



Pakistan Petroleum Limited

Serving the  
**NATION**



Quarterly Report September 2016



# Contents

- 02 Vision - Mission
- 03 Core Values
- 04 Company Information
- 05 Directors' Interim Review
- 23 Directors' Interim Review (urdu)
- 24 Unconsolidated Condensed Interim Balance Sheet
- 25 Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)
- 26 Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)
- 27 Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)
- 28 Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)
- 29 Notes to and Forming Part of the Unconsolidated Condensed Interim  
Financial Statements (Unaudited)
- 42 Consolidated Condensed Interim Balance Sheet
- 43 Consolidated Condensed Interim Profit and Loss Account (Unaudited)
- 44 Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)
- 45 Consolidated Condensed Interim Cash Flow Statement (Unaudited)
- 46 Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)
- 47 Notes to and Forming Part of the Consolidated Condensed Interim  
Financial Statements (Unaudited)

## Vision

To achieve energy self-sufficiency for Pakistan by becoming the most successful and efficient discoverer and producer of oil and gas.

## Mission

To serve the people of Pakistan in an area critical to their economic development by employing, training and developing the best people available and empowering them to deliver extraordinary results while insisting that they conform to the highest standards of professional and ethical conduct.

## Core VALUES

- Promote Leadership, Empowerment and Accountability.
- Pursue Highest Standards of Integrity.
- Value people as the most important resource.
- Promote innovation and value creation.
- Ensure excellence in all spheres of performance.
- Advocate Teamwork aligned with business objectives.
- Conserve Environment by minimising carbon footprint.

# Company INFORMATION

## Board of Directors

- Mr. Syed Wamiq Bokhari (Managing Director / Chief Executive Officer)
- Mr. Aftab Nabi (Independent, Non-Executive Director)
- Mr. Arshad Mirza (Non-Executive Director)
- Mr. Asif Baigmoamed (Independent, Non-Executive Director)
- Mr. Imtiaz Hussain Zaidi (Independent, Non-Executive Director)
- Mr. Muhammad Ashraf Iqbal Baluch (Independent, Non-Executive Director)
- Mr. Nadeem Mumtaz Qureshi (Independent, Non-Executive Director)
- Mr. Saeed Ullah Shah (Non-Executive Director)

## Company Secretary

Ms. Shahana Ahmed Ali

## Auditors

A.F. Ferguson & Co.

Chartered Accountants

## Registered Office

P.I.D.C. House, Dr. Ziauddin Ahmed Road,

P.O. Box 3942, Karachi-75530, Pakistan.

UAN: +92 (21) 111-568-568

Fax: +92 (21) 35680005, 35682125

Website: [www.ppl.com.pk](http://www.ppl.com.pk)

Email: [info@ppl.com.pk](mailto:info@ppl.com.pk)

## Shares Registrar

FAMCO Associates (Pvt.) Ltd.

8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S.

Shahra-e-Faisal, Karachi.

Tel: +92 (21) 34380101-05

Fax: +92 (21) 34380106

## Legal Advisors

Surridge & Beecheno

# Directors' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the quarter ended September 30, 2016 and a brief review of the Company's operations.

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

### Operational Highlights

The key operational highlights for the quarter ended September 30, 2016 are as follows:

#### Discoveries

One discovery has been made, during the quarter under review, in PPL operated Hala Block (Bashar X-1 ST).

#### Seismic Activities

In PPL Operated blocks, 2D and 3D seismic data acquisitions of 286 Line Km and 467 Sq. Km, respectively, were carried out during the period.

#### Drilling Activities

In PPL operated blocks, four wells (two exploratory and two development wells) were spudded during the current period.

### Financial Highlights

The key financial results of the Company for the quarter ended September 30, 2016 are as follows:

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	Rs Million	
Sales revenue (net)	18,810	20,610
Profit before taxation	8,184	8,158
Taxation	(2,435)	(2,241)
Profit after taxation	5,749	5,917
Basic and Diluted Earnings Per Share (Rs)	2.92	3.00

### Sales revenue

Sales revenue decreased by Rs 1,800 million during the current period as compared to the corresponding period. Negative variances on account of crude oil price amounting to Rs 2,959 million, were partially offset by positive volume and exchange rate variance of Rs 803 million and Rs 356 million, respectively. The average crude oil price was USD 42.89 / BBL in the current quarter as compared to USD 48.29 / BBL in the corresponding quarter.

Positive volume variance is attributable to the combined effect of 5% increase in oil sales volumes, 1% increase in gas sales volumes and 42% increase in LPG volumes partially offset by 9% decrease in barytes sales volumes. Surge in oil sales volume is mainly due

## Directors' INTERIM REVIEW

to increase in production from Tal, Adhi and Gambat South fields. Whereas, gas sales volumes increased mainly due to higher production from Sui, Kandhkot, Adhi, Block-22, Tal, Hala and Gambat South fields, partially offset by decline in gas sales volumes from Latif, Qadirpur, Gambat, Miano, Nashpa and Sawan fields. Higher LPG sales volumes are mainly due to increase in production from Tal and Adhi fields.

A comparison of the Company's share of sales volumes from all PPL-operated and partner-operated fields is given below:

	Unit	Quarter ended September 30, 2016	Quarter ended September 30, 2015
Natural Gas	MMCF	71,678	70,726
Crude Oil / Natural Gas Liquids (NGL) / Condensate	BBL	1,296,033	1,228,728
Liquefied Petroleum Gas (LPG)	Tonnes	17,788	12,508
Barytes	Tonnes	7,012	7,701

### Profitability

Profitability of the Company reduced by 3% mainly due to lower sales revenue and other income, partially offset by decrease in field expenditures. Major reason for decline in field expenditures is reduced level of exploration activities in the current quarter as compared to the corresponding quarter.

## CORPORATE STRATEGY AND FOCUS AREAS

During the period, the operations of the Company remained in line with its Corporate Strategy.

### Exploration

The Exploration Directorate consists of three Assets, namely North, South and Frontier Assets (Frontier Assets also include blocks in Iraq, Yemen and new ventures). At present, the Company's portfolio, together with its subsidiaries, consists of forty-five exploratory blocks, out of which twenty-seven are PPL operated (including Block-8 in Iraq being operated by PPL Asia) and remaining eighteen, including three offshore blocks in Pakistan and two onshore blocks in Yemen, are partner operated. Details of major activities are as follows:

#### Exploration South Assets

In Hala block, gas discovery was made in exploratory well Bashar X-1(ST), whereas, preparations are underway to spud in 6th exploratory well Zarbab X-1.

In Shah Bandar, Gambat South and Kotri North blocks, 3D seismic surveys have been completed, whereas, in Sirani and Kotri blocks, the surveys are in progress.

In-fill 2D seismic surveys have been completed in Malir & Khipro East blocks.

In Gambat South block, 13th exploratory well Samar X-1 was spudded in December 2016 and currently drilling is in progress, whereas, preparations are underway to spud in 14th exploratory well Zafir X-1.



In Kotri block, 2nd exploratory well Kotri X-2 was plugged and abandoned.

Preparations are underway to spud in 1st exploratory well Manchar X-1 in Zamzama South block.

In Naushahro Firoz block, preparations are underway to spud in appraisal well NF-1 (Re-entry) to appraise the Naushahro Firoz X-1 Tight Gas discovery.

### Exploration North Assets

Preparations are underway to spud in 1st exploratory well Talagang X-1 in Karsal block.

In Dhok Sultan block, 2D and 3D seismic surveys are in progress.

G&G studies are underway to mature prospect for drilling in Hisal and Sadiqabad blocks.

In Zindan block, application has been submitted to Government of Pakistan (GoP) for relinquishment of block w.e.f. November 15, 2016.

### Exploration Frontier Assets

In Hub block, 2D seismic survey has been completed, whereas, preparations are underway to spud in 1st exploratory well Hub X-1.

In Kharan block, 1st exploratory well Kharan X-1 was spudded in February 2017 and currently drilling is in progress.

Exploratory well Mazarani Deep-1 was spudded in December 2016 and currently drilling is in progress.

Preparations are underway to spud in exploratory wells in Kalat (Kalat X-1) and Nausherwani (Nausherwani X-1).

In Barkhan block, 2nd exploratory well Miriwah East X-1 was plugged & abandoned as a dry hole.

### Partner-Operated Areas

In Tal block, testing of appraisal well Mardan Khel-3 and drilling of appraisal well Mardan Khel-2 is in progress. Further, acquisition of remaining 30% of Manzalai West gravity survey has been completed.

In Nashpa block, 3rd exploratory well (Shawa-1) was plugged and abandoned due to mechanical failure.

Exploratory well Khanan-1 in Latif block was spudded in February 2017 and currently drilling is in progress.

In Digri block, 3rd exploratory well Sadar-1, spudded in January 2017, was temporarily suspended for further evaluation.

### Producing Fields and Development

#### Sui Asset

Development well Sui-95 was commissioned into production network in November 2016 adding approximately 10 MMscfd gas in the system. Further, drilling of development

## Directors' INTERIM REVIEW

well Sui-101(U) commenced in February 2017 and drilling of Sui-100(U) is planned after completion of Sui-101(U).

Furthermore, Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP dated December 13, 2016, and accordingly D&PL will be formally granted in due course of time. In addition, Field Development Plan (FDP) for Sui D&PL has been submitted to GoP in January 2017.

### Kandhkot Asset

In Kandhkot asset, development wells KDT-34(M), KDT-35(M) and KDT-38(H) were successfully completed and commissioned, resulting in enhanced field deliverability by approximately 40 MMscfd. Further, well KDT-40(H) was spudded in February 2017 and currently drilling is in progress. Furthermore, sub-surface maturation of eight development wells [KDT-37 to KDT-44] has been carried out. In-house full field simulation models were developed which assisted in finalisation of optimum locations for future wells.

Moreover, preliminary study, to confirm suitability of HRL Compressor for enhancing the production, has been completed. Scope of work, along with engineering documents have been finalised for HRL compressors relocation to Kandhkot Field.

### Adhi Asset

In Adhi asset, development well Adhi-27 was commissioned in October 2016, resulting in additional production of around 6 MMscfd gas and 450 BBLs of oil per day, whereas, drilling of development well Adhi-26(T/K) was completed satisfactorily. Further, well Adhi-28 was spudded in November 2016 and currently drilling is in progress. In addition, workovers of wells Adhi-15 and Adhi-17 were completed, resulting in significantly enhanced production from well Adhi-15, which is now producing 16 MMscfd gas and 2,000 BBLs of oil per day.

Moreover, FEED Study for Adhi Compression Facility has been completed after revision in wells production profile and composition. Technical Specifications for Nodal Reciprocating Gas Compression Packages have been finalised.

### Gambat South / Hala / Mazarani Assets

In Gambat South Asset, upgrade of Gas Processing Facility (GPF)-I has been completed as per schedule. Commissioning of GPF-II has also been completed and first gas sales commenced on August 09, 2016. GPF-III project is progressing and is currently in procurement and construction phase.

Further, reserves certification was completed for Gambat South discoveries at Shahdadpur and Shahdadpur West. Reserves certification letters have been sent to GoP for the approval and grant of Declaration of Commerciality (DoC) and D&PL. In addition, application for Shahdadpur East was also submitted to GoP for approval and grant of DoC and D&PL.

In Hala Asset, reserves certification for Adam West discovery and technical & commercial evaluation of Hala GPF-II was completed.

In Mazarani Asset, development well Mazarani-5 was spudded in December 2016 and completed in January 2017.

### Partner-Operated Assets

In Kirthar block, development well Rehman-2 was successfully completed as a gas producer, whereas, drilling of development well Rehman-3, spudded in November 2016, is in progress.

In Tal block, development wells Makori East-5 and Maramzai-4 were successfully completed as gas / condensate producers. Drilling of development well Makori East-6, spudded in January 2017, is in progress.

In Nashpa block, development wells Nashpa-6 and Nashpa-7 were completed as gas / condensate producers, whereas, drilling of development well Mela-5 is in progress. EPCC project for installation of LPG / NGL plant is currently in progress.

In Miano field, development well Miano-20 was plugged and suspended for further evaluation, whereas, development well Miano-21 was plugged and abandoned.

In Qadirpur field, development well Qadirpur-56 (SUL) was successfully completed as a gas producer, whereas, development well Qadirpur-57 (SUL) was spudded in January 2017 and currently drilling is in progress.

### Bolan Mining Enterprises

Mining and Grinding operations for production of Barytes at Khuzdar remained satisfactory. Sales of baryte powder to local E&P companies was as per expectations, however, ore export was lower due to low demand from customers. Efforts are being made to increase ore export by offering competitive prices.

As part of preparation of bankable feasibility report for exploration of Baryte-Lead-Zinc at Gunga, Khuzdar, resource drilling of approximately 10,000 meters spanned over 27 holes is planned to establish commercial viability of the project. In this context, drilling contract has been awarded and the contractor has been mobilised, and currently drilling of six holes of about 2,200 meters has been completed with satisfactory recovery of cores.

Resource Evaluation studies at Nokkundi Iron Projects remained in abeyance due to litigation on Mining leases.

### Corporate Social Responsibility (CSR)

PPL, as a responsible corporate organisation, plays a vital role to bring positive changes in the lives of local communities residing in the surrounding of its exploratory and producing areas through social development projects of mass benefit. PPL undertakes social welfare schemes cogitating the development of the areas and sustainability of the schemes. Our CSR initiatives over the years and in the period under review focused on education, health care, infrastructure development, water resource development and improvement of environment.

### Education

PPL continued to work for promotion of education at its producing and exploratory areas across the country. The Company sponsored three schools with The Citizen

## Directors' INTERIM REVIEW

Foundation (TCF) and two Government Schools at UC Ghaibi Dero. Further, the Company constructed and furnished computer hall at Government Boys Elementary School, Langha and constructed academic blocks at Government Boys High School-Raiyan Gorcian and Government Girls Primary School - Nata Gujar Mall, nearby Adhi Field. Furthermore, construction work continued at three school buildings and one examination hall at Barkhan, Khuzdar, Kalat and Washuk, respectively.

### Healthcare

At Sui, PPL Public Welfare Hospital has been declared as an "autonomous" body and to be operated through independent Board of Governors. The Hospital is operating satisfactorily where approximately 18,000 patients (200 patients per day) are being provided free consultation, treatment and medicines through OPD and emergency facilities. All the three Mobile Medical Dispensaries are operating satisfactorily in surrounding communities of Sui, Kandhkot, Chachar and Mazarani fields benefitting around 12,000 local patients mostly women. In addition, 1,300 patients were provided free of cost consultation and treatment at Medical Dispensary, Mastala near Adhi Field. PPL's adopted Marie Adelaide Leprosy Center at Kandhkot, which operated satisfactorily and provided free treatment of leprosy, TB and blindness. Further, surgical eye camps were held at Dera Bugti, Sui and Kandhkot.

### Water Supply

Construction work is progressing on twenty eight water supply schemes at District Lasbela, Awaran, Kharan, Washuk, Lakki Marwat, Kalat, Dera Ismail Khan and Kashmore.

### Technical & Skill Development

Women Vocational Training Centre, Mastala near Adhi field and Vocational Training Institute (stitching unit), Sui are operating satisfactorily.

### Other Activities

To promote sports and healthy lifestyle in Balochistan, PPL successfully held the inaugural edition of PPL Balochistan Football tournament, played between all 32 districts of Balochistan. The event was well acknowledged by all the stakeholders especially general public.

### Human Resources

PPL continues to provide employees with good opportunities for professional and personal development with focus on in-house training to develop technical and soft skills. Many initiatives have been taken for the competency development of staff, including modular leadership programs for senior staff, leadership assessment and development for senior management, technical training through foreign trainers and awareness sessions on health and information technology.

The Company believes in providing equal opportunity in recruitment, career development, promotion, training and rewards to all employees. To reinforce a culture that promotes a right to work with dignity and fosters inclusion, mandatory awareness sessions on preventing harassment at the workplace have been conducted.

To provide learning opportunity to young professionals in the surrounding areas of PPL producing fields, a batch of engineers / diploma holders was inducted on two-years

on-job training in October 2016, which include classroom training and cross-functional rotation in the first year.

## Quality, Health, Safety and Environment (QHSE)

QHSE trainings remained a key focus area to build up organisational capabilities wherein sessions on QHSE Awareness, First Aid, Occupational Health, Fire Fighting, Defensive Driving and Safe Work Practices were held during the period under review.

Pre-Mobilisation workshops and Pre-spud QHSE inspections / meetings held for all drilling activities to ensure QHSE requirements are understood and complied by the Contractors' as part of Company's QHSE improvement drive. As part of this effort, few non-routine HSE inspections were also carried out of Contractor Operations, Equipments.

In terms of upholding environmental statutory compliance, Initial Environmental Examination studies were undertaken for Exploration & Drilling Works in Dhok Sultan, Kotri, Kotri North, Zamzama South, Naushahro Firoz blocks. In addition to this, Environmental Impact Assessment Study for environmentally protected areas of Dhok Sultan block was also carried out.

Automation of QHSE Process on Incident Investigation and Risk Management was initiated for recording of information as per international best practices, facilitating swift movement of information, promoting paperless environment and facilitate data analysis.

QHSE Internal Audits of Sui Purification Plant, Sui Field Hospital, Adhi Asset, Production Engineering departments were carried out through trained Lead Auditors. Moreover, Sui Production, Sui Purification Plant, Adhi Asset, Construction departments sustained respective ISO & OHSAS Certifications post QHSE External Audits by Third Party Certification Agency.

A piping failure incident occurred at Sui Field Gas Compressor Station which resulted in a gas leak. The incident was well responded through a response plan and was independently investigated to identify root cause and remedial actions taken to prevent recurrence.

## Industrial Relations

Harmonious working environment and cordial industrial relations atmosphere prevailed at all locations of the Company, including Sui Gas Field.

## ACKNOWLEDGEMENT

The Company's achievements could not have been possible without the continuous efforts of our Employees, who deserve full compliments. We are also thankful to the continued support of the Government of Pakistan and shareholders, whose unfaltering trust and confidence has enabled us to aim and achieve the best.



AFTAB NABI  
DIRECTOR

Karachi  
February 28, 2017

## اعتراف

کمپنی کی کامیابیاں ہمارے عملے کی جانفشانی کے بغیر ممکن نہیں تھیں، جو بھرپور ستائش کے حقدار ہیں۔ ہم حکومت پاکستان اور حصص داروں کے مسلسل تعاون پر بھی شکرگزار ہیں جو ہم پر غیر متزلزل بھروسہ کرتے ہیں اور ہمیں اس قابل بناتے ہیں کہ ہم اپنے اہداف کو بہترین طریقے سے حاصل کر سکیں۔

ہلسہ احمد  
(آفتاب نبی)

ڈائریکٹر

کراچی

28 فروری، 2017

کمپنی کی کیو ایچ ایس ای کی بہتری کے حوالے سے مہم کے تحت کھدائی کی تمام سرگرمیوں بشمول عملے کی روانگی سے پہلے آگاہی ورکشاپس، کنوئیں کی کھدائی سے قبل ہدایتی نشستیں، آڈٹ/ جائزے منعقد کئے گئے تاکہ اس بات کا اطمینان کر لیا جائے کہ ٹھیکیدار کیو ایچ ایس ای کی ضروریات کی مکمل سمجھ حاصل کریں اور اس پر عمل درآمد کو ممکن بنائے۔ اس ضمن میں، طے شدہ معمول سے ہٹ کر ٹھیکیداروں کے آپریشنز اور سامان کی جانچ کے لئے ایچ ایس ای جائزاتی دورے بھی منعقد کئے گئے۔

مطلوبہ ماحولیاتی قوانین کی پاسداری کے لئے ڈھوک سلطان، کوثری، کوثری نارٹھ، زمزمہ ساؤتھ، نوشہرو فیروز بلاکس میں دریافتی و کھدائی کی سرگرمیوں کے لئے ابتدائی ماحولیاتی تجزیاتی تحقیقات کی گئیں ہیں۔ ساتھ ہی ڈھوک سلطان بلاک میں ماحولیاتی لحاظ سے محفوظ علاقوں کے حوالے سے ماحولیاتی اثر اندازی کی تجزیاتی تحقیق بھی کروائی گئی۔

کیو ایچ ایس ای کے طریقہ کار کو خود کار بنانے کا عمل جس میں حادثے کی تحقیق اور خطرے کا تجزیہ شامل ہیں، شروع کیا گیا ہے تاکہ عالمی معیار کے مطابق معلومات کو جمع/ریکارڈ کرنے، معلومات کی سہل ترسیل، کاغذ کے استعمال میں کمی اور اعداد و شمار/ڈیٹا کے تجزیے میں مدد مل سکے۔

کمپنی کی سطح پر تربیت یافتہ آڈیٹرز کے ذریعے سوئی پیوریفیکیشن پلانٹ، سوئی فیلڈ ہسپتال، آدہی اثا اور پروڈکشن انجینئرنگ کے آڈٹ کئے گئے۔ ساتھ ہی سوئی پروڈکشن، سوئی پیوریفیکیشن پلانٹ، آدہی اثا اور کنسٹرکشن نے سہ فریقی سند دینے والی کمپنی کی جانب سے کئے گئے بیرونی کیو ایچ ایس ای آڈٹ کے بعد اپنی ISO اور OHSAS کی سند کو برقرار رکھا۔

سوئی فیلڈ گیس کپریس رائٹیشن میں پائپنگ کی خرابی کی وجہ سے گیس لیک ہوئی۔ ایک جوابدہ منصوبے کے تحت واقعے سے بروقت نمٹا گیا۔ ساتھ ہی واقعہ کا غیر جانبدار تجزیہ کروایا گیا تاکہ اسکی اصل وجوہات معلوم کر کے اس کا سد باب کیا جاسکے۔

### انڈسٹریل ریلیشنز

کمپنی کی تمام لوکیشنز بشمول سوئی گیس فیلڈ میں ہم آہنگ کاروباری ماحول اور خوش گوار صنعتی فضا کو پروان چڑھایا گیا۔

## دیگر سرگرمیاں

بلوچستان کے نوجوانوں میں کھیل اور صحت مند سرگرمیوں کو فروغ دینے کے لئے کمپنی نے پی پی ایل بلوچستان فٹبال ٹورنامنٹ کا کامیابی سے آغاز کیا جس میں صوبے کے تمام اضلاع (32) کی ٹیموں نے شرکت کی۔ اس ٹورنامنٹ کو بلوچستان کے تمام حلقوں، خصوصاً عوام الناس، سے پذیرائی حاصل ہوئی۔

## انسانی وسائل

پی پی ایل اپنے عملے کی پیشہ وارانہ اور ذاتی ترقی کے ضمن میں تکنیکی اور قائدانہ دیگر صلاحیتوں میں اضافے کے لئے ان ہاؤس تربیتی پروگراموں پر توجہ دیتی ہے۔ اس حوالے سے کئی اقدامات کئے گئے ہیں جن میں سیئر عملے کے لئے ماڈیولر لیڈرشپ پروگرام، اعلیٰ انتظامی عملے کے لئے قیادت کی نشاندہی اور ترقی، بین الاقوامی سہولت کاروں کے ذریعے تکنیکی تربیتی پروگراموں کے انعقاد کے ساتھ ساتھ صحت عوام اور انفارمیشن ٹیکنالوجی پر آگاہی نشستیں شامل ہیں۔

کمپنی بھرتیوں، پیشہ وارانہ تربیت و ترقی اور اجر کے لئے مساوی مواقع فراہم کرنے پر یقین رکھتی ہے۔ کمپنی میں ایک ایسی روایت کے فروغ کے لئے جہاں وقار کے ساتھ کام کرنے کے حق اور تمام لوگوں کی یکساں شمولیت کو یقینی بنانے پر زور دیا جائے، کام کی جگہ پر ہر سال کرنے کو روکنے کے لئے لازمی نشستوں کا انعقاد کرتی ہے۔

پی پی ایل کی پیداواری فیلڈز کے گرد و نواح کے مقامی نوجوانوں کو سیکھنے کے مواقع فراہم کرنے کے لئے انجینیرز اور ڈپلومہ ہولڈرز کے ایک گروپ کو دو سالہ دوران ملازمت تربیت کے لئے اکتوبر 2016 میں شامل کیا گیا ہے جس میں پہلے سال کے دوران تربیتی نشستوں کے ساتھ ساتھ مختلف شعبہ جاتی گردش کے ذریعے سیکھنے کا عمل شامل ہے۔

## معیار، صحت، تحفظ و ماحول (کیو ایچ ایس ای)

کیو ایچ ایس ای کے حوالے سے ادارے کی صلاحیت کو بہتر بنانے کے لئے تربیت کو خصوصی توجہ دی جاتی ہے جس میں ابتدائی طبی امداد، پیشہ وارانہ صحت، آگ بجھانے، محفوظ ڈرائیونگ اور کام کے محفوظ طریقہ کار پر دوران جائزہ عرصے میں تربیتی نشستیں منعقد کئی گئیں۔



گورنمنٹ گرلز پرائمری اسکول، ٹاناجر مال میں تعلیمی بلاکس کی تعمیر کی۔ مزید یہ کہ بارکھان، خضدار، قلات اور واشوک میں تین اسکولوں کی عمارتوں اور ایک امتحانی ہال کی تعمیر جاری ہے۔

## صحت

سوئی میں پی پی ایل پبلک ویلفیئر ہسپتال کو ایک خود مختار ادارے کے طور پر تسلیم کیا گیا ہے جو ایک آزاد بورڈ کے تحت تسلی بخش طریقے سے کام جاری رکھے ہوئے ہے جہاں یومیہ اوسطاً 200 مریضوں (جن کی تعداد اس سہ ماہی میں 18,000 تک جا پہنچی ہے) کو ایمرجنسی اور بیرونی مریضوں کے شعبے کے ذریعے مفت علاج و معالجے اور ادویات کی سہولت فراہم کی جاتی ہے۔ اسی طرح، تین موبائل میڈیکل ڈسپنسریاں سوئی، کندھ کوٹ وچاڑ اور مرانی گیس فیلڈ کے گرد و نواح کی مقامی آبادیوں کے لئے تسلی بخش خدمات انجام دے رہی ہیں جن سے تقریباً 12,000 مریض، جن میں زیادہ تر خواتین شامل ہیں، استفادہ حاصل کر رہے ہیں۔ مزید یہ کہ آدھی فیلڈ کے قریب مستالہ میں میڈیکل ڈسپنسری کے ذریعے 1,300 مریضوں کو مفت علاج و معالجے کی سہولت فراہم کی گئی۔ کندھ کوٹ میں پی پی ایل کے تعاون سے چلنے والا میری ایڈیلیڈ پروسی سینٹر نے جزام، تپ دق اور اندھے پن کے علاج کی فراہمی کے لئے تسلی بخش طریقے سے کام جاری رکھا ہوا ہے۔ اس کے ساتھ ساتھ ڈیرہ بگٹی، سوئی اور کندھ کوٹ فیلڈز میں تین روزہ مفت آئی کیسپس کا کامیابی سے انعقاد کیا گیا ہے۔

## پانی کی فراہمی

لسبیلہ، آردان، خاران، واشوک، لکی مروت، قلات، ڈیرہ اسماعیل خان اور کشمور اضلاع میں 28 پانی کی سپلائی اسکیموں پر کام ہو رہا ہے۔

## تکنیکی مہارت میں اضافہ

مستالہ نزد آدھی فیلڈ میں خواتین کا ویکیشنل تربیتی سینٹر اور سوئی میں ویکیشنل تربیتی انسٹیٹیوٹ (سلائی کا مرکز) تسلی بخش طریقے سے کام انجام دے رہے ہیں۔

## بولان مائننگ انٹرپرائزز

خضدار میں بیرائیٹ کی پیداوار کے لئے مائننگ اور گرائیڈنگ آپریشنز تسلی بخش رہے۔ مقامی پیداواری اور دریافتی کمپنیوں کو بیرائیٹ پاؤڈر کی فراہمی توقع کے مطابق رہی تاہم اس کی درآمد صارفین کی مانگ میں کمی کی وجہ سے متاثر ہوئی۔ درآمد میں اضافے کے لئے مسابقتی قیمتوں کی پیش کش کی گئیں۔

گنگ، خضدار میں بیرائیٹ۔ لیڈ اور زنک کی تلاش و دریافت کے لئے ایک جامع امکان پذیری کی رپورٹ، جس کی بنیاد پرسیماہ کاری کی جاسکے، کی تیاری کے حوالے سے 10,000 میٹر کے احاطے میں 27 ہول کی کھدائی کی منصوبہ بندی کی گئی ہے تاکہ منصوبے کے تجارتی طور پر قابل عمل ہونے کا تجزیہ کیا جاسکے۔ اس حوالے سے کھدائی کے معاہدے کا اجراء کر دیا گیا ہے اور ٹھیکیدار کو متحرک کر دیا گیا ہے، تا حال 2,200 میٹر کے 6 ہول کی کھدائی مکمل ہو چکی ہے جس سے cores کا اطمینان بخش حصول کیا گیا ہے۔

نوکنڈی آئرن منصوبے کے تحت ذخائر کی تجزیاتی تحقیق مائننگ لیز کی قانونی چارہ جوئی کے باعث تعطل کا شکار رہی۔

## کاروباری سماجی ذمہ داری (سی ایس آر)

پی پی ایل، ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے، اپنی پیداواری علاقوں کے ارد گرد مقامی آبادیوں کی زندگی پر مثبت اثرات ڈالنے کے لئے فلاح و بہبود کے ان منصوبوں کو جو بڑے پیمانے پر سماجی فوائد پہنچا سکیں، جاری رکھنے میں اہم کردار ادا کرتی ہے۔ کمپنی سماجی بھلائی کے منصوبوں کو وسیع تر مقصدیت اور پائیداری کے مطابق جاری رکھے ہوئے ہے تاکہ مقامی افراد کے معیار زندگی میں بہتری لائی جائے۔ سالہا سال سے اور دورانِ جائزہ عرصے میں بھی ہمارے سی ایس آر اقدامات تعلیم، صحت، بنیادی ڈھانچوں اور آبی وسائل کی فراہمی اور ماحول کی بہتری کے لئے کارفرما رہے ہیں۔

## تعلیم

زیرِ جائزہ عرصے کے دوران پی پی ایل پورے ملک میں اپنے پیداواری اور دریافتی علاقوں میں تعلیم کے فروغ کے لئے مسلسل کام جاری رکھے ہوئے ہے۔ حالیہ عرصے کے دوران، پی پی ایل نے تین پی پی ایل۔ ٹی سی ایف اسکولوں اور غیبی ڈیو میں دوسری اسکولوں کی اعانت جاری رکھی۔ علاوہ ازیں، کمپنی نے آدہی فیلڈ کے گرد و نواح میں گورنمنٹ بوائز ایلمنٹری اسکول، لاکھامیں کمپیوٹر لیب کی تعمیر، تزئین و آرائش اور سامان و آلات کی فراہمی کے ساتھ ساتھ گورنمنٹ بوائز ہائی اسکول، ریاں گورسیاں اور

## گمبٹ ساؤتھ/ہالہ/مزرانی اثاثے

گمبٹ ساؤتھ اثاثے میں گیس پروسیسنگ فیلٹی (جی پی ایف) - I منصوبہ کی تجدید اپنے مقررہ شیڈول کے مطابق مکمل ہو چکی ہے۔ جی پی ایف - II سے پیداوار کا آغاز کر دیا گیا ہے اور پلانٹ سے گیس کی فروخت 9 اگست 2016 کو شروع ہوئی۔ جی پی ایف - III منصوبے پر کام جاری ہے اور فی الحال سامان کی خریداری اور تعمیراتی کام چل رہا ہے۔ مزید یہ کہ گمبٹ ساؤتھ میں شہداد پور اور شہداد پور ویسٹ فیلڈز کی دریافتوں کے ذخائر کی اسناد مکمل کر لی گئی ہیں۔

ذخائر کی سند کے خطوط حکومت پاکستان کو ان فیلڈز سے ہونے والی پیداوار کی تجارتی بنیادوں پر اعلامیے اور ڈیولپمنٹ اور پروڈکشن لیز جاری کرنے کی منظوری کے لئے جمع کرا دئے گئے ہیں۔ اس کے ساتھ ساتھ شہداد پور ایسٹ ہونے والی پیداوار کی تجارتی بنیادوں پر اعلامیے اور ڈیولپمنٹ اور پروڈکشن لیز جاری کرنے کی درخواست منظوری کے لئے جمع کرا دی گئی ہے۔ ہالہ اثاثے میں، آدم ویسٹ ذخائر کی سند حاصل کرنے کا عمل اور ہالہ گیس پروسیسنگ فیلٹی - 2 کی تکنیکی و تجارتی تجزیہ مکمل ہو چکا ہے۔

مزرانی اثاثے میں، پیداواری کنونین مزرانی - 5 کی کھدائی دسمبر 2016 میں شروع ہوئی جسے جنوری 2017 میں مکمل کر لیا گیا ہے۔

## پارٹنر - آپریٹڈ اثاثے

کیترہ بلاک میں پیداواری کنونین رحمان - 2 کو گیس کے پیداوار کنندہ کے طور پر کامیابی سے مکمل کر لیا گیا ہے۔ جبکہ رحمان - 3 کی کھدائی کا آغاز نومبر 2016 میں شروع ہوا جو ابھی جاری ہے۔

ٹل بلاک میں پیداواری کنوؤں ماکوڑی ایسٹ - 5 اور مارم زئی - 4 کو گیس اور کنڈنسٹ کے پیداوار کنندہ کے طور پر کامیابی سے مکمل کر لیا گیا ہے۔ ماکوڑی ایسٹ - 6 کی کھدائی کا آغاز جنوری 2017 میں ہوا جس پر کام جاری ہے۔

نچا بلاک میں پیداواری کنوؤں نچا - 16 اور نچا - 7 کو گیس اور کنڈنسٹ کے پیداوار کنندہ کے طور پر کامیابی سے مکمل کر لیا گیا ہے۔ جبکہ پیداواری کنونین میلہ - 5 کی کھدائی جاری ہے۔ مزید یہ کہ ایل پی جی پلانٹ کی تنصیب کے لئے ای پی سی سی منصوبہ جاری ہے۔

میانو بلاک میں، پیداواری کنونین میانو - 20 کو مزید تجزئے کے لئے بند کر کے عارضی طور پر اس پر کام بند کر دیا گیا ہے۔ جبکہ پیداواری کنونین میانو - 21 کو بند کر کے ترک کر دیا گیا ہے۔

قادر پور فیلڈ میں قادر پور - 56 (ایس یو ایل) کو گیس پیدا کرنے والے کنونین کے طور پر مکمل کر لیا گیا ہے۔ قادر پور - 57 (ایس یو ایل) کی کھدائی کا آغاز جنوری 2017 کو ہوا جس پر کام ابھی جاری ہے۔

اقتصادی رابطہ کمیٹی نے 13 دسمبر 2016 کو دی جس کی رو سے ڈیولپمنٹ اور پروڈکشن لیز جلد ہی باقاعدہ طور پر جاری کر دی جائے گی۔ ساتھ ہی سوئی کا فیلڈ ڈیولپمنٹ منصوبہ حکومت پاکستان کو جنوری 2017 میں جمع کر دیا گیا ہے۔

### کندھ کوٹ اثاثہ

پیداواری کنوؤں KDT-34(M)، KDT-35(M) اور KDT-38(H) کی کھدائی کامیابی سے مکمل ہونے کے بعد ان سے پیداوار کا آغاز ہو چکا ہے جس کی بناء پر فیلڈ کی مجموعی پیداوار میں تقریباً یومیہ 140 ایم ایم ایس سی ایف اضافہ ہوا ہے۔ مزید یہ کہ KDT-40(H) کی کھدائی کا آغاز فروری 2017 میں ہوا جو ابھی جاری ہے۔ ساتھ ہی 8 پیداواری کنوؤں (KDT-37 تا KDT-44) کی کھدائی کے امکانات کو زیریں سطح پر پختہ کر لیا گیا ہے۔ ساتھ ہی عملے نے فیلڈ کی مکمل سطح پر سیمولیشن ماڈل کو تیار کیا جس کے ذریعے مستقبل میں کھودے جانے والے کنوؤں کی ممکنہ کھدائی کے مقامات کو پختہ کرنے میں مدد ملی ہے۔

مزید یہ کہ فیلڈ سے پیداوار بڑھانے کے لئے HRL کمپریسر کی موافقت کے حوالے سے ابتدائی تحقیق مکمل ہو چکی ہے۔ HRL کمپریسر کی کندھ کوٹ فیلڈ میں منتقل کرنے کے لئے کام کی نوعیت اور انجینئرنگ دستاویز کو حتمی شکل دی جا چکی ہے۔

### آدہی اثاثہ

پیداواری کنوئیں آدہی-27 سے پیداوار کا آغاز اکتوبر 2016 میں کر دیا گیا جس سے یومیہ 16 ایم ایم ایس سی ایف گیس اور 450 بیرل تیل حاصل ہوئے۔ ساتھ ہی آدہی-26 (T/K) کی تسلی بخش کھدائی مکمل ہو چکی ہے۔ اس کے علاوہ آدہی-28 کی کھدائی کا آغاز نومبر 2016 میں ہوا جو ابھی جاری ہے۔ آدہی-15 اور آدہی-17 کا ورک اور مکمل ہو چکا ہے جس کے نتیجے میں آدہی-15 سے پیداوار میں خاطر خواہ اضافہ ہوا ہے جو اب یومیہ 16 ایم ایم ایس سی ایف گیس اور 2,000 بیرل تیل کی پیداوار دے رہا ہے۔

مزید یہ کہ آدہی میں کمپریشن کی سہولت کی تنصیب کے حوالے سے FEED تحقیق مکمل ہو چکی ہے جس میں فیلڈ کے کنوؤں کی پیداواری نوعیت اور ترکیب کے اعادہ شدہ ڈٹا کو مد نظر رکھا گیا ہے۔ Nodal Reciprocating Gas Compression Packages کی تکنیکی جزئیات کو حتمی شکل دے دی گئی ہے۔

## ایکسپلوریشن کے سرحدی اثاثے

حب بلاک میں 2D سائز مک سروے مکمل ہو چکا ہے جبکہ پہلے دریافتی کنوئیں حب 1-X کی کھدائی کی تیاریاں جاری ہیں خاران بلاک میں پہلے دریافتی کنوئیں خاران 1-X کی کھدائی کا آغاز فروری 2017 میں ہوا جو اس وقت جاری ہے۔ دریافتی کنوئیں مزرانی ڈیپ-1 کی کھدائی کا آغاز دسمبر 2016 میں ہوا جو اس وقت جاری ہے۔ قلات اور نوشیروانی بلاکس میں بالترتیب قلات 1-X اور نوشیروانی 1-X کی کھدائی کی تیاریاں جاری ہیں۔ بارکھان بلاک میں دوسرے دریافتی کنوئیں میرواہ ایسٹ 1-X کو ڈرائی ہول ہونے کی وجہ سے بند کر کے ترک کر دیا گیا۔

## پارٹنر آپریٹڈ اثاثے

ٹل بلاک میں تجزیاتی کنوئیں مردان خیل-3 کی جانچ جاری ہے جبکہ مردان خیل-2 کی کھدائی ہو رہی ہے۔ ساتھ ہی منزلی ویسٹ کا باقی رہ جانے والا 30 فیصد گریوٹی سروے مکمل ہو چکا ہے۔ نچا بلاک میں تیسرے دریافتی کنوئیں شاوا-1 کو مکینیکل ناکامی کی بناء پر بند کر کے ترک کر دیا گیا۔ لطیف بلاک میں دریافتی کنوئیں خانان-1 کی کھدائی کا آغاز فروری 2017 میں ہوا جو ابھی جاری ہے۔ ڈگری بلاک میں تیسرے دریافتی کنوئیں صدر-1 کی کھدائی کا آغاز جنوری 2017 میں ہوا جس کی کھدائی عارضی طور پر روک دی گئی ہے تاکہ مزید جانچ کی جاسکے۔

## پیدواری فیلڈز اور ان پر جاری کام

### سوئی اثاثہ

پیدواری کنوئیں سوئی-95 کو نیٹ ورک سے منسلک کر کے نومبر 2016 میں اس سے پیداوار کا آغاز کر دیا گیا ہے جو کہ سٹم میں یومیہ تقریباً 10 ایم ایم ایس سی ایف گیس کا اضافہ کر رہا ہے۔ ساتھ ہی سوئی-(U) 101 کی کھدائی فروری 2017 میں شروع ہوئی جبکہ سوئی-(U) 100 کی کھدائی اس کے بعد ہوگی۔

مزید برآں یہ کہ حکومت پاکستان اور حکومت بلوچستان کے درمیان ایک معاہمتی معاہدہ طے پایا جس کی رو سے پی پی ایل کو یکم جون 2015 سے سوئی گیس فیلڈ کے لئے ڈیولپمنٹ اور پروڈکشن لیز جاری کر دی گئی۔ معاہمتی معاہدہ کی منظوری وفاقی کابینہ کی

موجودہ عرصے میں نئے اور جاری قدامت کی تفصیل حسب ذیل ہے:

### ایکسپلوریشن کے جنوبی اثاثے

ہالہ بلاک میں دریافتی کنوئیں بشر 1-X (سائڈ ٹریک) سے گیس کی دریافت ہوئی ہے جبکہ چھٹے دریافتی کنوئیں زرباب 1-X کی کھدائی کی تیاریاں جاری ہے۔

شاہ بندر، گمبٹ ساؤتھ اور کوٹری نارٹھ بلاکس میں 3D سائز مک سروے مکمل ہو چکا ہے جبکہ سیہانی اور کوٹری بلاکس میں یہ سروے ابھی جاری ہے۔

ملیر اور کچھرو ایسٹ بلاکس میں ان۔فل 2D سائز مک سروے مکمل ہو گیا ہے۔

گمبٹ ساؤتھ بلاک میں تیرھویں دریافتی کنوئیں سمر 1-X کی کھدائی کا آغاز دسمبر 2016 میں ہوا جس پر فی الحال کھدائی کا کام جاری ہے جبکہ چودھویں دریافتی کنوئیں غافر 1-X کی کھدائی کی تیاریاں جاری ہیں۔

کوٹری بلاک میں دوسرے دریافتی کنوئیں کوٹری 2-X کو بند کر کے ترک کر دیا گیا۔

زمزم ساؤتھ بلاک میں پہلے دریافتی کنوئیں منھڑ 1-X کی کھدائی کی تیاریاں جاری ہیں۔

نوشہرو فیروز بلاک میں تجزیاتی کنوئیں این ایف-1 (دوبارہ داخل کئے گئے) کی کھدائی کی تیاریاں جاری ہے تاکہ نوشہرو فیروز 1-X سے ہونے والی ٹائیٹ گیس کی دریافت کی جانے کی جاسکے۔

### ایکسپلوریشن کے شمالی اثاثے

کرسل بلاک میں پہلے دریافتی کنوئیں تلہ گنگ 1-X کی کھدائی کے آغاز کی تیاریاں جاری ہیں۔

ڈھوک سلطان بلاک میں 2D اور 3D سائز مک سروے جاری ہے۔

صادق آباد اور حصال بلاکس میں ارضیاتی و ارضی طبیعیاتی تحقیق (G&G) جاری ہے تاکہ کھدائی کے ممکنہ مقام کو پہنچتے کیا جاسکے۔

زندان بلاک کو ترک کرنے کے لئے درخواست حکومت پاکستان کو 15 نومبر، 2016 کو جمع کروادی گئی ہے۔

پی پی ایل۔ آپریٹڈ اور پارٹنر آپریٹڈ فیلڈز سے فروخت کے حجم میں کمپنی کے حصے کا تقابلی جائزہ حسب ذیل ہے:

یونٹ	پہلی سہ ماہی کا اختتام 30 ستمبر، 2016	پہلی سہ ماہی کا اختتام 30 ستمبر، 2015
قدرتی گیس	71,678	70,726
خام تیل/ قدرتی گیس مائع/		
(این جی ایل)/کنڈنسیٹ	1,296,033	1,228,728
مائع پٹرولیم گیس (ایل پی جی)	17,788	12,508
پیرائٹس	7,012	7,701
ایم ای سی ایف		
بی بی ایل		
ٹن		
ٹن		

#### منفعت

فروخت آمدن اور دیگر آمدن میں کمی کی بناء پر کمپنی کے منافع میں 3 فیصد کمی ہوئی ہے جسے فیلڈ کے اخراجات میں ہونے والی کمی نے جزوی طور پر زائل کیا۔ فیلڈ کے اخراجات میں کمی دراصل زیر نظر جائزے کے دوران تقابلی عرصے کے مقابلے میں دریافتی سرگرمیوں میں ہونے والی کمی کی بناء پر ہے۔

کاروباری حکمت عملی اور اہم شعبہ جات  
زیر نظر جائزے کے دوران کمپنی کے آپریشنز کاروباری حکمت عملی کے مطابق رہے۔

#### دریافتی سرگرمیاں

کمپنی کا دریافتی پروگرام/ ڈائریکٹوریٹ تین اثاثوں بنام شمالی، جنوبی اور سرحدی اثاثوں (آخر الذکر میں عراق، یمن اور نئے کاروباری اشتراکی بلاکس شامل ہیں) پر مشتمل ہے۔ اس وقت، کمپنی کے پاس 45 بلاکس ہیں، جن میں سے 27 پی پی ایل آپریٹڈ (بشمول عراق میں بلاک 8 جسے پی پی ایل ایشیا آپریٹ کرتی ہے) اور بقیہ 18 پارٹنر آپریٹڈ ہیں جن میں پاکستان میں تین آف شور اور یمن میں دو آن شور بلاکس بھی شامل ہیں۔

پہلی سہ ماہی کا اختتام  
30 ستمبر، 2015  
(اعادہ شدہ)

پہلی سہ ماہی کا اختتام  
30 ستمبر، 2016

ملین روپے

20,610

18,810

فروخت آمدن (خالص)

8,158

8,184

قبل از ٹیکس منافع

(2,241)

(2,435)

ٹیکس

5,917

5,749

بعد از ٹیکس منافع

3.00

2.92

بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

فروخت آمدن

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 1,800 ملین روپے کی کمی آئی ہے۔ خام تیل کی قیمت میں منفی تبدیلی کی وجہ سے 2,959 ملین روپے کا منفی انحراف 803 ملین روپے کے فروخت کے حجم/مقدار (میں اضافے) اور 356 ملین روپے کی شرح تبدیلی کے مثبت تغیر سے جزوی طور پر زائل ہوا۔ موجودہ سہ ماہی میں تیل کی قیمت 42.89 امریکی ڈالر فی بیرل رہی جبکہ تقابلی دورانیے میں یہ قیمت 48.29 امریکی ڈالر فی بیرل تھی۔

حجم/مقدار کا مثبت تغیر تیل کی فروخت کے حجم میں 5 فیصد، گیس کی فروخت کے حجم میں 1 فیصد اور ایل پی جی کی فروخت کے حجم میں 42 فیصد اضافے کے مشترکہ اثر سے منسوب ہے جس نے پیرانیٹس کی فروخت کے حجم میں 9 فیصد کمی کے اثر کو جزوی طور پر زائل کیا ہے۔ تیل کی فروخت کے حجم میں اضافہ دراصل ٹل، آدہی اور گمبٹ ساؤتھ کی فیلڈز سے پیداوار میں اضافے کی وجہ سے ہوا۔ جبکہ گیس کی فروخت کے حجم میں اضافہ سوئی، کندھ کوٹ، آدہی، بلاک 22، ٹل، ہالہ اور گمبٹ ساؤتھ کی فیلڈز سے زیادہ پیداوار کے حصول سے ہوا جس نے لطیف، قادر پور، گمبٹ، میانو، تشپا اور ساون فیلڈز سے گیس کی فروخت کے حجم میں ہونے والی کمی کی جزوی تلافی بھی کی۔ ایل پی جی کی فروخت کے حجم میں اضافہ ٹل اور آدہی فیلڈز سے پیداوار میں اضافے سے ہوا۔



## ڈائریکٹران کا عبوری جائزہ

آپ کے ڈائریکٹران 30 ستمبر 2016 کو ختم ہونے والے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

## آپریٹنل و مالیاتی جھلکیاں / اہم نکات

### آپریٹنل جھلکیاں / آپریٹنل کے اہم نکات

30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے دوران ہونے والے اہم کاروباری آپریٹنل حسب ذیل ہیں:

### دریافتیں:

زیر جائزہ عرصے میں ایک دریافت بشر 1-X (سائنڈ ٹریک) سے ہوئی ہے جو کہ پی پی ایل آپریٹڈ ہالہ بلاک میں ہے۔

### سائز کم سرگرمیاں

پی پی ایل آپریٹڈ بلاکس میں 286 لائن کلومیٹر اور 467 مربع کلومیٹر پر بالترتیب 2D اور 3D سائز کم سروے کئے گئے۔

### کھدائی کی سرگرمیاں

موجودہ مدت میں پی پی ایل آپریٹڈ بلاکس میں چار کنوئیں (دو دریافتی اور دو پیداواری کنوئیں) کھودے گئے۔

### مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

30 ستمبر 2016 کو ختم ہونے والی پہلی سہ ماہی پر کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

# Unconsolidated Condensed Interim BALANCE SHEET

As At September 30, 2016

	Note	September 30, 2016 Unaudited	June 30, 2016 Audited
		----- Rs '000 -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	5	129,788,028	127,920,186
Intangible assets		379,734	414,876
		130,167,762	128,335,062
Long-term investments	6	35,429,509	50,978,610
Long-term loans		1,203,170	1,203,901
Long-term deposits		7,676	7,676
Long-term receivables		333,000	333,000
		167,141,117	180,858,249
<b>CURRENT ASSETS</b>			
Stores and spares		4,127,745	4,140,258
Trade debts	7	55,915,780	57,835,214
Loans and advances		3,371,230	1,328,228
Trade deposits and short-term prepayments		448,206	572,510
Interest accrued		770,970	1,459,316
Current maturity of long-term investments	6	22,123,818	66,493
Current maturity of long-term receivables		81,978	81,978
Current maturity of long-term deposits		787,500	787,500
Other receivables		2,089,228	2,978,845
Short-term investments		15,965,500	19,012,500
Taxation - net		-	68,206
Cash and bank balances		2,676,616	3,273,024
		108,358,571	91,604,072
<b>TOTAL ASSETS</b>		<b>275,499,688</b>	<b>272,462,321</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		19,717,295	19,717,295
Reserves		178,680,400	172,931,642
		198,397,695	192,648,937
<b>NON-CURRENT LIABILITIES</b>			
Provision for decommissioning obligation		20,307,338	20,201,454
Liabilities against assets subject to finance lease		223,003	238,385
Deferred liabilities		2,402,989	2,366,677
Deferred taxation	8	27,204,454	25,211,616
		50,137,784	48,018,132
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	26,770,129	31,669,572
Current maturity of liabilities against assets subject to finance lease		124,083	125,680
Taxation - net		69,997	-
		26,964,209	31,795,252
<b>TOTAL LIABILITIES</b>		<b>77,101,993</b>	<b>79,813,384</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>275,499,688</b>	<b>272,462,321</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

# Unconsolidated Condensed Interim PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter ended September 30, 2016

	Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
		----- Rs '000 -----	
Sales - net	11	18,809,611	20,610,303
Field expenditures	12	(8,765,449)	(10,990,358)
Royalties		(2,225,822)	(2,393,190)
		(10,991,271)	(13,383,548)
		7,818,340	7,226,755
Other income	13	1,123,953	1,530,386
Other operating expenses	14	(641,155)	(434,556)
Finance costs	15	(116,797)	(164,224)
Profit before taxation		8,184,341	8,158,361
Taxation	16	(2,435,583)	(2,241,649)
Profit after taxation		5,748,758	5,916,712
Basic and diluted earnings per share (Rs)	19	2.92	3.00

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

# Unconsolidated Condensed Interim Statement of COMPREHENSIVE INCOME (UNAUDITED)

For the quarter ended September 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	
Profit after taxation	5,748,758	5,916,712
Other comprehensive income		
Items not to be reclassified to profit and loss account in subsequent periods		
Remeasurement losses on defined benefit plans - net	-	-
Deferred taxation	-	-
Total comprehensive income	5,748,758	5,916,712

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

# Unconsolidated Condensed Interim CASH FLOW STATEMENT (UNAUDITED)

For the quarter ended September 30, 2016

Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	28,444,229	29,101,676
Receipts of other income	32,757	17,330
Cash paid to suppliers / service providers and employees (net)	(12,927,432)	(7,520,025)
Payment of indirect taxes and Government levies including royalties	(8,718,806)	(9,920,733)
Income tax paid	(304,542)	(288,369)
Finance costs paid	(10,913)	(9,523)
Long-term loans (net)	1,296	(28,215)
Net cash generated from operating activities	6,516,589	11,352,141

## CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (net)	(5,398,121)	(5,908,277)
Proceeds from sale of property, plant and equipment	6,397	4,468
Purchase of long-term investments	(6,538,002)	(5,680,779)
Long-term receivables	-	60,632
Financial income received	1,799,181	1,966,317
Net cash used in investing activities	(10,130,545)	(9,557,639)

## CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance lease	(26,403)	(25,342)
Dividends paid including arrears	(3,049)	(4,879)
Net cash used in financing activities	(29,452)	(30,221)
Net (decrease) / increase in cash and cash equivalents	(3,643,408)	1,764,281
Cash and cash equivalents at the beginning of the period	22,285,524	23,568,971
Cash and cash equivalents at the end of the period	18,642,116	25,333,252

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

# Unconsolidated Condensed Interim Statement of CHANGES IN EQUITY (UNAUDITED)

For the quarter ended September 30, 2016

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves					Total reserves		
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit	Total		
										Total	
Rs '000											
Balance as at June 30, 2015 - Restated (Audited)	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	105,707,866	168,551,501	168,552,929	188,270,224
Comprehensive income for the period											
Profit after taxation - Restated	-	-	-	-	-	-	-	5,916,712	5,916,712	5,916,712	5,916,712
Other comprehensive income for the quarter ended September 30, 2015, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2015 - Restated	-	-	-	-	-	-	-	5,916,712	5,916,712	5,916,712	5,916,712
Transaction with owners											
Final dividend on ordinary shares @ 40% for the year ended June 30, 2015	-	-	-	-	-	-	-	(7,886,868)	(7,886,868)	(7,886,868)	(7,886,868)
Balance as at September 30, 2015 - Restated	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	103,737,710	166,581,345	166,582,773	186,300,068
Balance as at June 30, 2016 (Audited)	19,717,173	122	1,428	69,761	34,021,894	23,751,980	5,000,000	110,086,579	172,930,214	172,931,642	192,648,937
Comprehensive income for the period											
Profit after taxation	-	-	-	-	-	-	-	5,748,758	5,748,758	5,748,758	5,748,758
Other comprehensive income for the quarter ended September 30, 2016, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2016	-	-	-	-	-	-	-	5,748,758	5,748,758	5,748,758	5,748,758
Balance as at September 30, 2016	19,717,173	122	1,428	69,761	34,021,894	23,751,980	5,000,000	115,835,337	178,678,972	178,680,400	198,397,895

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

# Notes to and Forming Part of the Unconsolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED) For the quarter ended September 30, 2016

## 1. LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi.
- 1.2 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

Wholly-owned subsidiaries as of the balance sheet date:

- a) PPL Europe E&P Limited (PPLE)
  - b) PPL Asia E&P B.V. (PPLA)
  - c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC)
- 1.3 The Sui Mining Lease was due to expire on May 31, 2015. The Government of Pakistan (GoP) through various notifications allowed the Company to continue producing from the Sui gas field, the most recent being dated November 30, 2016, whereby allowing the Company to produce from Sui gas field for a further period of six months with effect from December 01, 2016.

During May 2016, a Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP dated December 13, 2016, and accordingly D&PL will be formally granted in due course of time.

The effect of the Sui Mining Lease in these unconsolidated condensed interim financial statements has been incorporated on the basis consistent with the previous periods i.e. without taking into account the effects of the MoA, due to the fact that neither the D&PL has been granted nor the revised prices have been notified by the Oil and Gas Regulatory Authority (OGRA).

- 1.4 During the year ended June 30, 2016, the Company signed the 'Supplemental Agreement' with the GoP for conversion of Petroleum Concession Agreement (PCA) to the Petroleum Exploration and Production Policy, 2012 in respect of Mamikhel, Maramzai & Makori East discoveries in Tal block. Under the said arrangement price regime of Petroleum Policy (PP) 2007 will be applicable for Mamikhel, whereas, for Maramzai and Makori East average of price regime PP 2001 and PP 2009 will be applicable. The Ministry of Petroleum & Natural Resources has advised OGRA to revise the notifications of wellhead gas prices in accordance with the Tal block Supplemental Agreement for the period from the commencement of production from respective discoveries till June 30, 2015.

Accordingly, the operator of Tal block has submitted the request for revision in notifications to OGRA. Further, the revised prices, under the above mentioned price regimes, have only been notified for six months effective from July 01, 2015, whereas, for the remaining periods price notifications are still awaited. Accordingly, these unconsolidated condensed

# Notes to and Forming Part of the Unconsolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED)

For the quarter ended September 30, 2016

interim financial statements have been prepared without taking into account the effect of price revision for the period from the commencement of production of respective discoveries till June 30, 2015.

## 2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements have 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. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.
- 2.2 These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited unconsolidated financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended June 30, 2016.

## 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2016.

Further, the effects of restatements as disclosed under note 2.3(c) to the unconsolidated financial statements for the year ended June 30, 2016, have been appropriately incorporated in these unconsolidated condensed interim financial statements.

The Company follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in these unconsolidated condensed interim financial statements.

## 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and apply judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2016.



#### 4.1 Implication of revised IFRS-2 (Share Based Payments) on Benazir Employees' Stock Option Scheme (BESOS)

In June 2011, the Securities & Exchange Commission of Pakistan on receiving representations from some of the entities covered under Benazir Employees' Stock Option Scheme (the Scheme) and after having consulted the Institute of Chartered Accountants of Pakistan, granted exemption to such entities from the application of International Financial Reporting Standard (IFRS)-2 "Share-based Payment" to the Scheme. There has been no change in the status of the Scheme as stated in note 2.4 to the audited unconsolidated financial statements for the year ended June 30, 2016. The management believes that the Scheme is being revamped by the GoP and all claims and disbursements to unit holders are kept in abeyance by the Privatisation Commission since June 2010.

Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (June 30, 2016: Rs 18,879 million).

	September 30, 2016 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening Net Book Value (NBV)	93,267,558	58,893,563
Additions to:		
- owned assets	386,228	39,015,865
- assets subject to finance lease	-	175,876
	386,228	39,191,741
	93,653,786	98,085,304
Disposals / adjustments during the period / year (NBV)	(1,612)	5,859,409
Depreciation / amortisation charged during the period / year	(3,093,241)	(10,677,155)
	90,558,933	93,267,558
Capital work-in-progress - note 5.1	39,229,095	34,652,628
	<b>129,788,028</b>	<b>127,920,186</b>
<b>5.1 Capital work-in-progress</b>		
Plant, machinery, fittings and pipelines	7,110,566	5,834,602
Exploration and evaluation assets	9,337,285	9,114,048
Development and production assets	10,136,515	6,413,387
Lands, buildings and civil constructions	104,766	119,896
Capital stores for drilling and development	12,744,764	13,449,293
	39,433,896	34,931,226
Impairment loss on exploration and evaluation assets - note 5.1.1	(204,801)	(278,598)
	<b>39,229,095</b>	<b>34,652,628</b>

5.1.1 Represents impairment of Company's share of assets pertaining to Barkhan Joint Operation.

5.1.2 Three exploratory wells i.e. 3rd exploratory well in Nashpa, Kotri X-2 in Kotri and Nihal X-1 in Digri blocks having combined capitalised value of Rs 1,558 million as at September 30, 2016 have been declared as dry wells subsequent to the quarter end. This has been treated as a non-adjusting event as per IAS 10 and accordingly these wells will be charged to profit and loss account in the subsequent unconsolidated financial statements.

Notes to and Forming Part of the  
Unconsolidated Condensed Interim  
**FINANCIAL STATEMENTS (UNAUDITED)**  
For the quarter ended September 30, 2016

	September 30, 2016 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
<b>6. LONG-TERM INVESTMENTS</b>		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC	1	1
- PPLE	3,324,076	3,324,076
- PPLA	7,870,946	7,870,946
	11,195,023	11,195,023
Other investments		
- Held-to-maturity		
- Term Finance Certificates (TFCs)	99,740	99,740
- Pakistan Investment Bonds (PIBs)	22,057,325	22,122,574
- Local currency term deposits with banks	2,000,000	2,000,000
- Foreign currency term deposits with banks	16,394,903	15,627,766
	40,551,968	39,850,080
- Designated at fair value through profit or loss		
- Mutual Funds	5,806,336	-
Less: Current maturities		
- TFCs	(66,493)	(66,493)
- PIBs	(22,057,325)	-
	(22,123,818)	(66,493)
	<u>35,429,509</u>	<u>50,978,610</u>
<b>7. TRADE DEBTS</b>		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	9,560,947	7,881,749
Sui Northern Gas Pipelines Limited (SNGPL)	19,785,175	22,173,798
Sui Southern Gas Company Limited (SSGCL)	21,049,514	21,634,616
Pak-Arab Refinery Limited (PARCO)	626,318	784,867
Oil & Gas Development Company Limited (OGDCL)	34,810	20,328
	51,056,764	52,495,358
Non-related parties		
Attock Refinery Limited (ARL)	3,934,835	4,451,970
National Refinery Limited (NRL)	389,435	274,111
Others	534,746	613,775
	4,859,016	5,339,856
	<u>55,915,780</u>	<u>57,835,214</u>
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 7.3	(1,156,220)	(1,156,220)
	-	-
	<u>55,915,780</u>	<u>57,835,214</u>

	September 30, 2016 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
<b>7.1 The ageing of trade debts is as follows:</b>		
Neither past due nor impaired	13,612,557	16,307,527
Past due but not impaired:		
Related parties		
- within 90 days	14,674,286	12,304,046
- 91 to 180 days	10,139,576	13,364,024
- over 180 days	15,989,003	14,601,392
	40,802,865	40,269,462
Non-related parties		
- within 90 days	1,377,898	1,135,090
- 91 to 180 days	7,398	7,046
- over 180 days	115,062	116,089
	1,500,358	1,258,225
	<u>55,915,780</u>	<u>57,835,214</u>

- 7.2** Trade debts include overdue amount of Rs 40,595 million (June 30, 2016: Rs 40,263 million) receivable from the State controlled companies (i.e. GENCO-II, SSGCL, SNGPL and OGDCL) and Rs 2,865 million (June 30, 2016: Rs 2,421 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

Based on the measures being undertaken by the GoP, the Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these unconsolidated condensed interim financial statements, except for provision against receivable from Byco.

- 7.3** The Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues.

	September 30, 2016 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
<b>8. DEFERRED TAXATION</b>		
(Deductible) / taxable temporary differences on:		
Exploration expenditure	(2,823,000)	(2,866,000)
Provision for staff retirement and other benefits	(720,897)	(976,450)
Provision for obsolete / slow moving stores	(40,067)	(41,403)
Provision for doubtful debts	(462,488)	(462,488)
Unused tax losses - note 8.1	(4,614,320)	(5,315,277)
Provision for decommissioning obligation	1,144,089	1,200,946
Accelerated tax depreciation allowances	7,922,561	8,182,286
Exploratory wells cost	10,716,940	10,573,198
Development and production assets	16,059,353	14,897,151
Amortisation of intangible assets	22,624	14,218
Others	(341)	5,435
	<u>27,204,454</u>	<u>25,211,616</u>

# Notes to and Forming Part of the Unconsolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED) For the quarter ended September 30, 2016

- 8.1 Deferred tax asset of Rs 4,614 million (June 30, 2016: Rs 5,315 million) represents the impact of un-adjusted losses against the aggregate tax liability computed on the profits and gains of the relevant Concession Agreements.

September 30, 2016 Unaudited	June 30, 2016 Audited
-----	-----
Rs '000	

## 9. TRADE AND OTHER PAYABLES

Creditors	415,693	498,975
Accrued liabilities	5,954,378	5,743,024
Security deposits from LPG distributors	453,010	515,450
Retention money	104,141	40,795
Unpaid and unclaimed dividends	244,130	247,179
Gas development surcharge (GDS)	7,351,273	5,804,283
Gas infrastructure development cess (GIDC)	1,731,329	1,541,186
Royalties	2,219,050	4,036,741
Current accounts with joint operation partners	6,872,506	12,124,811
Liabilities for staff retirement benefit plans	962,756	962,756
Workers' Profits Participation Fund (WPPF)	248,165	-
Others	213,698	154,372
	<u>26,770,129</u>	<u>31,669,572</u>

## 10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as disclosed in the audited unconsolidated financial statements for the year ended June 30, 2016.

Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
-----	-----
Rs '000	

## 11. SALES - net

Gross sales	19,728,607	19,829,033
Natural gas		
Gas supplied to Sui villages	45,084	47,947
Internal consumption of gas	30,340	41,085
Crude oil / Condensate / Natural Gas Liquids	5,852,899	6,509,824
Barytes	87,761	75,064
LPG	785,849	680,436
	<u>26,530,540</u>	<u>27,183,389</u>
Government levies / discounts		
Federal excise duty	(521,061)	(499,008)
Sales tax	(3,019,968)	(3,026,730)
GDS	(3,443,091)	(2,323,789)
GIDC	(731,064)	(714,943)
Discounts (Barytes)	(5,745)	(8,616)
	<u>(7,720,929)</u>	<u>(6,573,086)</u>
	<u>18,809,611</u>	<u>20,610,303</u>

Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
----- Rs '000 -----	

## 12. FIELD EXPENDITURES

Development and drilling	1,761,485	1,888,385
Exploration	1,428,787	3,732,777
Depreciation	1,529,696	1,077,249
Amortisation of intangible assets	35,143	29,089
Amortisation of decommissioning cost	415,678	149,088
Amortisation of development and production assets	1,147,867	1,084,410
Salaries, wages, welfare and other benefits	2,582,312	2,706,973
Employees' medical benefits	98,458	105,131
Manpower development	11,549	4,144
Travelling and conveyance	105,553	104,698
Communication	6,119	8,268
Stores and spares consumed	201,896	225,808
Fuel and power	54,592	64,172
Rent, rates and taxes	66,962	29,413
Insurance	93,512	132,816
Repairs and maintenance	23,744	107,517
Professional services	21,711	8,266
Auditors' remuneration	1,187	1,138
Free supply of gas to Sui villages	45,084	47,947
Donations	13,373	12,136
Social welfare / community development	1,195	22,255
Other expenses	42,990	45,002
	<u>9,688,893</u>	<u>11,586,682</u>
Recoveries	<u>(923,444)</u>	<u>(596,324)</u>
	<u>8,765,449</u>	<u>10,990,358</u>

## 13. OTHER INCOME

<b>Income from financial assets</b>		
Income on loans and bank deposits	102,962	79,347
Income on term deposits	225,828	308,606
Income on long-term held-to-maturity investments	716,796	687,310
Income from investment in treasury bills	-	82,246
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	41,358	34,712
	<u>1,086,944</u>	<u>1,192,221</u>
<b>Income from assets other than financial assets</b>		
Rental income on assets	314	307
Profit on sale of property, plant and equipment (net)	4,785	266
Exchange gain on foreign currency	8,963	315,936
Share of profit on sale of LPG	20,191	20,814
Others	2,756	842
	<u>37,009</u>	<u>338,165</u>
	<u>1,123,953</u>	<u>1,530,386</u>

Notes to and Forming Part of the  
Unconsolidated Condensed Interim  
**FINANCIAL STATEMENTS (UNAUDITED)**  
For the quarter ended September 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	-----
<b>14. OTHER OPERATING EXPENSES</b>		
WPPF	431,586	429,928
Impairment loss - note 5.1.1	204,801	-
Others	4,768	4,628
	<u>641,155</u>	<u>434,556</u>
<b>15. FINANCE COSTS</b>		
Finance charges for liabilities against assets subject to finance leases	10,631	9,523
Unwinding of discount on decommissioning obligation	105,884	154,374
Others	282	327
	<u>116,797</u>	<u>164,224</u>
<b>16. TAXATION</b>		
Current	442,745	562,607
Deferred	1,992,838	1,679,042
	<u>2,435,583</u>	<u>2,241,649</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,676,616	3,934,510
Short-term highly liquid investments	15,965,500	21,398,742
	<u>18,642,116</u>	<u>25,333,252</u>

**18. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	-----
<b>Sales of gas / barytes to State controlled entities (including Government Levies)</b>		
GENCO-II	6,098,607	4,961,690
SSGCL	3,553,773	3,660,562
SNGPL	10,076,228	11,206,782
OGDCL	34,811	34,452
	<u>19,763,419</u>	<u>19,863,486</u>

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	
<b>Long-term receivables, trade debts and other receivables from State controlled entities as at September 30</b>	<b>50,864,288</b>	<b>47,890,717</b>
<b>Transactions with subsidiaries</b>		
Receivable from PPLA as at September 30	3,264	23,620
Receivable from PPLA, Iraq Branch as at September 30	25,037	267,565
Receivable from PPLE as at September 30	21,577	654
Interest income on long-term loan to PPLE	11,239	9,774
Loan receivable from PPLE as at September 30	1,179,917	1,173,709
Payment of employees cost on secondment	10,215	15,678
Deposit for Bank Guarantee on behalf of PPLE - Block 29, Yemen	787,500	757,500
<b>Transactions with Associated Companies</b>		
Sales of crude oil / condensate	884,914	869,570
Expenses incurred	5,842	1,622
<b>Transactions with Joint Operations</b>		
Payments of cash calls to joint operations	13,217,851	9,381,545
Expenditures incurred by the joint operations	6,206,141	11,351,998
Current account receivables relating to joint operations as at September 30	888,669	5,171,077
Current account payables relating to joint operations as at September 30	18,943	19,483
Under advance balances relating to joint operations as at September 30	3,628,858	4,274,319
Income from rental of assets to joint operations	314	307
Purchase of goods from Bolan Mining Enterprises (BME) - net	76,271	50,873
Reimbursement of employee cost on secondment to BME	4,641	12,716
<b>Other related parties</b>		
Transactions with retirement benefit funds	219,286	191,607
Remuneration to key management personnel	735,300	717,827
Payment of rental to Pakistan Industrial Development Corporation	24,640	19,665
Payment to National Insurance Company Limited	134,127	216,726
Payment to Pakistan State Oil Company Limited	163,607	119,290

# Notes to and Forming Part of the Unconsolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED) For the quarter ended September 30, 2016

- 18.1** Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to four non-executive directors was Rs 0.765 million (September 2015: Rs 3.902 million to seven non-executive directors).
- 18.2** The Company has guaranteed the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 10,475 million), out of which US\$ 73.984 million (Rs 7,750 million) is outstanding.
- 18.3** The Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 555 million) to DGPC in respect of PPLA's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.
- 18.4** Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
--	--

## 19. EARNINGS PER SHARE

### 19.1 Basic earnings per share

Profit after taxation (Rs'000)	5,748,758	5,916,712
Dividend on convertible preference shares (Rs'000)	(37)	(37)
Profit attributable to ordinary shareholders (Rs'000)	<u>5,748,721</u>	<u>5,916,675</u>
Weighted average number of ordinary shares in issue	<u>1,971,717,279</u>	<u>1,971,717,086</u>
Basic earnings per share (Rs)	<u>2.92</u>	<u>3.00</u>

- 19.1.1** Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of the total number of convertible preference shares held.

Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
--	--

### 19.2 Diluted earnings per share

Profit after taxation (Rs'000)	5,748,758	5,916,712
Weighted average number of ordinary shares in issue	1,971,717,279	1,971,717,086
Adjustment for convertible preference shares	12,176	12,369
Weighted average number of ordinary shares for diluted earnings per share	<u>1,971,729,455</u>	<u>1,971,729,455</u>
Diluted earnings per share (Rs)	<u>2.92</u>	<u>3.00</u>



20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 28, 2017 by the Board of Directors of the Company.

21. GENERAL

21.1 Corresponding figures have been reclassified for the purpose of better presentation and comparison, where necessary.

21.2 Figures have been rounded off to the nearest thousand, unless otherwise stated.



Director



Chief Executive



Consolidated  
Condensed Interim  
FINANCIAL  
STATEMENTS

# Consolidated Condensed Interim BALANCE SHEET

As At September 30, 2016

	Note	September 30, 2016 Unaudited	June 30, 2016 Audited
		----- Rs '000 -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	6	134,935,947	132,462,661
Intangible assets		379,734	414,876
		135,315,681	132,877,537
Long-term investments	7	24,234,487	39,783,588
Long-term loans		23,253	24,549
Long-term deposits		7,676	7,676
Long-term receivables		333,000	333,000
		159,914,097	173,026,350
<b>CURRENT ASSETS</b>			
Stores and spares		4,127,745	4,140,258
Trade debts	8	56,012,071	57,954,553
Loans and advances		3,371,230	1,328,228
Trade deposits and short-term prepayments		452,326	575,052
Interest accrued		787,956	1,465,949
Current maturity of long-term investments	7	22,123,818	66,493
Current maturity of long-term receivables		81,978	81,978
Current maturity of long-term deposits		787,500	787,500
Other receivables		2,368,825	3,359,096
Short-term investments	9	23,839,737	28,056,720
Cash and bank balances		3,564,332	3,918,383
		117,517,518	101,734,210
<b>TOTAL ASSETS</b>		<b>277,431,615</b>	<b>274,760,560</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		19,717,295	19,717,295
Reserves		178,342,561	172,929,206
		198,059,856	192,646,501
<b>NON-CURRENT LIABILITIES</b>			
Provision for decommissioning obligation		20,590,058	20,482,574
Liabilities against assets subject to finance lease		223,003	238,385
Deferred liabilities		2,402,989	2,366,677
Deferred taxation	10	27,204,454	25,211,616
		50,420,504	48,299,252
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	28,375,198	33,385,389
Current maturity of liabilities against assets subject to finance lease		124,083	125,680
Taxation - net		451,974	303,738
		28,951,255	33,814,807
<b>TOTAL LIABILITIES</b>		<b>79,371,759</b>	<b>82,114,059</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>277,431,615</b>	<b>274,760,560</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

# Consolidated Condensed Interim PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter ended September 30, 2016

	Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
		----- Rs '000 -----	-----
<b>Sales - net</b>	13	<b>18,929,014</b>	20,792,605
Field expenditures	14	(9,002,829)	(11,364,767)
Royalties		(2,236,446)	(2,413,019)
		<b>(11,239,275)</b>	<b>(13,777,786)</b>
		<b>7,689,739</b>	7,014,819
Other income	15	1,137,996	1,533,843
Other operating expenses	16	(853,204)	(434,556)
Finance costs	17	(118,586)	(166,731)
<b>Profit before taxation</b>		<b>7,855,945</b>	7,947,375
Taxation	18	(2,448,657)	(2,192,772)
<b>Profit after taxation</b>		<b>5,407,288</b>	5,754,603
<b>Basic and diluted earnings per share (Rs)</b>	21	<b>2.74</b>	2.92

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

# Consolidated Condensed Interim Statement of COMPREHENSIVE INCOME (UNAUDITED)

For the quarter ended September 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	-----
Profit after taxation	5,407,288	5,754,603
Other comprehensive income		
Items not to be reclassified to profit and loss account in subsequent periods		
Remeasurement losses on defined benefit plans - net	-	-
Deferred taxation	-	-
Items potentially reclassifiable to profit and loss account in subsequent periods		
Foreign exchange differences on translation of subsidiaries	6,067	555,585
Other comprehensive income, net of tax	6,067	555,585
<b>Total comprehensive income</b>	<b>5,413,355</b>	<b>6,310,188</b>

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

# Consolidated Condensed Interim CASH FLOW STATEMENT (UNAUDITED)

For the quarter ended September 30, 2016

Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs '000 -----	

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	28,603,825	29,277,750
Receipts of other income	32,757	17,330
Cash paid to suppliers / service providers and employees	(12,867,099)	(7,460,898)
Payment of indirect taxes and Government levies including royalties	(8,745,648)	(9,940,469)
Income tax paid	(304,488)	(291,287)
Finance costs paid	(10,922)	(19,158)
Long-term loans (net)	1,296	-
Net cash generated from operating activities	6,709,721	11,583,268

## CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (net)	(6,528,869)	(6,034,185)
Proceeds from sale of property, plant and equipment	6,397	4,468
Purchase of long-term investments	(6,538,002)	(5,680,779)
Long-term receivables	-	60,632
Financial income received	1,802,050	1,988,821
Net cash used in investing activities	(11,258,424)	(9,661,043)

## CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance lease	(26,403)	(25,342)
Dividends paid including arrears	(3,049)	(4,879)
Net cash used in financing activities	(29,452)	(30,221)
Net (decrease) / increase in cash and cash equivalents	(4,578,155)	1,892,004

Cash and cash equivalents at the beginning of the period	31,975,103	33,635,580
Net foreign exchange differences	7,121	222,254
Cash and cash equivalents at the end of the period	27,404,069	35,749,838

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

# Consolidated Condensed Interim Statement of CHANGES IN EQUITY (UNAUDITED)

For the quarter ended September 30, 2016

Subscribed and paid-up share capital	Capital reserve	Revenue reserves						Total reserves	Total
		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit	Translation reserve		
Ordinary	Convertible preference								
Rs '000									
19,717,171	124	69,761	34,021,894	23,751,980	5,000,000	105,404,225	71,496	163,319,356	188,038,079
-	-	-	-	-	-	5,754,603	-	5,754,603	5,754,603
-	-	-	-	-	-	-	555,585	555,585	555,585
-	-	-	-	-	-	5,754,603	555,585	6,310,188	6,310,188
-	-	-	-	-	-	(7,896,868)	-	(7,896,868)	(7,896,868)
19,717,171	124	69,761	34,021,894	23,751,980	5,000,000	103,271,960	627,081	166,742,676	186,744,104
19,717,173	122	69,761	34,021,894	23,751,980	5,000,000	108,605,964	1,478,179	172,927,778	192,646,501
-	-	-	-	-	-	5,407,288	-	5,407,288	5,407,288
-	-	-	-	-	-	-	6,067	6,067	6,067
-	-	-	-	-	-	5,407,288	6,067	5,413,355	5,413,355
19,717,173	122	69,761	34,021,894	23,751,980	5,000,000	114,013,252	1,484,246	178,342,561	198,059,856

Balance as at June 30, 2015 - Restated (Audited)

## Comprehensive income for the period

Profit after taxation - Restated  
Other comprehensive income for the quarter ended September 30, 2015, net of tax  
Total comprehensive income for the quarter ended September 30, 2015 - Restated

## Transaction with owners

Final dividend on ordinary shares @ 40% for the year ended June 30, 2015

Balance as at September 30, 2015 - Restated

Balance as at June 30, 2016 (Audited)

## Comprehensive income for the period

Profit after taxation  
Other comprehensive income for the quarter ended September 30, 2016 - net of tax  
Total comprehensive income for the quarter ended September 30, 2016

Balance as at September 30, 2016

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive



# Notes to and Forming Part of the Consolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED)

For the quarter ended September 30, 2016

## 1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

### 1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited and the registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

- 1.1.1 The Sui Mining Lease was due to expire on May 31, 2015. The Government of Pakistan (GoP) through various notifications allowed the Holding Company to continue producing from the Sui gas field, the most recent being dated November 30, 2016, whereby allowing the Holding Company to produce from Sui gas field for a further period of six months with effect from December 01, 2016.

During May 2016, a Memorandum of Agreement (MoA) was executed between the GoP and the Government of Balochistan (GoB) for grant of Development & Production Lease (D&PL) to the Holding Company over the Sui gas field, with effect from June 01, 2015. The MoA has been approved by the Economic Coordination Committee (ECC) of the Cabinet of the GoP dated December 13, 2016, and accordingly D&PL will be formally granted in due course of time.

The effect of the Sui Mining Lease in these consolidated financial statements has been incorporated on the basis consistent with the previous periods i.e. without taking into account the effects of the MoA, due to the fact that neither the D&PL has been granted nor the revised prices have been notified by the Oil and Gas Regulatory Authority (OGRA).

- 1.1.2 During the year ended June 30, 2016, the Holding Company signed the 'Supplemental Agreement' with the GoP for conversion of Petroleum Concession Agreement (PCA) to the Petroleum Exploration and Production Policy, 2012 in respect of Mamikhel, Maramzai & Makori East discoveries in Tal block. Under the said arrangement price regime of Petroleum Policy (PP) 2007 will be applicable for Mamikhel, whereas, for Maramzai and Makori East average of price regime PP 2001 and PP 2009 will be applicable. The Ministry of Petroleum & Natural Resources has advised OGRA to revise the notifications of wellhead gas prices in accordance with the Tal block Supplemental Agreement for the period from the commencement of production from respective discoveries till June 30, 2015.

Accordingly, the operator of Tal block has submitted the request for revision in notifications to OGRA. Further, the revised prices, under the above mentioned price regimes, have only been notified for six months effective from July 01, 2015, whereas, for the remaining periods price notifications are still awaited. Accordingly, these consolidated condensed interim financial statements have been prepared without taking into account the effect of price revision for the period from the commencement of production of respective discoveries till June 30, 2015.

# Notes to and Forming Part of the Consolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED)

For the quarter ended September 30, 2016

## 1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in one producing field and three exploration blocks in Pakistan, as well as two exploration blocks in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom.

## 1.3 PPL Asia E&P B.V.

The Holding Company has established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

PPLA's main objective is exploration and production of oil and gas and currently it owns 100% interest in Block-8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq.

## 1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The subsidiary is engaged in administering the trusts formed for the benefits of the employees of the Holding Company.

## 2. BASIS OF CONSOLIDATION

The consolidated condensed interim financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 3.3 to these consolidated condensed interim financial statements, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. However, the accounting policies of subsidiaries have been aligned with accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The presentation and functional currency of the Holding Company as well as PPPFTC are Pakistani Rupee and the functional currency of other subsidiaries is US Dollar. For the purpose of consolidation, the financial statements of the subsidiaries are translated into functional currency of the Holding Company.

### **3. BASIS OF PREPARATION**

- 3.1 These consolidated condensed interim financial statements have 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 requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.
- 3.2 These consolidated condensed interim financial statements are unaudited and do not include all of the information and disclosures required in the audited consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2016.
- 3.3 The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC, a wholly owned subsidiary under section 237 of the Companies Ordinance, 1984. Accordingly, the Group has not consolidated the subsidiary in its consolidated condensed interim financial statements for the quarter ended September 30, 2016.

### **4. ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2016.

Further, the effects of restatements as disclosed under note 3.3(c) to the consolidated financial statements for the year ended June 30, 2016, have been appropriately incorporated in these consolidated condensed interim financial statements.

The Group follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in these consolidated condensed interim financial statements.

### **5. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and apply judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these

# Notes to and Forming Part of the Consolidated Condensed Interim FINANCIAL STATEMENTS (UNAUDITED)

For the quarter ended September 30, 2016

consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2016.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2016.

## 5.1 Implication of revised IFRS-2 (Share Based Payments) on Benazir Employees' Stock Option Scheme (BESOS)

In respect of the Holding Company, in June 2011, the SECP on receiving representations from some of the entities covered under Benazir Employees' Stock Option Scheme (the Scheme) and after having consulted the Institute of Chartered Accountants of Pakistan, granted exemption to such entities from the application of International Financial Reporting Standard (IFRS) 2 "Share-based Payment" to the Scheme. There has been no change in the status of the Scheme as stated in note 3.4 to the consolidated financial statements for the year ended June 30, 2016. The management believes that the Scheme is being revamped by the GoP and all claims and disbursements to the unit holders are kept in abeyance by the Privatisation Commission since June 2010.

Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (June 30, 2016: Rs 18,879 million).

September 30, 2016 Unaudited	June 30, 2016 Audited
----- Rs'000 -----	

## 6. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	94,279,729	60,568,313
Additions to:		
- owned assets	384,644	39,078,983
- assets subject to finance lease	-	175,876
	384,644	39,254,859
	94,664,373	99,823,172
Disposals / adjustments during the period / year (NBV)	(2,290)	5,904,390
Impairment loss	-	(57,537)
Depreciation / amortisation charged during the period / year	(3,243,430)	(11,390,296)
	91,418,653	94,279,729
Capital work-in-progress - note 6.1	43,517,294	38,182,932
	134,935,947	132,462,661

### 6.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	7,110,566	5,840,588
Exploration and evaluation assets	13,837,533	13,752,528
Development and production assets	10,136,515	6,413,387
Land, buildings and civil constructions	104,766	119,896
Capital stores for drilling and development	12,744,764	13,725,802
	43,934,144	39,852,201
Impairment loss - note 6.1.1	(416,850)	(1,669,269)
	43,517,294	38,182,932

6.1.1 Represents impairment of assets pertaining to PPLE and Holding Company's share of assets in Barkhan Joint Operation.

6.1.2 Three exploratory wells i.e. 3rd exploratory well in Nashpa, Kotri X-2 in Kotri and Nihal X-1 in Digri blocks having combined capitalised value of Rs 1,558 million as at September 30, 2016 have been declared as dry wells subsequent to the quarter end. This has been treated as a non-adjusting event as per IAS 10 and accordingly these wells will be charged to profit and loss account in the subsequent consolidated financial statements.

September 30, 2016 Unaudited	June 30, 2016 Audited
----- Rs'000 -----	

## 7. LONG-TERM INVESTMENTS

### Investment in related party

- Wholly owned subsidiary
- PPPFTC - note 3.3

### Other investments

- Held-to-maturity
  - Term Finance Certificates (TFCs)
  - Pakistan Investment Bonds (PIBs)
  - Local currency term deposits with bank
  - Foreign currency term deposits with banks
- Designated at fair value through profit or loss
- Mutual Funds

### Less: Current maturities

- TFCs
- PIBs

1	1
99,740	99,740
22,057,325	22,122,574
2,000,000	2,000,000
16,394,903	15,627,766
40,551,968	39,850,080
5,806,336	-
(66,493)	(66,493)
(22,057,325)	-
(22,123,818)	(66,493)
24,234,487	39,783,588

## 8. TRADE DEBTS

### Unsecured and considered good

#### Related parties

- Central Power Generation Company Limited (GENCO-II)
- Sui Northern Gas Pipelines Limited (SNGPL)
- Sui Southern Gas Company Limited (SSGCL)
- Pak-Arab Refinery Limited (PARCO)
- Oil & Gas Development Company Limited (OGDCL)

9,560,947	7,881,749
19,820,553	22,227,581
21,110,427	21,700,172
626,318	784,867
34,810	20,328
51,153,055	52,614,697

#### Non-related parties

- Attock Refinery Limited (ARL)
- National Refinery Limited (NRL)
- Others

3,934,835	4,451,970
389,435	274,111
534,746	613,775
4,859,016	5,339,856
56,012,071	57,954,553

### Unsecured and considered doubtful

#### Non-related party

- Byco Petroleum Pakistan Limited (Byco)
- Less: Provision for doubtful debts - note 8.3

1,156,220	1,156,220
(1,156,220)	(1,156,220)
-	-
56,012,071	57,954,553

Notes to and Forming Part of the  
Consolidated Condensed Interim  
**FINANCIAL STATEMENTS (UNAUDITED)**  
For the quarter ended September 30, 2016

	September 30, 2016 Unaudited	June 30, 2016 Audited
	----- Rs'000 -----	
<b>8.1 The ageing of trade debts is as follows:</b>		
Neither past due nor impaired	13,708,848	16,426,866
Past due but not impaired:		
Related parties		
- within 90 days	14,674,286	12,304,046
- 91 to 180 days	10,139,576	13,364,024
- over 180 days	15,989,003	14,601,392
	40,802,865	40,269,462
Non-related parties		
- within 90 days	1,377,898	1,135,090
- 91 to 180 days	7,398	7,046
- over 180 days	115,062	116,089
	1,500,358	1,258,225
	<u>56,012,071</u>	<u>57,954,553</u>

- 8.2** Trade debts include overdue amount of Rs 40,595 million (June 30, 2016: Rs 40,263 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 2,865 million (June 30, 2016: Rs 2,421 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

Based on the measures being undertaken by the GoP, the Group considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these consolidated condensed interim financial statements, except for provision against receivable from Byco.

- 8.3** The Holding Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues.

	September 30, 2016 Unaudited	June 30, 2016 Audited
	----- Rs'000 -----	
<b>9. SHORT-TERM INVESTMENTS</b>		
Held-to-maturity		
Local currency term deposits with banks	15,965,500	19,012,500
Foreign currency term deposits with banks	7,874,237	9,044,220
	<u>23,839,737</u>	<u>28,056,720</u>

**10. DEFERRED TAXATION**

(Deductible) / taxable temporary differences on:

Exploration expenditure	(2,823,000)	(2,866,000)
Provision for staff retirement and other benefits	(720,897)	(976,450)
Provision for obsolete / slow moving stores	(40,067)	(41,403)
Provision for doubtful debts	(462,488)	(462,488)
Unused tax losses – note 10.1	(4,614,320)	(5,315,277)
Provision for decommissioning obligation	1,144,089	1,200,946
Accelerated tax depreciation allowances	7,922,561	8,182,286
Exploratory wells cost	10,716,940	10,573,198
Development and production assets	16,059,353	14,897,151
Amortisation of intangible assets	22,624	14,218
Others	(341)	5,435
	<u>27,204,454</u>	<u>25,211,616</u>

- 10.1 Deferred tax asset of Rs 4,614 million (June 30, 2016: Rs 5,315 million) represents the impact of un-adjusted losses against the aggregate tax liability computed on the profits and gains of the relevant Concession Agreements.

September 30, 2016 Unaudited	June 30, 2016 Audited
----- Rs'000 -----	

## 11. TRADE AND OTHER PAYABLES

Creditors	432,109	508,016
Accrued liabilities	6,407,458	6,443,609
Security deposits from LPG distributors	453,010	515,450
Retention money	104,141	40,795
Unpaid and unclaimed dividends	244,130	247,179
Gas development surcharge (GDS)	7,351,273	5,804,283
Gas infrastructure development cess (GIDC)	1,731,329	1,541,186
Sales tax (net)	6,717	8,167
Royalties	2,222,438	4,041,453
Current accounts with joint operations partners	7,139,502	12,285,840
Liabilities for staff retirement benefit plans	962,756	962,756
Workers' Profits Participation Fund (WPPF)	248,165	-
Contractual obligations for Iraq EDPSC	858,471	832,179
Others	213,699	154,476
	<u>28,375,198</u>	<u>33,385,389</u>

## 12. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as disclosed in the audited consolidated financial statements for the year ended June 30, 2016.

Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
----- Rs'000 -----	

## 13. SALES - net

<b>Gross sales</b>		
Natural gas	19,869,047	20,021,116
Gas supplied to Sui villages	45,084	47,947
Internal consumption of gas	30,340	41,085
Crude oil / Condensate / Natural Gas Liquids	5,852,899	6,509,824
Barytes	87,761	75,064
LPG	785,849	680,436
	<u>26,670,980</u>	<u>27,375,472</u>
<b>Government levies / discounts</b>		
Federal excise duty	(521,061)	(499,008)
Sales tax	(3,041,005)	(3,036,511)
GDS	(3,443,091)	(2,323,789)
GIDC	(731,064)	(714,943)
Discounts (Barytes)	(5,745)	(8,616)
	<u>(7,741,966)</u>	<u>(6,582,867)</u>
	<u>18,929,014</u>	<u>20,792,605</u>

Notes to and Forming Part of the  
Consolidated Condensed Interim  
**FINANCIAL STATEMENTS (UNAUDITED)**  
For the quarter ended September 30, 2016

Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
----- Rs'000 -----	

**14. FIELD EXPENDITURES**

Development and drilling	1,776,358	1,907,351
Exploration	1,476,308	3,855,135
Depreciation	1,529,792	1,077,545
Amortisation of intangible assets	35,143	239,444
Amortisation of decommissioning cost	418,956	154,283
Amortisation of development and production assets	1,294,682	1,084,410
Salaries, wages, welfare and other benefits	2,582,312	2,712,188
Employees' medical benefits	98,458	105,131
Manpower development	11,549	4,144
Travelling and conveyance	105,743	105,143
Communication	6,119	8,326
Stores and spares consumed	201,896	225,808
Fuel and power	54,592	64,211
Rent, rates and taxes	67,682	30,568
Insurance	93,698	133,188
Repairs and maintenance	23,795	108,317
Professional services	46,502	16,972
Auditors' remuneration	3,337	1,769
Free supply of gas to Sui villages	45,084	47,947
Donations	13,373	12,136
Social welfare / community development	1,195	22,255
Other expenses	39,699	44,820
	9,926,273	11,961,091
Recoveries	(923,444)	(596,324)
	<u>9,002,829</u>	<u>11,364,767</u>

**15. OTHER INCOME**

**Income from financial assets**

Income on loans and bank deposits	102,334	77,637
Income on term deposits	240,641	308,606
Income on long-term held-to-maturity investments	716,796	690,325
Income from investment in treasury bills	-	82,246
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	41,358	34,712
	<u>1,101,129</u>	<u>1,193,526</u>

**Income from assets other than financial assets**

Rental income on assets	314	307
Profit on sale of property, plant and equipment (net)	4,785	266
Exchange gain on foreign currency (net)	8,822	318,088
Share of profit on sale of LPG	20,191	20,814
Others	2,755	842
	<u>36,867</u>	<u>340,317</u>
	<u>1,137,996</u>	<u>1,533,843</u>



Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
----- Rs'000 -----	

## 16. OTHER OPERATING EXPENSES

WPPF	431,586	429,928
Impairment loss - note 6.1.1	416,850	-
Others	4,768	4,628
	<u>853,204</u>	<u>434,556</u>

## 17. FINANCE COSTS

Financial charges for liabilities against assets subject to finance lease	10,631	9,523
Unwinding of discount on decommissioning obligation	107,362	156,881
Others	593	327
	<u>118,586</u>	<u>166,731</u>

## 18. TAXATION

Current		
- For the quarter	455,819	562,607
- For the prior period	-	(312)
	<u>455,819</u>	<u>562,295</u>
Deferred	1,992,838	1,630,477
	<u>2,448,657</u>	<u>2,192,772</u>

## 19. CASH AND CASH EQUIVALENTS

Cash and bank balances	3,564,332	5,720,870
Short-term highly liquid investments	23,839,737	30,028,968
	<u>27,404,069</u>	<u>35,749,838</u>

## 20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

Notes to and Forming Part of the  
Consolidated Condensed Interim  
**FINANCIAL STATEMENTS (UNAUDITED)**  
For the quarter ended September 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
	----- Rs'000 -----	
<b>Sale of gas / barytes to State controlled entities (including Government Levies)</b>		
- GENCO-II	6,098,607	4,961,690
- SSGCL	3,626,582	3,776,774
- SNGPL	10,143,860	11,304,583
- OGDCL	34,811	34,452
	<u>19,903,860</u>	<u>20,077,499</u>
<b>Long-term receivables, trade debts and other receivables from State controlled entities as at September 30</b>	<u>50,960,579</u>	<u>48,031,910</u>
<b>Transactions with Associated Companies</b>		
Sales of crude oil / condensate	884,914	869,570
Expenses incurred	<u>5,842</u>	<u>1,622</u>
<b>Transactions with Joint Operations</b>		
Payments of cash calls to joint operations	13,389,006	9,392,072
Expenditures incurred by the joint operations	<u>6,464,128</u>	<u>11,468,793</u>
Current account receivables relating to joint operations as at September 30	<u>888,669</u>	<u>5,171,077</u>
Current account payables relating to joint operations as at September 30	<u>18,943</u>	<u>19,483</u>
Under advance balances relating to joint operations as at September 30	<u>3,894,216</u>	<u>4,451,972</u>
Income from rental of assets to joint operations	<u>314</u>	<u>307</u>
Purchase of goods from Bolan Mining Enterprises (BME) - net	<u>76,271</u>	<u>50,873</u>
Reimbursement of employee cost on secondment to BME	<u>4,641</u>	<u>12,716</u>
<b>Other related parties</b>		
Transactions with retirement benefit funds	219,286	191,607
Remuneration to key management personnel	<u>735,300</u>	<u>723,071</u>
Payment of rental to Pakistan Industrial Development Corporation	<u>24,640</u>	<u>19,665</u>
Payment to National Insurance Company Limited	<u>134,127</u>	<u>216,726</u>
Payment to Pakistan State Oil Company Limited	<u>163,607</u>	<u>119,290</u>

- 20.1 Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to four non-executive directors was Rs 0.765 million (September 2015: Rs 3.902 million to seven non-executive directors).
- 20.2 The Holding Company has guaranteed the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 10,475 million), out of which US\$ 73.984 million (Rs 7,750 million) is outstanding.

- 20.3 The Holding Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 555 million) to Directorate General of Petroleum Concessions (DGPC) in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.
- 20.4 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

	Quarter ended September 30, 2016	Quarter ended September 30, 2015 (Restated)
<b>21. EARNINGS PER SHARE</b>		
<b>21.1 Basic earnings per share</b>		
Profit after taxation (Rs'000)	5,407,288	5,754,603
Dividend on convertible preference shares (Rs'000)	(37)	(37)
Profit attributable to ordinary shareholders (Rs'000)	5,407,251	5,754,566
Weighted average number of ordinary shares in issue	1,971,717,279	1,971,717,086
<b>Basic earnings per share (Rs)</b>	<b>2.74</b>	<b>2.92</b>
<b>21.2 Diluted earnings per share</b>		
Profit after taxation (Rs'000)	5,407,288	5,754,603
Weighted average number of ordinary shares in issue	1,971,717,279	1,971,717,086
Adjustment for convertible preference shares	12,176	12,369
Weighted average number of ordinary shares for diluted earnings per share	1,971,729,455	1,971,729,455
<b>Diluted earnings per share (Rs)</b>	<b>2.74</b>	<b>2.92</b>

## 22. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 28, 2017 by the Board of Directors of the Holding Company.

## 23. GENERAL

- 23.1 Corresponding figures have been reclassified for the purpose of better presentation and comparison, where necessary.
- 23.2 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



Director



Chief Executive

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank





## Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road  
P.O. Box 3942, Karachi-75530, Pakistan  
UAN: +92 (21) 111 568 568  
Fax: +92 (21) 35680005, 35682125  
Email: [info@ppl.com.pk](mailto:info@ppl.com.pk)  
Website: [www.ppl.com.pk](http://www.ppl.com.pk)