



**PAKISTAN OILFIELDS LIMITED**



## **Interim Report & Financial Statements** For The Nine Months Ended March 31, 2013



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## 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.

# Corporate Information

## Directors

### Dr. Ghaith R. Pharaon

Chairman Attock Group of companies  
Alternate Director - **Mr. Bilal Ahmed Khan**

### Mr. Laith G. Pharaon

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

### Mr. Wael G. Pharaon

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

### Mr. Arif Kemal

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

### Mr. Abdus Sattar

### Mr. Nihal Cassim

### Mr. Shuaib A. Malik

Chairman & Chief Executive

## Audit Committee

### Mr. Abdus Sattar

Chairman

### Mr. Babar Bashir Nawaz

Member

### Mr. Nihal Cassim

Member

### Mr. Iqbal A. Khwaja

Member

### Mr. Bilal Ahmed Khan

Member

## Human Resource and Remuneration Committee

### Mr. Babar Bashir Nawaz

Chairman

### Mr. Shuaib A. Malik

Member

### Mr. Iqbal A. Khwaja

Member

## Company Secretary

### 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  
Fax: + 92 51 5487598-99  
E-mail: [polcms@pakoil.com.pk](mailto:polcms@pakoil.com.pk)  
Website: [www.pakoil.com.pk](http://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](mailto: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](http://www.pakoil.com.pk) or  
printed copies can be obtained by writing to:  
The Company Secretary,  
Pakistan Oilfields Limited  
P.O.L. House, Morgah, Rawalpindi, Pakistan

# Directors' Review

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

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the nine months ended March 31, 2013.

## Financial results

During the period the Company has made a profit after tax of Rs 8,624 million (March 31, 2012: Rs 9,330 million), which is lower by 7.6 % as compared to corresponding nine months period. Earnings per share for the nine months ended is Rs 36.46 (March 31, 2012: Rs 39.44 per share). During the third quarter sales has increased by 8.2% in comparison to second quarter of 2012-13. Crude oil production in the third quarter has increased by 13.6% in comparison to the second quarter of 2012-13 mainly from Makori East field. Gas production in the third quarter decreased by 7.0% in comparison to second quarter of 2012-13, which is mainly because of decline in production from Manzalai field. The decrease in profitability is mainly because of enhanced workovers and increased exploration activities in comparison to the corresponding nine months period.

## Production

The following is a comparison of production from the Company's 100% owned fields and its share from all operated and non-operated joint ventures:

		Nine months period ended	
		March 31, 2013	March 31, 2012
Crude oil / Condensate	US Barrels	1,225,909	1,285,100
Gas	Million Cubic Feet	20,451	24,364
LPG	Metric Tones	17,390	20,314
Sulphur	Metric Tones	1,124	2,473
Solvent oil	US Barrels	17,344	16,692

The Company's share in production from all fields including operated and non-operated joint ventures for the period under review averaged at 4,476 barrels per day (bpd) of crude, 74.63 million standard cubic feet per day (mmscfd) of gas, 63 bpd of solvent oil, 63.47 metric tons per day (mtd) of LPG and 4.10 mtd of sulphur.

## Exploration and development activities

### Producing fields

At Pindori (operated by POL with a 35% share), drilling of Pindori-9 is expected to commence in the 4th quarter to test the up dip potential of the field.

At Pariwali (operated by POL with an 82.5% share), seismic reprocessing is in progress to reinterpret the area and to identify any remaining potential for further drilling in the area. After completion of workover at Pariwali-7, rig has been released after a workover job on March 22, 2013 and presently the well is under production testing.

At Domial (part of Ikhlas block operated by POL with an 80% share) an integrated geological and reservoir study was completed to ascertain the causes of rapid pressure and production decline in Domial-1, absence of commercial hydrocarbons in Domial-2, estimate the volume of reserves and formulate the field development plan for the field. On the basis of study, a workover job at Domial-2 is being planned.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Mamikhel-2 and Maramzai-2 wells are expected to be connected to the production line by the end of April 2013.

Manzalai-10 was spudded on November 02, 2012. The well was drilled down to target depth of 3,977 meters. Drill stem test (DST) was performed in Chichali formation which produced 29 barrels of condensate per day and 2.85 million cubic feet of gas per day. Another drill stem test was performed in Kawagarh formation which produced 1.26 million cubic feet of gas per day. Presently, the well is under production testing.

Makori East-3 was spudded on January 1, 2013. It has been drilled down to 3,416 meters and further drilling is in progress.

The construction of Makori Gas Production Facility is progressing satisfactorily and the targeted first gas date of the project is September 25, 2013.

At Bhangali field (operated by OPL, where POL has 7% share), Bhangali-3 well has been approved by the Joint Venture Partners.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), 3D seismic acquisition of 447.937 square kilometers has been completed and processing is in progress. Adhi-19 well was spudded on November 2, 2012 and drilling is under progress below 1,917 meters.

At Chak Naurang (operated by OGDCL, where POL has 15% share), Chak Naurang South-2 well was spudded on September 15, 2012 and has been drilled down to 2,809 meters. Further drilling is in progress.

### Exploration blocks

At Ikhlas block (operated by POL with an 80% share), Sadrial-1 well entered the fault zone and after evaluation of logs, open hole DST was carried out to evaluate the potential of Chorgali carbonates drilled in sidetrack-2. On the basis of open hole DST results, it was decided that further drilling activity on the well be put on hold pending technical evaluation.

At Tal block, Tolanj 3D seismic acquisition of 559 square kilometers has been acquired and seismic processing work has also been awarded. Mardankhel-1 well civil work has been completed and security clearance is awaited. Location of two exploratory wells i.e. Malgin-1 and Kot-1 has been approved. Tal Mega 3D reprocessing project is ongoing.

At Gurgalot block (operated by OGDCL where POL has 20% share), processing and reprocessing of recently acquired 205 line kilometers 2D seismic data has been completed. The interpretation of the data is in progress to confirm all possible leads within the exploration license.

In D.G.Khan Block geological mapping has been completed. 2D seismic data acquisitions of 220 line kilometers and 296 line kilometers for Rajanpur and DG Khan respectively is in progress. Total 147.550 line kilometres has been acquired in Rajanpur.

After the approval of 2012 Petroleum Policy, new bidding round was announced. Pakistan Oilfields Limited has acquired three blocks (Vehari, Sutlaj & North-Ratana).

### Acknowledgement

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

On behalf of the Board



Shuaib A. Malik  
Chairman & Chief Executive

Rawalpindi  
April 15, 2013

**Condensed Interim Balance Sheet (Unaudited)**

As at March 31, 2013

	Note	March 31, 2013	June 30, 2012
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2012: 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, 2012: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459
Revenue reserves	4	28,461,979	32,847,810
Fair value gain on available-for-sale investments		1,302	57,973
		30,828,740	35,271,242
NON CURRENT LIABILITIES			
Long term deposits		516,825	504,448
Deferred liabilities	5	11,384,908	10,504,449
		11,901,733	11,008,897
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	7,086,228	4,465,713
Provision for income tax		1,389,358	1,593,673
		8,475,586	6,059,386
CONTINGENCIES AND COMMITMENTS			
	7	51,206,059	52,339,525

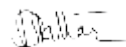


	Note	March 31, 2013	June 30, 2012
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	8	5,747,722	4,163,781
Development and decommissioning costs	9	16,608,838	15,687,791
Exploration and evaluation assets	10	2,978,753	2,883,055
		25,335,313	22,734,627
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES			
	11	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS			
	12	4,969	658,672
LONG TERM LOANS AND ADVANCES			
		14,124	16,273
CURRENT ASSETS			
Stores and spares		3,021,898	2,939,308
Stock in trade		144,073	134,199
Trade debts	13	3,411,100	3,006,567
Advances, deposits, prepayments and other receivables	14	749,165	601,966
Short term investments		50,505	3,898,907
Cash and bank balances	15	8,859,309	8,733,403
		16,236,050	19,314,350
		51,206,059	52,339,525

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



Shuaib A. Malik  
Chief Executive



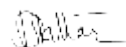
Abdus Sattar  
Director

**Condensed Interim Profit and Loss Account (Unaudited)**

For the nine months period ended March 31, 2013

		Three months period ended		Nine months period ended	
	Note	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
		Rupees ('000)			
<b>SALES</b>		<b>8,216,985</b>	8,017,354	<b>23,018,304</b>	23,666,351
Sales tax		(536,839)	(560,526)	(1,594,367)	(1,687,195)
<b>NET SALES</b>	<b>16</b>	<b>7,680,146</b>	7,456,828	<b>21,423,937</b>	21,979,156
Operating costs	<b>17</b>	(2,007,555)	(1,716,412)	(5,476,022)	(4,720,187)
Excise duty and development surcharge		(61,951)	(77,276)	(200,238)	(241,665)
Royalty		(757,480)	(699,427)	(2,042,727)	(2,060,819)
Amortisation of development and decommissioning costs		(447,941)	(382,874)	(1,352,027)	(1,407,884)
		(3,274,927)	(2,875,989)	(9,071,014)	(8,430,555)
<b>GROSS PROFIT</b>		<b>4,405,219</b>	4,580,839	<b>12,352,923</b>	13,548,601
Exploration costs	<b>18</b>	(414,538)	(156,897)	(1,133,646)	(288,954)
		3,990,681	4,423,942	11,219,277	13,259,647
Administration expenses		(21,972)	(34,048)	(61,252)	(83,040)
Finance cost	<b>19</b>	(116,316)	(93,965)	(492,218)	(357,047)
Other charges	<b>20</b>	(280,733)	(329,964)	(847,204)	(1,024,752)
		(419,021)	(457,977)	(1,400,674)	(1,464,839)
		3,571,660	3,965,965	9,818,603	11,794,808
Other operating income	<b>21</b>	354,712	486,198	1,717,591	2,046,133
<b>PROFIT BEFORE TAXATION</b>		<b>3,926,372</b>	4,452,163	<b>11,536,194</b>	13,840,941
Provision for taxation	<b>22</b>	(965,672)	(1,291,689)	(2,912,000)	(4,511,267)
<b>PROFIT FOR THE PERIOD</b>		<b>2,960,700</b>	3,160,474	<b>8,624,194</b>	9,329,674
Earnings per share - Basic and diluted (Rs)		<b>12.52</b>	13.36	<b>36.46</b>	39.44

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

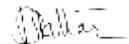

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

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

For the nine months period ended March 31, 2013

	<u>Three months period ended</u>		<u>Nine months period ended</u>	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	<u>Rupees ('000)</u>			
<b>PROFIT FOR THE PERIOD</b>	<b>2,960,700</b>	3,160,474	<b>8,624,194</b>	9,329,674
<b>OTHER COMPREHENSIVE INCOME</b>				
Fair value adjustment on available- for-sale investments - net of tax	<b>95</b>	16,571	<b>(56,671)</b>	32,397
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,960,795</b>	3,177,045	<b>8,567,523</b>	9,362,071

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

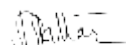

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Cash Flow Statement (Unaudited)**

For the nine months period ended March 31, 2013

		Nine months period ended	
	Note	March 31, 2013	March 31, 2012
		Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		21,436,423	23,165,432
Operating and exploration costs paid		(7,181,900)	(6,023,206)
Royalty paid		(2,035,709)	(2,052,240)
Taxes paid		(2,729,315)	(1,743,922)
Cash provided by operating activities		9,489,499	13,346,064
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets additions		(4,426,000)	(3,166,577)
Proceeds from disposal of property, plant and equipment		26,878	5,999
Income on bank deposits and held-to-maturity investments		518,955	758,170
Other long term investments		-	(600,000)
Proceeds from sale of investments		681,000	16,385
Dividend income received		492,801	761,172
Cash used in investing activities		(2,706,366)	(2,224,851)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(10,781,731)	(8,122,909)
Cash used in financing activities		(10,781,731)	(8,122,909)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		276,604	210,549
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(3,721,994)	3,208,853
<b>CASH AND CASH EQUIVALENTS AT JULY 01, 24</b>		12,581,303	9,931,648
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 24</b>		8,859,309	13,140,501

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

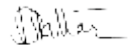

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Statement of Changes in Equity (Unaudited)**

For the nine months period ended March 31, 2013

	Share Capital	Revenue reserves			Fair value gain/(loss) on available-for-sale investments	Total
		Insurance Reserve	Investment Reserve	Unappropriated profit		
	Rupees ('000)					
Balance at June 30, 2011	2,365,459	200,000	1,557,794	29,290,423	9,412	33,423,088
Total comprehensive income for the period:						
Profit for the period	-	-	-	9,329,674	-	9,329,674
Other comprehensive income	-	-	-	-	32,397	32,397
	-	-	-	9,329,674	32,397	9,362,071
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2011	-	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 17.50 per share - Year ended June 30, 2012	-	-	-	(4,139,554)	-	(4,139,554)
Total transaction with owners	-	-	-	(10,053,202)	-	(10,053,202)
Balance at March 31, 2012	2,365,459	200,000	1,557,794	28,566,895	41,809	32,731,957
Total comprehensive income for the period:						
Profit for the period	-	-	-	2,523,121	-	2,523,121
Other comprehensive income	-	-	-	-	16,164	16,164
	-	-	-	2,523,121	16,164	2,539,285
Balance at June 30, 2012	2,365,459	200,000	1,557,794	31,090,016	57,973	35,271,242
Total comprehensive income for the period:						
Profit for the period	-	-	-	8,624,194	-	8,624,194
Other comprehensive income	-	-	-	-	(56,671)	(56,671)
	-	-	-	8,624,194	(56,671)	8,567,523
Transaction with owners:						
Final dividend @ Rs 35 per share - Year ended June 30, 2012	-	-	-	(8,279,107)	-	(8,279,107)
Interim dividend @ Rs 20 per share - Year ended June 30, 2013	-	-	-	(4,730,918)	-	(4,730,918)
Total transaction with owners	-	-	-	(13,010,025)	-	(13,010,025)
Balance at March 31, 2013	2,365,459	200,000	1,557,794	26,704,185	1,302	30,828,740

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


Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

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

For the nine months period ended March 31, 2013

### 1. Legal status and operations

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

### 2. Statement of compliance

This condensed interim financial information of the Company for the nine months period ended March 31, 2013 has been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the 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, 2012.

March 31, 2013	June 30, 2012
Rupees ('000)	

### 4. Revenue reserves

Insurance reserve	- note 4.1	200,000	200,000
Investment reserve	- note 4.2	1,557,794	1,557,794
Unappropriated profit		26,704,185	31,090,016
		<b>28,461,979</b>	<b>32,847,810</b>

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

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

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

For the nine months period ended March 31, 2013

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>5. Deferred liabilities</b>		
Provision for deferred income tax	5,441,000	5,054,000
Provision for decommissioning cost	5,934,456	5,443,309
Provision for staff compensated absences	9,452	7,140
	<b>11,384,908</b>	<b>10,504,449</b>

### 6. Trade and other payables

These include balances due to joint venture partners amounting to Rs 647,821 thousand (June 30, 2012: Rs 453,576 thousand) and balances due to related parties amounting to Rs 639,202 thousand (June 30, 2012: Rs 991,731 thousand).

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>7. Contingencies and commitments</b>		
Capital expenditure commitments outstanding		
-Share in joint ventures	7,541,182	9,767,929
-Own fields	2,570,626	1,013,951
<b>8. Property, plant and equipment</b>		
<b>Cost</b>		
Opening balance	8,713,497	8,263,880
Additions during the period / year	413,263	491,507
Disposals during the period / year	(65,704)	(41,890)
Closing balance	9,061,056	8,713,497
<b>Accumulated depreciation</b>		
Opening balance	4,738,386	4,141,444
Depreciation for the period / year	497,000	633,790
Relating to disposals	(59,933)	(36,848)
Closing balance	5,175,453	4,738,386
<b>Operating assets - written down value</b>	<b>3,885,603</b>	<b>3,975,111</b>
<b>Capital work in progress</b>	<b>1,862,119</b>	<b>188,670</b>
	<b>5,747,722</b>	<b>4,163,781</b>

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

For the nine months period ended March 31, 2013

March 31, 2013      June 30, 2012  
Rupees ('000)

### 9. Development and decommissioning costs

#### Development cost

Balance brought forward	13,808,784	9,930,377
Additions during the period / year	1,103,377	1,754,843
Successful wells cost transferred from exploration and evaluation assets - note 10	1,169,697	3,770,093
	16,081,858	15,455,313
Amortisation for the period / year	(1,240,627)	(1,646,529)
	14,841,231	13,808,784

#### Decommissioning cost

Balance brought forward	1,879,007	638,037
Additions during the period / year	-	86,985
Revision due to change in estimates	-	1,314,647
	1,879,007	2,039,669
Amortisation for the period / year	(111,400)	(160,662)
	1,767,607	1,879,007
	16,608,838	15,687,791

### 10. Exploration and evaluation assets

Balance brought forward	2,883,055	4,810,730
Additions during the period/ year	1,265,395	1,958,900
	4,148,450	6,769,630
Successful wells cost transferred to development cost - note 9	(1,169,697)	(3,770,093)
Dry and abandoned wells cost charged to the profit & loss account	-	(116,482)
	2,978,753	2,883,055



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

For the nine months period ended March 31, 2013

	March 31, 2013		June 30, 2012	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
<b>11. Long term investments in subsidiary and associated companies - at cost</b>				
<b>Subsidiary company</b>				
Unquoted				
Capgas (Private) Limited	51	1,530	51	1,530
<b>Associated companies</b>				
Quoted				
National Refinery Limited - note 11.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		9,615,603		9,615,603

**11.1** Based on valuation analysis carried out at June 30, 2012, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated on a value in use calculation.

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>12. Other long term investments</b>		
Held-to-maturity investments - at cost	50,505	51,007
Available-for-sales investments - at market price	4,969	658,672
	55,474	709,679
Investments maturing within twelve months	(50,505)	(51,007)
	4,969	658,672

### 13. Trade debts

These include Rs 1,884,254 thousand (June 30, 2012: Rs 1,450,931 thousand) receivable from related parties.

### 14. Advances, deposits, prepayments and other receivables

These include balances with joint venture partners amounting to Rs 54,748 thousand (June 30, 2012: Rs 11,471 thousand) and balances with related parties amounting to Rs 130,884 thousand (June 30, 2012: Rs 126,101 thousand).

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

For the nine months period ended March 31, 2013

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>15. Cash and bank balances</b>		
Bank balance on:		
Short term deposits	6,683,430	6,454,667
Interest/ mark-up bearing saving accounts	2,088,781	2,198,831
Current account	84,356	76,190
	8,856,567	8,729,688
Cash in hand	2,742	3,715
	8,859,309	8,733,403

Balance with banks include foreign currency balances of US \$ 67,973 thousand (June 30, 2012: US \$ 63,147 thousand).

	Three months period ended		Nine months period ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rupees ('000)			
<b>16. Net sales</b>				
Crude oil	4,212,298	3,800,540	11,045,057	10,944,756
Gas	1,934,337	2,184,282	6,098,760	6,751,182
POLGAS -Refill of cylinders	1,488,895	1,415,268	4,053,026	4,060,353
Solvent oil	43,874	43,176	195,356	172,596
Sulphur	742	13,562	31,738	50,269
	7,680,146	7,456,828	21,423,937	21,979,156
<b>17. Operating costs</b>				
Operating Cost				
- Own fields	185,613	163,962	455,744	459,601
- Share in joint ventures	621,451	406,960	1,479,881	1,355,907
Well workover	172,919	113,514	619,222	146,767
POLGAS-Cost of gas /LPG, carriage etc.	848,932	892,225	2,427,878	2,313,591
Pumping and transportation cost	19,933	9,498	35,655	27,676
Depreciation	161,137	147,245	467,516	441,923
	2,009,985	1,733,404	5,485,896	4,745,465
Opening stock of crude oil and other products	141,643	134,697	134,199	126,411
Closing stock of crude oil and other products	(144,073)	(151,689)	(144,073)	(151,689)
	2,007,555	1,716,412	5,476,022	4,720,187
<b>18. Exploration costs</b>				
Geological & geophysical cost	414,538	156,897	1,133,646	288,954

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

For the nine months period ended March 31, 2013

	<u>Three months period ended</u>		<u>Nine months period ended</u>	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Rupees ('000)			
<b>19. Finance cost</b>				
Provision for decommissioning cost				
- Unwinding of discount	47,801	59,017	256,388	177,051
- Exchange loss	68,216	34,706	234,759	179,316
Banks' commission and charges	299	242	1,071	680
	<b>116,316</b>	<b>93,965</b>	<b>492,218</b>	<b>357,047</b>
<b>20. Other charges</b>				
Workers' profit participation fund	203,430	239,104	613,916	742,574
Workers' welfare fund	77,303	90,860	233,288	282,178
	<b>280,733</b>	<b>329,964</b>	<b>847,204</b>	<b>1,024,752</b>
<b>21. Other operating income</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and held-to-maturity investments	96,925	263,053	447,681	775,115
Exchange gain on financial assets	86,454	23,867	276,604	210,549
Profit on sale of available-for-sale investments	-	-	83,968	-
Reversal of impairment on available-for-sale investments	-	-	-	8,833
<b>Dividend from subsidiary and associated companies</b>	<b>18,073</b>	<b>100,375</b>	<b>492,801</b>	<b>761,172</b>
<b>Other income</b>				
Rental income - net of related expenses	60,952	39,746	159,015	136,546
Crude oil / gas transportation income - net of related expenses	36,470	15,886	99,405	32,021
Gas processing fee	38,889	41,148	132,622	111,757
Profit on sale of property, plant and equipment	16,680	51	21,107	5,383
Sale of stores and scrap	269	350	501	758
Others	-	1,722	3,887	3,999
	<b>354,712</b>	<b>486,198</b>	<b>1,717,591</b>	<b>2,046,133</b>

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

For the nine months period ended March 31, 2013

	Three months period ended		Nine months period ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rupees ('000)			
<b>22. Provision for taxation</b>				
Current				
- for the period	868,672	1,243,689	2,525,000	3,672,267
- for the prior period	-	-	-	447,000
	868,672	1,243,689	2,525,000	4,119,267
Deferred				
- for the period	97,000	48,000	387,000	392,000
	965,672	1,291,689	2,912,000	4,511,267
<b>23. Transaction with related parties</b>				
Aggregate transactions with related parties of the Company were as follows:				
<b>Sales of goods and services to:</b>				
Associated companies	4,279,549	3,868,706	11,293,313	11,184,376
Subsidiary company	3,435	3,527	10,273	10,183
Parent company	-	116	317	197
<b>Purchase of goods and services from:</b>				
Associated companies	552,915	534,211	1,467,531	1,414,402
Subsidiary company	565	1,467	1,992	3,603
Parent company	25,432	27,496	69,524	94,045
<b>Other related parties:</b>				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	14,582	12,775	56,503	52,902
Honorarium / remuneration to non - executive directors	-	79	-	239
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	15,047	15,894	48,294	49,376
Approved Contributory Provident Funds	5,319	5,487	17,780	17,879
Contribution to Workers' Profit Participation Fund	203,430	239,104	613,916	742,574

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

For the nine months period ended March 31, 2013

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>24. Cash and cash equivalents</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	8,859,309	8,733,403
Short term investments - maturing within next three months	-	3,847,900
	<b>8,859,309</b>	<b>12,581,303</b>

## 25. Operating segments

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

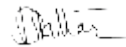
Revenue from two major customers of the Company constitutes 78 % of the total revenue during the period ended March 31, 2013 (March 31, 2012: 78 %).

## 26. Date of authorization

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on April 15, 2013.



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



## Condensed Interim Consolidated Financial Information (Unaudited)

**Condensed Interim Consolidated Balance Sheet (Unaudited)**

As at March 31, 2013

	Note	March 31, 2013	June 30, 2012
		Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
<b>ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED</b>			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,365,459	2,365,459
Capital reserves	5	526,591	524,905
Revenue reserves	6	30,437,821	34,772,738
Fair value gain on available-for-sale investments		1,302	57,973
		33,331,173	37,721,075
<b>NON - CONTROLLING INTEREST</b>		81,630	84,372
		33,412,803	37,805,447
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		654,942	642,534
Deferred liabilities	7	11,391,274	10,510,051
		12,046,216	11,152,585
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	8	7,157,096	4,528,375
Provision for income tax		1,397,484	1,594,581
		8,554,580	6,122,956
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
		54,013,599	55,080,988

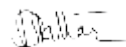


	Note	March 31, 2013	June 30, 2012
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	10	5,822,451	4,227,979
Development and decommissioning costs	11	16,608,838	15,687,791
Exploration and evaluation assets	12	2,978,753	2,883,055
Other intangible assets		25,155	30,420
		25,435,197	22,829,245
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES	13	12,033,074	11,977,621
OTHER LONG TERM INVESTMENTS	14	4,969	658,672
LONG TERM LOANS AND ADVANCES		14,124	16,273
CURRENT ASSETS			
Stores and spares		3,021,903	2,939,746
Stock in trade		157,043	150,799
Trade debts	15	3,411,164	3,007,355
Advances, deposits, prepayments and other receivables	16	772,353	620,897
Short term investments		159,670	4,009,915
Cash and bank balances	17	9,004,102	8,870,465
		16,526,235	19,599,177
		54,013,599	55,080,988

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



Shuaib A. Malik  
Chief Executive



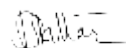
Abdus Sattar  
Director

**Condensed Interim Consolidated Profit and Loss Account (Unaudited)**

For the nine months period ended March 31, 2013

		Three months period ended		Nine months period ended	
	Note	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Rupees ('000)					
<b>SALES</b>		<b>8,596,751</b>	8,319,308	<b>23,882,056</b>	24,469,330
Sales tax		(655,977)	(602,175)	(1,713,505)	(1,797,951)
<b>NET SALES</b>	<b>18</b>	<b>7,940,774</b>	7,717,133	<b>22,168,551</b>	22,671,379
Operating costs	<b>19</b>	(2,228,420)	(1,931,188)	(6,117,775)	(5,289,682)
Excise duty and development surcharge		(61,951)	(77,276)	(200,238)	(241,665)
Royalty		(757,480)	(699,427)	(2,042,727)	(2,060,819)
Amortisation of development and decommissioning costs		(447,941)	(382,874)	(1,352,027)	(1,407,884)
		(3,495,792)	(3,090,765)	(9,712,767)	(9,000,050)
<b>GROSS PROFIT</b>		<b>4,444,982</b>	4,626,368	<b>12,455,784</b>	13,671,329
Exploration costs	<b>20</b>	(414,538)	(156,897)	(1,133,646)	(288,954)
		4,030,444	4,469,471	11,322,138	13,382,375
Administration expenses		(26,236)	(38,374)	(75,150)	(95,631)
Finance cost	<b>21</b>	(116,682)	(94,153)	(492,923)	(357,661)
Other charges	<b>22</b>	(283,511)	(333,192)	(854,455)	(1,033,423)
		(426,429)	(465,719)	(1,422,528)	(1,486,715)
Other operating income	<b>23</b>	3,604,015	4,003,752	9,899,610	11,895,660
		341,764	391,585	1,241,617	1,301,100
		3,945,779	4,395,337	11,141,227	13,196,760
Share in profits of associated companies - net of impairment loss		61,089	163,951	512,969	714,773
<b>PROFIT BEFORE TAXATION</b>		<b>4,006,868</b>	4,559,288	<b>11,654,196</b>	13,911,533
Provision for taxation	<b>24</b>	(978,790)	(1,306,931)	(2,946,242)	(4,552,214)
<b>PROFIT FOR THE PERIOD</b>		<b>3,028,078</b>	3,252,357	<b>8,707,954</b>	9,359,319
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		3,016,141	3,238,487	8,676,794	9,322,057
Non - controlling interests		11,937	13,870	31,160	37,262
		3,028,078	3,252,357	8,707,954	9,359,319
Earnings per share - Basic and diluted (Rupees)		12.75	13.69	36.68	39.41

The annexed notes 1 to 28 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)

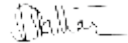
For the nine months period ended March 31, 2013

	<u>Three months period ended</u>		<u>Nine months period ended</u>	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>3,028,078</b>	3,252,357	<b>8,707,954</b>	9,359,319
<b>OTHER COMPREHENSIVE INCOME</b>				
Fair value adjustment on available-for-sale investments - net of tax	95	16,571	(56,671)	32,397
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3,028,173</b>	3,268,928	<b>8,651,283</b>	9,391,716
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	<b>3,016,236</b>	3,255,058	<b>8,620,123</b>	9,354,454
Non - controlling interests	<b>11,937</b>	13,870	<b>31,160</b>	37,262
	<b>3,028,173</b>	3,268,928	<b>8,651,283</b>	9,391,716

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



Shuaib A. Malik  
Chief Executive



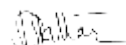
Abdus Sattar  
Director

**Condensed Interim Consolidated Cash Flow Statement (Unaudited)**

For the nine months period ended March 31, 2013

		Nine months period ended	
	Note	March 31, 2013	March 31, 2012
		Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		22,181,265	23,858,963
Operating and exploration costs paid		(7,820,580)	(6,612,571)
Royalty paid		(2,035,709)	(2,052,240)
Taxes paid		(2,756,339)	(1,768,702)
Cash provided by operating activities		9,568,637	13,425,450
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets additions		(4,444,515)	(3,180,790)
Proceeds from disposal of property, plant and equipment		27,684	5,999
Proceeds from sale of available-for-sale investments		681,000	18,453
Other investments		-	(635,100)
Income on bank deposits and held-to-maturity investments		539,668	772,343
Dividend received from associated companies		457,516	730,190
Cash used in investing activities		(2,738,647)	(2,288,905)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(10,781,731)	(8,122,909)
Dividend paid to non - controlling interest holders		(33,902)	(29,768)
Cash used in financing activities		(10,815,633)	(8,152,677)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>			
		276,604	210,549
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(3,709,039)	3,194,417
CASH AND CASH EQUIVALENTS AT JULY 01,	26	12,821,059	10,168,884
CASH AND CASH EQUIVALENTS AT MARCH 31,	26	9,112,020	13,363,301

The annexed notes 1 to 28 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)

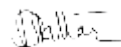
For the nine months period ended March 31, 2013

	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	Insurance Reserve	General Reserve	Unappropriated profit				
	Rupees ('000)									
Balance at June 30, 2011	2,365,459	50,053	502,256	200,000	2,584,075	30,877,026	9,412	36,588,281	70,744	36,659,025
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	9,322,057	-	9,322,057	37,262	9,359,319
Other comprehensive income	-	-	-	-	-	-	32,397	32,397	-	32,397
Transfer to general reserve by an associated company	-	-	-	-	975,000	9,322,057	32,397	9,354,454	37,262	9,391,716
Transfer from special reserve by associated companies	-	-	1,853	-	-	(1,853)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final cash dividend @ Rs 25 per share - Year ended June 30, 2011	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2012	-	-	-	-	-	(4,139,554)	-	(4,139,554)	-	(4,139,554)
Dividend to CAPGAS non-controlling interest holders:										
Final cash dividend @ Rs 45 per share - Year ended June 30, 2011	-	-	-	-	-	-	-	-	(14,884)	(14,884)
Interim dividend @ Rs 45 per share - Year ended June 30, 2012	-	-	-	-	-	-	-	-	(14,884)	(14,884)
Total transactions with owners	-	-	-	-	-	(10,053,202)	-	(10,053,202)	(29,768)	(10,082,970)
Balance at March 31, 2012	2,365,459	50,053	504,109	200,000	3,559,075	29,169,028	41,809	35,889,533	78,238	35,967,771
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	1,815,378	-	1,815,378	6,134	1,821,512
Other comprehensive income	-	-	-	-	-	-	16,164	16,164	-	16,164
Transfer from special reserve by associated companies	-	-	(29,257)	-	-	1,815,378	16,164	1,831,542	6,134	1,837,676
						29,257		-		
Balance at June 30, 2012	2,365,459	50,053	474,852	200,000	3,559,075	31,013,663	57,973	37,721,075	84,372	37,805,447
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	8,676,794	-	8,676,794	31,160	8,707,954
Other comprehensive income	-	-	-	-	-	-	(56,671)	(56,671)	-	(56,671)
Transfer to general reserve by an associated company	-	-	-	-	393,250	8,676,794	(56,671)	8,620,123	31,160	8,651,283
Transfer from special reserve by associated companies	-	-	1,686	-	-	(393,250)	-	-	-	-
						(1,686)		-		
Transactions with owners:										
POL dividends:										
Final dividend @ Rs 35 per share - Year ended June 30, 2012	-	-	-	-	-	(8,279,107)	-	(8,279,107)	-	(8,279,107)
Interim dividend @ Rs 20 per share - Year ended June 30, 2013	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,918)
Dividend to CAPGAS non-controlling interest holders:										
Final cash dividend @ Rs 50 per share - Year ended June 30, 2012	-	-	-	-	-	-	-	-	(16,538)	(16,538)
Interim dividend @ Rs 52.5 per share - Year ended June 30, 2013	-	-	-	-	-	-	-	-	(17,364)	(17,364)
Total transactions with owners	-	-	-	-	-	(13,010,025)	-	(13,010,025)	(33,902)	(13,043,927)
Balance at March 31, 2013	2,365,459	50,053	476,538	200,000	3,952,325	26,285,496	1,302	33,331,173	81,630	33,412,803

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



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

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

For the nine months period ended March 31, 2013

### **1. Legal status and operations**

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

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

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

### **2. Basis of consolidation**

The consolidated financial information include the financial statements of POL and its subsidiary Capgas (Private) Limited with 51% holding (June 30, 2012: 51%).

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

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

Material intra-group balances and transactions have been eliminated.

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

### **3. Statement of compliance**

This condensed interim financial information of the Company for the nine months period ended March 31, 2013 has been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the 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 nine months period ended March 31, 2013

### 4. Accounting policies

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2012.

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>5. Capital reserves</b>		
Bonus shares issued by subsidiary/associated companies	50,053	50,053
Special reserve	476,538	474,852
	<b>526,591</b>	524,905
<b>6. Revenue reserves</b>		
Insurance reserve	200,000	200,000
General reserve	3,952,325	3,559,075
Unappropriated profit	26,285,496	31,013,663
	<b>30,437,821</b>	34,772,738
<b>7. Deferred liabilities</b>		
Provision for deferred income tax	5,445,292	5,058,292
Provision for decommissioning cost	5,934,456	5,443,309
Provision for Gratuity	2,074	1,310
Provision for staff compensated absences	9,452	7,140
	<b>11,391,274</b>	10,510,051

### 8. Trade and other payables

These include balances due to joint venture partners amount to Rs 647,821 thousand (June 30, 2012: Rs 453,576 thousand) and balances due to related parties amounting to Rs 644,395 thousand (June 30, 2012: Rs 997,916 thousand).

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>9. Contingencies and commitments</b>		
Capital expenditure commitments outstanding		
- Share in Joint Ventures	7,541,182	9,767,929
- Own fields	2,570,626	1,013,951

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

For the nine months period ended March 31, 2013

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>10. Property, plant and equipment</b>		
<b>Cost</b>		
Opening balance	8,945,938	8,482,506
Additions during the period / year	423,362	506,385
Disposals during the period / year	(65,704)	(42,953)
Closing balance	9,303,596	8,945,938
<b>Accumulated depreciation</b>		
Opening balance	4,906,629	4,298,461
Charge for the period / year	504,119	645,691
Relating to disposals	(59,933)	(37,523)
Closing balance	5,350,815	4,906,629
<b>Operating assets - written down value</b>	<b>3,952,781</b>	<b>4,039,309</b>
<b>Capital work in progress</b>	<b>1,869,670</b>	<b>188,670</b>
	<b>5,822,451</b>	<b>4,227,979</b>
<b>11. Development and decommissioning costs</b>		
<b>Development cost</b>		
Balance brought forward	13,808,784	9,930,377
Additions during the period / year	1,103,377	1,754,843
Successful wells cost transferred from exploration and evaluation assets - note 12	1,169,697	3,770,093
	16,081,858	15,455,313
Amortisation for the period/year	(1,240,627)	(1,646,529)
	14,841,231	13,808,784
<b>Decommissioning cost</b>		
Balance brought forward	1,879,007	638,037
Revision due to change in estimates	-	1,314,647
Provision during the period / year	-	86,985
	1,879,007	2,039,669
Amortisation for the period/year	(111,400)	(160,662)
	1,767,607	1,879,007
	<b>16,608,838</b>	<b>15,687,791</b>



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

For the nine months period ended March 31, 2013

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>12. Exploration and evaluation assets</b>		
Balance brought forward	2,883,055	4,810,730
Additions during the period / year	1,265,395	1,958,900
	4,148,450	6,769,630
Transfer to development cost - note 11	(1,169,697)	(3,770,093)
Dry and abandoned wells cost charged to the profit & loss account	-	(116,482)
	2,978,753	2,883,055
<b>13. Long term investment in associated companies - equity method</b>		
Beginning of the year	11,977,621	12,707,166
Share in profits of associated companies - net of impairment loss	512,969	645
Dividend received during the period / year	(457,516)	(730,190)
End of the period / year	12,033,074	11,977,621
<b>14. Other long term investments</b>		
Held-to-maturity investments - at cost	51,752	59,321
Available-for-sale investments - at market price	4,969	658,672
	56,721	717,993
Investments maturing within twelve months	(51,752)	(59,321)
	4,969	658,672

### 15. Trade debts

These include Rs 1,884,254 thousand (June 30, 2012: Rs 1,450,931 thousand) receivable from related parties.

### 16. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amount to Rs 54,748 thousand (June 30, 2012: Rs 11,471 thousand) and balances due from related parties amounting to Rs 129,457 thousand (June 30, 2012: Rs 126,101 thousand).

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

For the nine months period ended March 31, 2013

**March 31, 2013**      June 30, 2012  
Rupees ('000)

### 17. Cash and bank balances

Bank balance on:

Interest / mark-up bearing saving accounts	<b>2,194,750</b>	2,299,780
Short term deposits	<b>6,718,430</b>	6,489,667
Current accounts	<b>88,120</b>	77,234
	<b>9,001,300</b>	8,866,681

Cash in hand	<b>2,802</b>	3,784
	<b>9,004,102</b>	8,870,465

Balance with banks include foreign currency balances of US \$ 67,973 thousand (June 30, 2012: US \$ 63,147 thousand).

**Three months period ended**      **Nine months period ended**  
**March 31, 2013**      March 31, 2012      **March 31, 2013**      March 31, 2012  
Rupees ('000)

### 18. Net sales

Crude oil	<b>4,212,298</b>	3,800,540	<b>11,045,057</b>	10,944,756
Gas	<b>1,934,337</b>	2,184,282	<b>6,098,760</b>	6,751,182
POLGAS/CAPGAS - Refill of cylinders	<b>1,749,523</b>	1,675,573	<b>4,797,640</b>	4,752,576
Solvent oil	<b>43,874</b>	43,176	<b>195,356</b>	172,596
Sulphur	<b>742</b>	13,562	<b>31,738</b>	50,269
	<b>7,940,774</b>	7,717,133	<b>22,168,551</b>	22,671,379

### 19. Operating costs

Operating cost				
- Own fields	<b>189,203</b>	166,775	<b>468,217</b>	470,040
- Share in joint ventures	<b>621,451</b>	406,960	<b>1,479,881</b>	1,355,907
Well workover	<b>172,919</b>	113,514	<b>619,222</b>	146,767
POLGAS/CAPGAS - Cost of gas/LPG, carriage etc	<b>1,067,998</b>	1,107,141	<b>3,040,503</b>	2,870,427
Pumping and transportation cost	<b>19,933</b>	9,498	<b>35,655</b>	27,676
Depreciation	<b>165,745</b>	153,253	<b>480,541</b>	453,863
	<b>2,237,249</b>	1,957,141	<b>6,124,019</b>	5,324,680
Opening stock of crude oil and other products	<b>148,214</b>	143,011	<b>150,799</b>	133,966
Closing stock of crude oil and other products	<b>(157,043)</b>	(168,964)	<b>(157,043)</b>	(168,964)
	<b>2,228,420</b>	1,931,188	<b>6,117,775</b>	5,289,682

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

For the nine months period ended March 31, 2013

	<u>Three months period ended</u>		<u>Nine months period ended</u>	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Rupees ('000)			
<b>20. Exploration costs</b>				
Geological and geophysical cost	<b>414,538</b>	156,897	<b>1,133,646</b>	288,954
<b>21. Finance cost</b>				
Provision for decommissioning cost				
- unwinding of discount	<b>47,801</b>	59,017	<b>256,388</b>	177,051
- exchange loss	<b>68,216</b>	34,706	<b>234,759</b>	179,316
Banks' commission and charges	<b>665</b>	430	<b>1,776</b>	1,294
	<b>116,682</b>	94,153	<b>492,923</b>	357,661
<b>22. Other charges</b>				
Workers' profit participation fund	<b>205,443</b>	241,443	<b>619,170</b>	748,857
Workers' welfare fund	<b>78,068</b>	91,749	<b>235,285</b>	284,566
	<b>283,511</b>	333,192	<b>854,455</b>	1,033,423
<b>23. Other operating income</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and held-to-maturity investments	<b>96,014</b>	268,890	<b>459,215</b>	792,790
Exchange gain on financial assets	<b>86,454</b>	23,867	<b>276,604</b>	210,549
Profit on disposal of available-for-sale investments	<b>6,997</b>	326	<b>90,965</b>	326
Reversal/ (Impairment loss) on available-for-sale investments	-	-	-	8,833
<b>Other income</b>				
Rental income-net of related expenses	<b>60,601</b>	39,284	<b>157,962</b>	135,160
Crude oil / gas transportation income - net of related expenses	<b>36,470</b>	15,886	<b>99,405</b>	32,021
Gas processing fee	<b>38,889</b>	41,148	<b>132,622</b>	111,757
Profit on sale of property, plant and equipment	<b>16,680</b>	51	<b>21,914</b>	5,383
Sale of stores and scrap	<b>269</b>	350	<b>501</b>	758
Others	<b>(610)</b>	1,783	<b>2,429</b>	3,523
	<b>341,764</b>	391,585	<b>1,241,617</b>	1,301,100

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

For the nine months period ended March 31, 2013

	Three months period ended March 31, 2013	March 31, 2012	Nine months period ended March 31, 2013	March 31, 2012
	Rupees ('000)			
<b>24. Provision for taxation</b>				
Current				
- for the period	881,790	1,258,931	2,559,242	3,713,214
- for the prior period	-	-	-	447,000
	881,790	1,258,931	2,559,242	4,160,214
Deferred				
- for the period	97,000	48,000	387,000	392,000
	978,790	1,306,931	2,946,242	4,552,214
<b>25. Transactions with related parties</b>				
Aggregate transactions with related parties of the Company were as follows:				
<b>Sales of goods and services to:</b>				
Parent company	-	116	317	197
Associated companies	4,279,549	3,868,555	11,293,313	11,184,225
<b>Purchase of goods and services from:</b>				
Parent company	25,432	27,422	69,524	93,971
Associated companies	552,915	534,211	1,467,531	1,414,402
<b>Other related parties:</b>				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	16,545	15,588	62,390	58,528
Honorarium/ Remuneration to non-executives directors	180	349	540	779
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	15,607	16,698	49,976	50,984
Approved Contributory Provident Funds	5,599	5,889	18,621	18,683
Contribution to Workers' profit participation fund	205,443	241,443	619,170	748,857

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

For the nine months period ended March 31, 2013

	March 31, 2013	June 30, 2012
	Rupees ('000)	
<b>26. Cash and cash equivalents</b>		
Cash and cash equivalents comprise:		
Cash and bank balances	9,004,102	8,870,465
Short term investments - maturing within next three months	107,918	3,950,594
	<b>9,112,020</b>	<b>12,821,059</b>

## 27. Operating segments

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

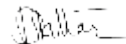
Revenue from two major customers of the Company constitutes 75% of the total revenue during the period ended March 31, 2013 (March 31, 2012: 76%).

## 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 April 15, 2013.



Shuaib A. Malik  
Chief Executive



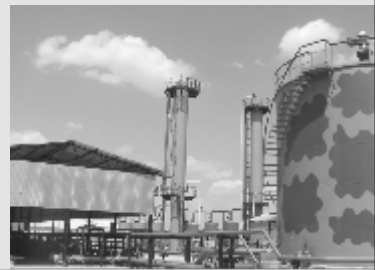
Abdus Sattar  
Director

## Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Operator	Interest %
Ikhlas	Pakistan Oilfields Limited	80.00
Kirthar South	Pakistan Oilfields Limited	85.00
D.G. Khan	Pakistan Oilfields Limited	100.00
Rajanpur	Pakistan Oilfields Limited	100.00
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
<b>D&amp;P / Mining Lease</b>		
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
Bhangali	Ocean Pakistan Limited	7.00
Dhurnal	Ocean Pakistan Limited	5.00
Ratana	Ocean Pakistan Limited	4.5450
Kotra	Oil & Gas Development Company Limited	24.00
Manzalai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori	MOL Pakistan Oil and Gas Co. B.V	25.00*

\* Pre-Commerciality interest





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