,197
Subsidiary company	3,236	1,507	4,140	3,090
Associated companies	299,853	282,547	511,948	487,202

Dividend paid during the period

Parent company	3,119,449	2,495,559	3,119,449	2,495,559
Associated company	9,488	7,591	9,488	7,591
Key management personnel	59,949	47,918	59,949	47,918

Dividend received during the period

Subsidiary company	-	-	-	10,327
Associated companies	609,978	-	609,978	545,348

Other related parties

Remuneration to key management personnel including benefits and perquisites

53,377	19,171	74,757	47,292
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Contribution to staff retirement benefits plans

Management Staff Pension Fund and Gratuity Fund	19,407	17,375	38,838	34,966
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Approved Contributory Provident Funds	7,127	6,552	14,303	13,275
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Contribution to Workers' Profit Participation Fund

133,523	167,842	322,147	317,359
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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, 2017

24. OPERATING SEGMENTS

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

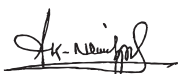
Revenue from two major customers of the Company constitutes 65% of the total revenue during the period ended December 31, 2017 (December 31, 2016: 61%).

25. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on January 24, 2018 has declared an interim cash dividend @ Rs 17.50 per share, amounting to Rs. 4,139,554 thousand for the year ending June 30, 2018.

26. DATE OF AUTHORISATION FOR ISSUE


This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on January 24, 2018.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



**Condensed Interim Consolidated
Financial Statements (Unaudited)**
For the Six months period ended December 31, 2017

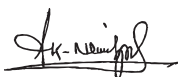
Condensed Interim Consolidated Balance Sheet (Unaudited)

As at December 31, 2017

	Note	Dec. 31, 2017	June 30, 2017
		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	2,062,499	2,015,858
Revenue reserves	6	32,651,264	33,841,980
Fair value gain on available-for-sale investments		2,153	2,003
		37,081,375	38,225,300
NON - CONTROLLING INTEREST		119,026	106,317
		37,200,401	38,331,617
NON CURRENT LIABILITIES			
Long term deposits		1,007,727	1,004,620
Deferred liabilities	7	16,552,597	15,823,456
		17,560,324	16,828,076
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	6,473,919	6,038,213
Provision for income tax		4,259,464	4,406,640
		10,733,383	10,444,853
CONTINGENCIES AND COMMITMENTS		9	
		65,494,108	65,604,546

	Note	Dec. 31, 2017 Rupees ('000)	June 30, 2017
FIXED ASSETS			
Property, plant and equipment	10	9,761,660	9,935,172
Development and decommissioning costs	11	14,198,781	13,372,854
Exploration and evaluation assets	12	1,764,052	1,884,356
Other intangible assets		250,699	283,363
		25,975,192	25,475,745
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES			
	13	17,039,407	17,044,413
OTHER LONG TERM INVESTMENTS			
	14	6,405	6,255
LONG TERM LOANS AND ADVANCES			
		15,210	17,639
CURRENT ASSETS			
Stores and spares		3,569,651	3,898,248
Stock in trade		251,122	245,060
Trade debts	15	1,741,320	3,293,220
Advances, deposits, prepayments and other receivables	16	1,255,928	1,325,306
Cash and bank balances	17	15,639,873	14,298,660
		22,457,894	23,060,494
		65,494,108	65,604,546

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



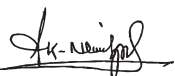
Abdus Sattar
Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Six months period ended December 31, 2017

		Three months period ended		Six months period ended	
	Note	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Rupees ('000)					
SALES		7,005,915	7,954,361	15,148,638	14,437,271
Sales tax		(775,540)	(684,958)	(1,504,551)	(1,298,468)
NET SALES		6,230,375	7,269,403	13,644,087	13,138,803
Operating costs		(2,361,227)	(2,232,768)	(4,481,538)	(4,371,045)
Excise duty and development surcharge		(76,493)	(67,958)	(146,925)	(129,970)
Royalty		(428,061)	(576,017)	(1,090,560)	(1,073,697)
Amortisation of development and decommissioning costs		(978,425)	(865,125)	(1,490,237)	(1,425,839)
		(3,844,206)	(3,741,868)	(7,209,260)	(7,000,551)
GROSS PROFIT		2,386,169	3,527,535	6,434,827	6,138,252
Exploration costs		(467,960)	(125,834)	(740,408)	(190,331)
		1,918,209	3,401,701	5,694,419	5,947,921
Administration expenses		(57,173)	(40,280)	(99,700)	(84,462)
Finance costs		(487,042)	(195,110)	(675,442)	(390,039)
Other charges		(149,447)	(214,727)	(395,240)	(388,326)
		(693,662)	(450,117)	(1,170,382)	(862,827)
Other income		1,224,547	2,951,584	4,524,037	5,085,094
		705,007	233,997	953,610	397,865
		1,929,554	3,185,581	5,477,647	5,482,959
Share in profits of associated companies - net of impairment loss		510,599	112,828	604,848	623,157
PROFIT BEFORE TAXATION		2,440,153	3,298,409	6,082,495	6,106,116
Provision for taxation		(300,174)	(819,043)	(1,300,237)	(1,336,667)
PROFIT FOR THE PERIOD		2,139,979	2,479,366	4,782,258	4,769,449
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		2,134,060	2,465,504	4,769,549	4,746,786
Non - controlling interests		5,919	13,862	12,709	22,663
		2,139,979	2,479,366	4,782,258	4,769,449
Earnings per share - Basic and diluted (Rs)		9.02	10.42	20.16	20.07

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



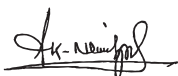
Abdus Sattar
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the six months period ended December 31, 2017

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			
PROFIT FOR THE PERIOD	2,139,979	2,479,366	4,782,258	4,769,449
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit & loss				
Actuarial gain/(loss) on staff retirement benefit plan by associated companies - net of tax	-	-	24	(237)
Item that may be subsequently reclassified to profit & loss				
Fair value adjustments on available for sale investments	150	170	150	170
TOTAL COMPREHENSIVE INCOME	2,140,129	2,479,536	4,782,432	4,769,382
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	2,134,210	2,465,674	4,769,723	4,746,719
Non - controlling interests	5,919	13,862	12,709	22,663
	2,140,129	2,479,536	4,782,432	4,769,382

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the six months period ended December 31, 2017

Six months period ended

Dec. 31, 2017 Dec. 31, 2016
Rupees ('000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	14,872,876	12,711,858
Operating and exploration costs paid	(3,601,431)	(3,314,633)
Royalty paid	(1,267,532)	(938,301)
Taxes paid	(1,438,861)	(611,373)
Cash provided by operating activities	8,565,052	7,847,551

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets additions	(2,712,159)	(3,099,095)
Proceeds from disposal of property, plant and equipment	439	10,718
Purchase of LPG quota	-	(61,900)
Income on bank deposits and held-to-maturity investments	319,906	220,934
Dividend received from associated companies	609,878	545,348
Cash used in investing activities	(1,781,936)	(2,383,995)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(5,893,058)	(4,724,518)
Dividend paid to non - controlling interest holders	-	(9,923)
Cash used in financing activities	(5,893,058)	(4,734,441)
EFFECT OF EXCHANGE RATE CHANGES	454,372	(4,469)

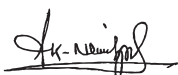
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS

	1,344,430	724,646
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CASH AND CASH EQUIVALENTS AT JULY 01,	14,295,443	10,994,832
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CASH AND CASH EQUIVALENTS AT DECEMBER 31,	15,639,873	11,719,478
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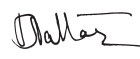
The annexed notes 1 to 28 form an integral part of this condensed interim financial information.



Khalid Nafees
CFO



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, 2017

Attributable to owners of Pakistan Oilfields Limited

	Capital Reserves				Revenue Reserves				Fair value gain/ (loss) on available-for-sale investments	Total	Non-controlling interest	Total
	Share Capital	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve	Unappropriated profit					
	Rupees ('000)											
Balance at June 30, 2016	2,365,459	59,754	962,745	-	200,000	5,102,325	25,967,858	1,995	34,660,136	100,216	34,760,352	
Total comprehensive income for the period:												
Profit for the period	-	-	-	-	-	-	4,746,786	-	4,746,786	22,663	4,769,449	
Other comprehensive income	-	-	-	-	-	-	(237)	170	(67)	-	(67)	
	-	-	-	-	-	-	4,746,549	170	4,746,719	22,663	4,769,382	
Transfer to special reserve by associated companies	-	-	459,388	-	-	-	(459,388)	-	-	-	-	
Transfer to general reserve by associated companies	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-	-	
Transactions with owners:												
POL dividends:												
Final cash dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,918)	
Dividend to CAPGAS non-controlling interest holders:												
Final cash dividend @ Rs 30 per share - Year ended June 30, 2016	-	-	-	-	-	-	-	-	-	(9,923)	(9,923)	
Total transactions with owners	-	-	-	-	-	-	-	-	(4,730,918)	(9,923)	(4,740,841)	
Balance at December 31, 2016	2,365,459	59,754	1,422,133	-	200,000	6,102,325	24,524,102	2,165	34,675,937	112,956	34,788,893	
Total comprehensive income for the period:												
Profit for the period	-	-	-	-	-	-	7,135,510	-	7,135,510	350	7,135,860	
Other comprehensive income	-	-	-	-	-	-	(37,796)	(162)	(37,958)	(44)	(38,002)	
	-	-	-	-	-	-	7,097,714	(162)	7,097,552	306	7,097,858	
Transfer to special reserve by associated companies	-	-	533,971	-	-	-	(533,971)	-	-	-	-	
Transfer to utilize special reserve by associated companies	-	-	(1,941,044)	1,941,044	-	-	-	-	-	-	-	
Transactions with owners:												
POL dividends:												
Interim dividend @ Rs 15 per share - Year ended June 30, 2017	-	-	-	-	-	-	(3,548,189)	-	(3,548,189)	-	(3,548,189)	
Dividend to CAPGAS non-controlling interest holders:												
Interim dividend @ Rs 21 per share - Year ended June 30, 2017	-	-	-	-	-	-	-	-	-	(6,945)	(6,945)	
Total transactions with owners	-	-	-	-	-	-	(3,548,189)	-	(3,548,189)	(6,945)	(3,555,134)	
Balance at June 30, 2017	2,365,459	59,754	15,060	1,941,044	200,000	6,102,325	27,539,655	2,003	38,225,300	106,317	38,331,617	
Total comprehensive income for the period:												
Profit for the period	-	-	-	-	-	-	4,769,549	-	4,769,549	12,709	4,782,258	
Other comprehensive income	-	-	-	-	-	-	24	150	174	-	174	
	-	-	-	-	-	-	4,769,573	150	4,769,723	12,709	4,782,432	
Transfer from special reserve by associated companies	-	-	46,641	-	-	-	(46,641)	-	-	-	-	
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, 2017	-	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)	
Balance at December 31, 2017	2,365,459	59,754	61,701	1,941,044	200,000	6,852,325	25,598,939	2,153	37,081,375	119,026	37,200,401	

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

Khalid Nafees
CFO

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, 2017

1. Legal status and operations

Pakistan Oilfields Limited (POL), the holding company is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange. 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, 2017: 51%).

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

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

Material intra-group balances and transactions have been eliminated.

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

3. Statement of compliance

The condensed interim financial information of the Company for the six month period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated October 04, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) companies whose financial year, including interim period, closes on or before December 31, 2017 shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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

For the six months period ended December 31, 2017

4. Accounting policies

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

Dec. 31, 2017	June 30, 2017
Rupees ('000)	

5. Capital reserves

Bonus shares issued by subsidiary/associated companies	59,754	59,754
Special reserve	61,701	15,060
Utilised special reserve	1,941,044	1,941,044
	2,062,499	2,015,858

6. Revenue reserves

Insurance reserve	200,000	200,000
General reserve	6,852,325	6,102,325
Unappropriated profit	25,598,939	27,539,655
	32,651,264	33,841,980

7. Deferred liabilities

Provision for deferred income tax	6,425,382	7,229,001
Provision for decommissioning cost	9,300,757	8,578,227
Provision for Gratuity	6,154	6,153
Provision for staff compensated absences	820,304	10,075
	16,552,597	15,823,456

8. Trade and other payables

These include balances due to joint venture partners amounting to Rs 2,014,772 thousand (June 30, 2017: Rs 2,158,196 thousand) and balances due to related parties amounting to Rs 448,729 thousand (June 30, 2017: Rs 134,117 thousand).

Dec. 31, 2017	June 30, 2017
Rupees ('000)	

9. Contingencies and commitments

9.1 Commitments:

- Guarantee issued by banks on behalf of the company **3,083** 3,083
- The Company is currently contesting applicability of super tax @ 3% of taxable profit from oil and gas operation under Petroleum Concession Agreement (PCAs) and has filed a writ petition in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petition will be decided in favour of the company, accordingly provision of Rs 522 million has not been made in this respect in the financial statements of years ended June 30, 2015, June 30, 2016 and June 30, 2017.

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

For the six months period ended December 31, 2017

	Dec. 31, 2017	June 30, 2017
	Rupees ('000)	
9.2 Capital expenditure commitments outstanding:		
- Share in Joint Ventures	7,141,372	9,691,246
- Own fields	1,947,799	1,647,832
- Letter of credit issued by banks on behalf of the company	14,050	157,138
10. Property, plant and equipment		
Operating assets		
Opening net book value	9,022,444	9,724,414
Additions during the period/year	357,857	926,095
Depreciation for the period/year	(772,502)	(1,593,152)
Disposals during the period/year - net book value	(392)	(34,913)
	8,607,407	9,022,444
Capital work in progress	1,154,253	912,728
	9,761,660	9,935,172
11. Development and decommissioning costs		
Development cost		
Opening net book value	12,913,828	12,649,020
Additions during the period/year	162,216	2,039,456
Well cost transferred from exploration and evaluation assets	2,070,532	944,410
Amortization for the period/year	(1,444,539)	(2,719,058)
Closing net book value	13,702,037	12,913,828
Decommissioning cost		
Opening net book value	459,026	1,935,893
Additions during the period/year	83,416	121,754
Revision due to change in estimates	-	(1,507,610)
Amortization for the period/year	(45,698)	(91,011)
Closing net book value	496,744	459,026
	14,198,781	13,372,854
12. Exploration and evaluation assets		
Balance brought forward	1,884,356	900,813
Additions during the period/year	1,950,228	2,899,238
Well cost transfer to development costs	(2,070,532)	(944,410)
Dry and abandoned wells cost charged to the profit & loss account	-	(971,285)
	1,764,052	1,884,356

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

For the six months period ended December 31, 2017

	Dec. 31, 2017	June 30, 2017
	Rupees ('000)	
13. Long term investment in associated companies - equity method		
Beginning of the year	17,044,413	14,017,705
Share in profits of associated companies - net of impairment loss	604,848	2,387,070
Actuarial loss on staff retirement benefit plan	24	17,460
Impairment reversal against investment in NRL	-	1,254,835
Dividend received during the period / year	(609,878)	(632,657)
End of the period / year	17,039,407	17,044,413

14. Other long term investments

Available-for-sale investments	6,405	6,255
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15. Trade debts

These include Rs 2,092,219 thousand (June 30, 2017: Rs 1,442,801 thousand) receivable from related parties.

16. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amounting to Rs 67,851 thousand (June 30, 2017: Rs 352,183 thousand) and balances due from related parties amounting to Rs 82,937 thousand (June 30, 2017: Rs 132,116 thousand).

	Dec. 31, 2017	June 30, 2017
	Rupees ('000)	
17. Cash and bank balances		
Bank balance on:		
Interest/mark-up bearing saving accounts	2,391,716	1,655,764
Short term deposits	13,241,275	12,615,073
Current accounts	3,305	24,848
	15,636,296	14,295,685
Cash in hand	3,577	2,975
	15,639,873	14,298,660

Balance with banks include foreign currency balances of US \$ 83,364 thousand (June 30, 2017: US \$ 73,533 thousand).

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

For the six months period ended December 31, 2017

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			
18. Net sales				
Crude oil	4,106,680	3,174,792	7,358,610	5,593,952
Gas	140,402	2,319,673	2,749,936	4,410,577
POLGAS/Cap Gas - Refill of cylinders	1,939,408	1,743,269	3,457,952	3,070,038
Solvent oil	43,885	31,669	77,589	64,236
	6,230,375	7,269,403	13,644,087	13,138,803

- 18.1.** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012. 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 block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34.2 million (Rs 3,390 million) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. These statements are pending finalization by the parties to the agreement. During the period, Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject areas.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified amendments in Pakistan Petroleum (Exploration and Production) Policy 2012 and has imposed windfall levy on Oil/Condensate. Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company's is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect and the Company will challenge the imposition of WLO in the court of law. The impact of WLO on conversion of TAL block till to date is approximately US \$ 134 million (Rs13,687 million) and value of enhance gas price revenue is US \$ 63 million (Rs 6,404 million). On prudent basis effect of adjustment on account of enhanced gas price incentive due to conversion

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

For the six months period ended December 31, 2017

from Petroleum Policy 1997 to Petroleum Policy 2012 for the period July 1, 2015 to June 30, 2017 previously accounted for amounting to Rs 2,225 million has been reversed. Similarly, effect of related adjustment for the period July 1, 2017 to December 31, 2017 amounting to Rs 786 million has also been reversed. Entire revenue on account of enhanced gas price incentive of Rs 6,404 million till December 31, 2017 related to conversion of TAL Block from Petroleum policy 1997 to Petroleum policy 2012 will be accounted for upon resolution of this matter as per the accounting policy of the Company.

	Three months period ended		Six months period ended	
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
	Rupees ('000)			
19. Operating costs				
Operating cost				
- Own fields	294,717	318,331	624,542	618,646
- Share in joint ventures	651,991	486,191	1,209,092	1,145,188
Well workover	(24,516)	76,323	(28,551)	122,636
POLGAS/Cap Gas -Cost of gas / LPG, carriage etc.	1,078,275	962,974	1,895,812	1,752,789
Pumping and transportation cost	10,402	9,636	17,882	16,060
Depreciation	385,716	394,444	768,823	786,672
	2,396,255	2,247,537	4,487,600	4,441,991
Opening stock of crude oil and other products	216,094	436,264	245,060	380,087
Closing stock of crude oil and other products	(251,122)	(451,033)	(251,122)	(451,033)
	2,361,227	2,232,768	4,481,538	4,371,045
20. Exploration costs				
Geological and geophysical cost	467,960	125,834	740,408	190,331
21. Finance costs				
Provision for decommissioning cost				
- unwinding of discount	96,740	189,604	247,572	379,208
- exchange loss	389,485	4,668	426,027	9,337
Banks' commission and charges	817	838	1,843	1,494
	487,042	195,110	675,442	390,039

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

For the six months period ended December 31, 2017

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			
22. Other charges				
Workers' profit participation fund	134,450	170,044	324,137	320,959
Workers' welfare fund	14,997	44,683	71,103	67,367
	149,447	214,727	395,240	388,326
23. Other income				
Income from financial assets				
Income on bank saving accounts, deposits and held-to-maturity investments	181,812	135,141	333,796	220,563
Exchange gain/(loss) on financial assets	421,617	8,565	454,372	(4,469)
Other income				
Rental income -net of related expenses	29,788	11,001	63,507	35,954
Crude oil / gas transportation income - net of related expenses	35,355	49,036	49,518	83,856
Gas processing fee	34,544	26,658	50,978	48,970
Profit on sale of property, plant and equipment	(85)	(572)	47	8,356
Sale of stores and scrap	1,318	2,938	1,326	2,945
Others	658	1,230	66	1,690
	705,007	233,997	953,610	397,865
24. Provision for taxation				
Current	230,762	787,169	1,291,725	1,151,797
Deferred	69,412	31,874	8,512	184,870
	300,174	819,043	1,300,237	1,336,667

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

For the six months period ended December 31, 2017

25. 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, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	Rupees ('000)			
Sales of goods and services to				
Associated companies	3,856,524	2,298,721	6,865,474	4,344,240
Purchase of goods and services from				
Parent company	39,064	11,322	55,598	24,197
Associated companies	299,853	282,547	511,948	487,202
Dividend paid during the period				
Parent company	3,119,449	2,495,559	3,119,449	2,495,559
Associated companies	9,488	7,591	9,488	7,591
Key management Personnel	59,949	47,918	59,949	47,918
Dividend received during the period				
Associated companies	609,978	-	609,978	545,348
Other related parties				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	54,739	23,911	77,481	56,744
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	19,452	18,323	38,929	46,344
Approved Contributory Provident Funds	7,217	7,026	14,485	14,223
Contribution to Workers' profit participation fund	134,450	170,044	324,137	320,959

26. 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.

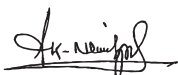
Revenue from two major customers of the Company constitutes 62% of the total revenue during the period ended December 31, 2017 (December 31, 2016: 59%).

27. Non-adjusting event after the balance sheet date

The Board of Directors in their meeting held on January 24, 2018 has declared an interim cash dividend @ Rs. 17.50 per share, amounting to Rs. 4,139,554 thousand for the year ending June 30, 2018.

28. 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 24, 2018.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Shareholding in Exploration Licenses and D&P / Mining Leases

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

D&P / Mining Lease

Balkassar	Pakistan Oilfields Limited	100.00
Dhulian	Pakistan Oilfields Limited	100.00
Joyamair	Pakistan Oilfields Limited	100.00
Khaur	Pakistan Oilfields Limited	100.00
Meyal / Uchri	Pakistan Oilfields Limited	100.00
Minwal	Pakistan Oilfields Limited	82.50
Pariwali	Pakistan Oilfields Limited	82.50
Pindori	Pakistan Oilfields Limited	35.00
Turkwal	Pakistan Oilfields Limited	67.37
Adhi	Pakistan Petroleum Limited	11.00
Chaknaurang	Oil & Gas Development Company Limited	15.00
Jhal Magsi	Oil & Gas Development Company Limited	24.00
Bhangali	Ocean Pakistan Limited	7.00
Dhurnal	Ocean Pakistan Limited	5.00
Ratana	Ocean Pakistan Limited	4.5450
Manzalai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori East	MOL Pakistan Oil and Gas Co. B.V	25.00*
Maramzai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Mami Khel	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj West	MOL Pakistan Oil and Gas Co. B.V	25.00*

* Pre-Commerciality interest



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