



Pakistan Petroleum Limited



Half Yearly Report December 2014



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## Vision

To maintain PPL's position as the premier producer of hydrocarbons in the country by exploiting conventional and unconventional oil and gas resources, resulting in value addition to shareholders' investment and the nation as a whole.

## Mission

To sustain long term growth by pursuing an aggressive hydrocarbons exploration and production optimization program in the most efficient manner through a team of professionals deploying latest technology, maintaining the highest standards of quality, health, safety & environment (QHSE) protection and addressing community development needs.

## 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. Waqar A. Malik - Chairman (Independent, Non-Executive Director)
- Mr. Arshad Mirza (Chief Executive Officer / Managing Director)
- Mr. Aftab Nabi (Independent, Non-Executive Director)
- Mr. Asif Baigmohtamed (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. Saeedullah Shah (Non-Executive Director)
- Mr. Shahbaz Yasin Malik (Independent, Non-Executive Director)

### Company Secretary

Mr. Saqib Ahmed

### Auditors

Ernst & Young Ford Rhodes Sidat Hyder & 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 half year ended December 31, 2014 and a brief review of the Company's operations.

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

#### Operational Highlights

The key operational highlights for the half year ended December 31, 2014 are as follows:

##### Discoveries

Four discoveries have been made during the half year; three in Gambat South Block (fourth exploratory well Sharf X-1, sixth exploratory well Kinza X-1 and seventh exploratory well Faiz X-1) and one in Hala Block (third exploratory well Adam West X-1).

##### Seismic Activities

In PPL operated blocks, 2D and 3D seismic acquisitions of 902 Line Kms and 1,010 Sq. Kms, respectively, were carried out during the half year, which represents increase of 296% and 426%, respectively, over the corresponding half year.

##### Drilling Activities

In PPL operated blocks, three exploratory wells and three development wells were spud in during the half year, as compared to four exploratory wells and three development wells spud in during the corresponding half year.

#### Financial Highlights

The key financial results of the Company during the half year ended December 31, 2014 are as follows:

	Half year ended December 31, 2014 Rs million	Half year ended December 31, 2013 Rs million
Sales revenue (net)	57,811	58,476
Profit before taxation	33,106	39,295
Taxation	(10,967)	(12,789)
Profit after taxation	22,139	26,506
Basic and Diluted Earnings Per Share (Rs)	11.23	13.44

##### Sales revenue

Sales revenue decreased by Rs 665 million during the current period as compared to the corresponding period. Negative variances on account of crude oil price and exchange rate

## Directors' Interim Review

amounting to Rs 4,427 million and Rs 1,702 million, respectively, were partially offset by positive volume variance of Rs 5,464 million.

Positive volume variance is attributable to the combined effect of 26% increase in oil sales volumes, 216% increase in LPG sales volumes partially offset by 7% decrease in gas sales volumes. Surge in oil sales volumes is due to increase in volumes from the Tal, Nashpa and Adhi fields, and commencement of oil production from Ghauri discovery. Gas sales volumes decreased in Sui, Kandhkot, Sawan, Qadirpur and Tal fields, which were partially offset by higher volumes from the Nashpa, Latif, Hala and Adhi fields. LPG sales have risen due to commencement of production from the Tal field.

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

	Unit	Half year ended December 31, 2014	Half year ended December 31, 2013
Natural Gas	MMCF	132,892	142,977
Crude Oil / Natural Gas Liquids (NGL) / Condensate	BBL	2,757,986	2,181,421
Liquefied Petroleum Gas (LPG)	Tonnes	26,521	8,401

### Profitability

In addition to decline in sales revenue, profitability of the Company also decreased, mainly due to increase in field expenditures by 29% as compared to the corresponding period. Major reason is due to increase in seismic acquisition cost in respect of PPL operated blocks, namely Zamzama South, Kharan West, Kalat, Kotri, Malir, Karsal and Nausherwani.

In addition, an impairment loss has been recognised by the Company on its investment in PPL Europe E&P Limited. The main reason is reduction in crude oil prices for the forecast period, and described in detail in note 5.1 to the unconsolidated condensed interim financial statements. As a result, goodwill has also reduced, more fully described in note 6.1 to the consolidated condensed interim financial statements.

### Interim Dividend

The Board of Directors in their meeting held on January 29, 2015, have approved interim dividend for the year ending June 30, 2015 at Rs 4.50 per share (i.e. 45%) on fully paid ordinary shares and Rs 3.00 per share (i.e. 30%) on fully paid convertible preference shares.

## CORPORATE STRATEGY AND FOCUS AREAS

The Corporate Strategy to enhance exploration, drilling and to optimise production and efficiencies, is under review by the Board.



## Exploration

The Company's portfolio consists of forty seven exploration blocks, out of which twenty seven are PPL operated (including Block-8 in Iraq being operated by PPL Asia) and remaining twenty, including three offshore blocks in Pakistan and two onshore blocks in Yemen, are partner operated. New and ongoing activities that took place in the current half year were as follows:

### PPL-Operated Areas

In Khuzdar Block, first exploratory well Karkh X-1 has been suspended after testing and flaring minor, unmeasurable gas.

2D seismic survey has been completed in Malir and Kharan blocks.

In Nausherwani Block, 2D seismic survey is in progress.

In Kalat Block, 2D seismic crew mobilisation is in progress.

3D seismic survey has been completed in Kotri, Zamzama South and Karsal blocks.

In Hisal Block, seismic crew has been mobilised and geodetic survey is in progress - issues with Ministry of Defence approvals.

In Naushahro Firoz Block, 3D seismic crew has been mobilised. Shot hole drilling is currently in progress.

In Dhok Sultan Block, 1st exploratory well Dhok Sultan X-1 was spud in December 2014 and currently drilling is in progress.

In Sadiqabad and Shah Bandar blocks, seismic crew mobilisation is in progress for 2D / 3D seismic surveys.

### Partner-Operated Areas

In Tal Block, exploratory well Mardan Khel-1 was spud in September 2014 and currently drilling is in progress. Drilling and testing of exploratory well Malgin-1 has been completed. The well has been plugged and suspended.

2D seismic survey of Tolanj West area has been completed in the Tal Block.

In Nashpa Block, drilling of exploratory well Nashpa X-5, spud in July 2014, is in progress.

In Ghauri Block, 3D seismic survey designing is in progress.

In Kirthar Block, drilling of exploratory well Rizq-1, spud in October 2014, is in progress.

In Digri Block, exploratory well Lutf-1 was spud in October 2014. Well has been suspended for future evaluation.

## Producing Fields and Development

### PPL-Operated Fields

In Sui Field, to enhance gas production and to improve the performance of wells, hole cleaning

## Directors' Interim Review

and acid stimulation jobs were carried out on seventeen SML wells during October to December 2014. The campaign remained successful and resulted in arresting some of the decline rate of Sui wells.

The Sui Mining Lease is expiring in May 2015. Accordingly, application for extension / renewal has been filed by the Company with the Government of Pakistan (GoP).

In Kandhkot ML, development well Kandhkot-32(H) was completed as a gas producer in January 2015.

In Adhi ML, drilling of development wells Adhi-22(T/K) and Adhi-24(T/K) is in progress. Adhi LPG / NGL Plant-III Project is proceeding smoothly and is on schedule. Detailed design and engineering and ordering of long lead items has been completed. Civil construction has also been significantly completed.

In Gambat South block, gas facility from Chachar has been relocated and installed. First gas is expected in February 2015.

In Hala block, work on the EWT of Adam West X-1 is in progress. First gas is expected in May 2015.

### Partner-Operated Fields

In Tal Block, drilling of development wells Makori East-4, spud in September 2014, and Maramzai-3, spud in December 2014, is in progress.

In Nashpa Field, development well Mela-4 was completed as an oil and gas producer.

In Latif Gas Field, development well Latif-10 was completed as a gas producer in November 2014.

In South West Miano-II Block, Misri Bhambro-1 work over has been completed.

In Miano Field, drilling of development wells Miano TG-16H and Miano-18 is in progress.

In Sawan Field, multi-stage hydraulic fracturing operations at well SNH-1 were completed and post fracturing activities are underway.

In Ghauri Block, EWT production of Ghauri X-1 discovery is in progress.

### Corporate Social Responsibility

PPL, as a responsible corporate entity, has always played an active role in the uplift and welfare of communities around its producing fields and exploratory areas. In this regard, the Company has taken many initiatives for the promotion of education, healthcare, infrastructure development, skill development and livelihood generation in its operational areas and beyond.

### Education

During the current half year, PPL continued to provide financial support for the promotion of education in its various producing and exploratory blocks, including Sui, Kandhkot, Adhi, Mazarani, Kharan, Khuzdar and Barkhan. PPL also provided scholarships to over 310 students from its operational areas, out of which 200 scholars belong to Sui / District Dera Bugti.

## Healthcare

At Sui, the newly established PPL Public Welfare Hospital continued to provide healthcare services through its daily OPD and 300 local patients are being provided free treatment and medicines at OPD facility of the hospital. During the current half year, PPL operated healthcare facilities for neighboring communities at its producing fields through Mobile Medical Units and dispensaries in Kandhkot, Mazarani and Sui. PPL also completed the construction of Medical Dispensary at Chutto Khan Waggan, Naushahro Firoz and handed it over to the district line department. PPL also ensured purchase of equipment through hospital administration at the PPL Chest Ward at Jinnah Post Graduate Medical Centre, Karachi. Similarly, 3 days free surgical eye camps nearby Adhi Field and Kambar town (near Mazarani) were also held, which benefited over 3,000 patients of the surrounding areas.

## Water supply schemes

The operation of potable water supply on daily basis to Sui town and Ghaibi Dero (near Mazarani Field) continued satisfactorily, whereas construction of water supply schemes at Budhapur and Manjhand town at District Jamshoro, Karkh, District Khuzdar and Dhoong, near Adhi Field were completed. Construction of five water supply schemes at District Washuk progressed satisfactorily.

## Infrastructure Development

Construction of 1 km concrete road from village Mastala to Adhi is in progress.

## Technical & Skill Development

Four scholars sponsored by PPL from Sui successfully completed one-year City & Guilds Diploma course at the Hunnar Foundation's Technical Training Center (HAKTI) at Tando Allah Yar, whereas fourteen scholars completed their Diploma in Associate Engineers (D.A.E) from other Technical Training Institutions of Punjab. To promote skill development at rural areas, the construction of Women Vocational & Skill Development Centre at Kotri, District Jamshoro also progressed satisfactorily.

## Human Resources

PPL realises the vital role of human resource in the success of the organisation. Focus areas are performance management and talent development.

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

QHSE Function is pursuing long term business success through continual improvement towards world class quality, occupational health, safety and environment practices.

Mechanical Integrity practices for static equipment has been harmonised under the Process Safety Management System and Non-Intrusive Inspection for Pressure Vessels has been

## Directors' Interim Review

completed at Mazarani Gas Field. Process Piping Inspection and Risk Based Inspection exercises have also been initiated at Kandhkot Field Gas Compressor Station and Adhi Field, respectively.

Expansion of QHSE certified pool in respect of ISO 9001, 14001 & OHSAS 18001 is in progress at various fields / departments, as per plan. The Lost Time Injury Frequency for PPL staff remained zero in calendar year 2014.

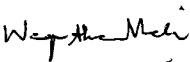
### Industrial Relations

Charter of Demands Agreement for the years 2013-2014 has been amicably concluded and signed by the Management and CBA Union on December 5, 2014.

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 concerted efforts of our Employees, who deserve full compliments. We are also thankful to the continued support of the Government of Pakistan and Shareholders, whose unwavering trust and confidence has enabled us to aim and achieve the best.



(WAQAR A. MALIK)  
CHAIRMAN

Karachi  
January 29, 2015

# Auditors' Report to the Members on Review of Interim Financial Information

## Introduction

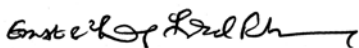
We have reviewed the accompanying condensed interim balance sheet of Pakistan Petroleum Limited (the Company) as at 31 December 2014, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the accounts (here-in-after referred to as "interim financial information") for the six-month period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Review Engagement Partner: Khurram Jameel

Karachi

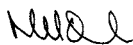
January 29, 2015

# Unconsolidated Condensed Interim Balance Sheet

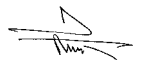
As at December 31, 2014

	Note	December 31, 2014 Unaudited	June 30, 2014 Audited
Rs '000			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	90,260,409	82,636,347
Intangible assets		293,392	277,973
		90,553,801	82,914,320
Long-term investments	5	68,020,116	68,552,287
Long-term loans and advance		1,158,589	986,532
Long-term deposits		765,176	765,176
Long-term receivables		376,050	376,050
		160,873,732	153,594,365
CURRENT ASSETS			
Stores and spares		3,238,294	3,543,482
Trade debts	6	58,193,946	49,862,487
Loans and advances		2,812,875	1,685,417
Trade deposits and short-term prepayments		406,127	398,482
Interest accrued		1,487,390	1,352,521
Current maturity of long-term investments	5	500,096	500,179
Current maturity of long-term receivables		54,800	54,800
Other receivables		3,371,520	3,725,398
Short-term investments	7	19,616,364	19,350,000
Cash and bank balances		1,508,750	2,275,912
		91,190,162	82,748,678
		252,063,894	236,343,043
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		169,551,137	162,200,063
		189,268,432	181,917,358
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		15,643,667	15,385,920
Liabilities against assets subject to finance leases		176,976	175,770
Deferred liabilities		2,185,040	2,053,738
Deferred taxation	8	16,901,836	15,069,076
		34,907,519	32,684,504
CURRENT LIABILITIES			
Trade and other payables	9	24,802,340	17,915,719
Current maturity of liabilities against assets subject to finance leases		105,470	102,114
Taxation		2,980,133	3,723,348
		27,887,943	21,741,181
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		252,063,894	236,343,043

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



Director

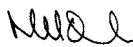


Chief Executive

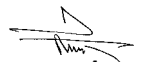
# Unconsolidated Condensed Interim Profit and Loss Account (Unaudited) for the half year ended December 31, 2014

	Note	Quarter ended December 31, 2014	Quarter ended December 31, 2013	Half year ended December 31, 2014	Half year ended December 31, 2013
		Rs '000		Rs '000	
Sales - net	11	26,843,861	30,693,981	57,810,842	58,476,066
Field expenditures	12	(8,726,205)	(6,797,204)	(17,439,998)	(13,557,459)
Royalties		(3,134,167)	(3,788,328)	(6,820,096)	(7,030,951)
		(11,860,372)	(10,585,532)	(24,260,094)	(20,588,410)
		14,983,489	20,108,449	33,550,748	37,887,656
Other income	13	1,751,159	1,526,136	4,031,221	3,688,496
Other operating expenses	14	(3,163,908)	(1,076,392)	(4,199,373)	(2,068,168)
Finance costs		(138,738)	(106,772)	(276,837)	(212,808)
Profit before taxation		13,432,002	20,451,421	33,105,759	39,295,176
Taxation	15	(4,980,643)	(6,422,140)	(10,966,807)	(12,788,929)
Profit after taxation		8,451,359	14,029,281	22,138,952	26,506,247
Basic and diluted earnings per share (Rs)	18	4.29	7.12	11.23	13.44

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



Director



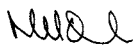
Chief Executive

# Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

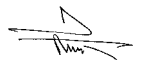
For the half year ended December 31, 2014

	Quarter ended December 31, 2014	Quarter ended December 31, 2013	Half year ended December 31, 2014	Half year ended December 31, 2013
	Rs '000		Rs '000	
Profit after taxation	8,451,359	14,029,281	22,138,952	26,506,247
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>8,451,359</u>	<u>14,029,281</u>	<u>22,138,952</u>	<u>26,506,247</u>

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 half year ended December 31, 2014

Note	Half year ended December 31, 2014	Half year ended December 31, 2013
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Rs '000

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	64,038,355	66,424,644
Receipts of other income	217,746	172,538
Cash paid to suppliers / service providers and employees	(11,958,220)	(11,431,020)
Payment of indirect taxes and Government levies including royalty	(17,118,462)	(31,820,132)
Income tax paid	(9,877,266)	(8,729,603)
Finance costs paid	(19,091)	(19,397)
Long-term loans and advance (net)	(170,433)	(4,462)
Net cash generated from operating activities	25,112,629	14,592,568

## CASH FLOWS FROM INVESTING ACTIVITIES

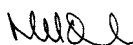
Capital expenditure (net)	(12,533,450)	(9,929,368)
Purchase of long-term investments	(3,469,707)	(6,726,104)
Disposal / redemption of long-term investments	2,155,020	1,180,350
Advance against issue of shares of PPL Asia E&P B.V.	-	(76,583)
Investment in PPL Asia E&P B.V.	-	(6,408,146)
Long-term deposits	-	(60,000)
Long-term receivables	-	(124,239)
Financial income received	3,060,159	2,702,985
Proceeds on sale of property, plant and equipment	18,993	23,495
Net cash used in investing activities	(10,768,985)	(19,417,610)

## CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance leases	(56,564)	(64,959)
Dividends paid	(14,787,878)	(9,037,037)
Net cash used in financing activities	(14,844,442)	(9,101,996)
Net decrease in cash and cash equivalents	(500,798)	(13,927,038)
Cash and cash equivalents at the beginning of the period	21,625,912	34,517,788
Cash and cash equivalents at the end of the period	21,125,114	20,590,750

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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 half year ended December 31, 2014

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves					Total reserves	Total	
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit			
Rs '000											
Balance as at June 30, 2013	16,430,964	138	1,428	69,761	24,021,894	13,751,980	5,000,000	90,078,175	132,921,810	132,922,238	149,354,340
Appropriation of insurance reserve for the year ended June 30, 2013	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2013	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-
Issuance of bonus shares @ 20% (one share for every five ordinary shares held)	3,286,193	-	-	-	-	-	-	(3,286,193)	(3,286,193)	(3,286,193)	-
Final dividend on ordinary shares @ 55% for the year ended June 30, 2013	-	-	-	-	-	-	-	(9,037,037)	(9,037,037)	(9,037,037)	(9,037,037)
Profit after taxation	-	-	-	-	-	-	-	26,506,247	26,506,247	26,506,247	26,506,247
Other comprehensive income for the half year ended December 31, 2013, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2013	-	-	-	-	-	-	-	26,506,247	26,506,247	26,506,247	26,506,247
Balance as at December 31, 2013	19,717,157	138	1,428	69,761	29,021,894	18,751,980	5,000,000	94,261,192	147,104,827	147,105,255	166,623,550
Balance as at June 30, 2014	19,717,157	138	1,428	69,761	29,021,894	18,751,980	5,000,000	109,355,000	162,198,635	162,200,063	181,917,568
Appropriation of insurance reserve for the year ended June 30, 2014	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2014	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-
Conversion of preference shares into ordinary shares	14	(14)	-	-	-	-	-	-	-	-	-
Final dividend on ordinary shares @ 75% for the year ended June 30, 2014	-	-	-	-	-	-	-	(14,787,878)	(14,787,878)	(14,787,878)	(14,787,878)
Profit after taxation	-	-	-	-	-	-	-	22,138,952	22,138,952	22,138,952	22,138,952
Other comprehensive income for the half year ended December 31, 2014, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2014	-	-	-	-	-	-	-	22,138,952	22,138,952	22,138,952	22,138,952
Balance as at December 31, 2014	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	106,706,074	169,549,709	169,551,137	189,288,432

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 half year ended December 31, 2014

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 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 Company is listed on all the three stock exchanges of Pakistan with effect from September 16, 2004. 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 and jointly controlled entity have been accounted for at cost less accumulated impairment losses, if any. As of balance sheet date, the Company has the following subsidiaries and a jointly controlled entity:

### Wholly-owned subsidiaries:

- a) PPL Europe E&P Limited
- b) PPL Asia E&P B.V.
- c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

### Jointly Controlled Entity:

Bolan Mining Enterprises – 50% shareholding

## 2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2014 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 where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements of the Company for the year ended June 30, 2014.
- 2.3 The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and 2013 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2014 and 2013.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Statement of Compliance

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, 2014.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

## 3.2 Implication of revised IFRS-2 (Share Based Payments) on BESOS

Benazir Employees' Stock Option Scheme (the BESOS scheme) including its terms and conditions, are the same, as mentioned in the unconsolidated financial statements for the year ended June 30, 2014. SECP has granted exemption from application of IFRS-2. Had the exemption not been granted, the impact based on the independent actuarial valuations conducted as on June 30, 2014 and June 30, 2013, as per the Company's policy, for the half years ended December 31, 2014 and December 31, 2013 would have been as follows:

	Half year ended December 31, 2014	Half year ended December 31, 2013
	Rs '000	
Staff costs of the Company for the period would have been higher by:	2,541,718	1,585,306
Profit after taxation would have been lower by:	2,541,718	1,585,306
Earnings per share would have been lower by (Rs):	1.29	0.80

	December 31, 2014 Unaudited	June 30, 2014 Audited
	Rs '000	
Retained earnings would have been lower by:	21,001,465	18,459,747
Reserves would have been higher by:	21,001,465	18,459,747

## 4. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	58,696,396	51,116,458
Additions to:		
- owned assets	2,372,570	17,588,492
- assets subject to finance leases	28,890	142,038
	2,401,460	17,730,530
	61,097,856	68,846,988
Disposals / adjustments during the period / year (NBV)	(10,862)	(1,895,392)
Depreciation / amortisation charged during the period / year	(4,844,882)	(8,255,200)
	56,242,112	58,696,396
Capital work-in-progress – note 4.1	34,018,297	23,939,951
	90,260,409	82,636,347

### 4.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	7,101,915	4,541,896
Prospecting and development expenditures	13,515,832	9,451,764
Land, buildings and civil constructions	218,967	137,845
Capital stores for drilling and development	13,181,583	9,808,446
	34,018,297	23,939,951

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

December 31, 2014 Unaudited	June 30, 2014 Audited
-----------------------------------	-----------------------------

Rs '000

## 5. LONG-TERM INVESTMENTS

### Investment in related parties

#### - Wholly owned subsidiaries

The Pakistan Petroleum Provident Fund Trust

Company (Private) Limited

PPL Europe E&P Limited - note 5.1

PPL Asia E&P B.V.

#### - Investment in jointly controlled entity

Bolan Mining Enterprises

### Other investments

#### Held-to-maturity

- Term Finance Certificates
- Pakistan Investment Bonds
- GoP Ijara Sukuk
- Local currency term deposits with banks
- Foreign currency term deposits with banks

### Designated at fair value through profit or loss

- Mutual Funds

### Less: Current maturities

- Term Finance Certificates
- GoP Ijara Sukuk

1	1
13,207,218	15,664,177
7,870,946	7,870,946
21,078,165	23,535,124
15,000	15,000
99,800	99,820
22,638,525	22,749,408
500,056	500,139
2,000,000	2,000,000
9,586,636	9,113,904
34,825,017	34,463,271
12,602,030	11,039,071
(40)	(40)
(500,056)	(500,139)
(500,096)	(500,179)
68,020,116	68,552,287

- 5.1 During the current period, the Company carried out impairment testing of its investment in PPL Europe E&P Limited as required under IAS 36 - 'Impairment of Assets'. The Company considers the relationship between international crude oil prices and carrying value of its investment, among other factors, when reviewing for indicators of impairment. As at December 31, 2014, the international crude oil prices were significantly lower than the forecasted oil prices used for the evaluation of recoverable amount of the investment, indicating a potential impairment of its investment. The recoverable amount of the investment is Rs 13,207 million, which has been determined using the 'value-in-use' computations.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

In assessing the value in use, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the expected reserves and fields' profile. The pre-tax discount rate applied to cash flow projections is 15.11% (June 30, 2014: 14.68%).

As a result of the significant decline in international crude oil prices and slight increase in the pre-tax discount rate, the Company has recorded an impairment loss of Rs 2,457 million and reduced the carrying amount of the investment, accordingly.

December 31, 2014 Unaudited	June 30, 2014 Audited
-----------------------------------	-----------------------------

Rs '000

## 6. 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)

10,304,872	6,435,882
15,687,788	11,846,129
21,006,689	20,692,404
46,999,349	38,974,415

### Non-related parties

Attock Refinery Limited (ARL)  
National Refinery Limited (NRL)  
Pak-Arab Refinery Limited (PARCO)  
Others

8,399,445	7,172,493
933,157	1,343,390
1,520,796	1,765,080
341,199	607,109
11,194,597	10,888,072
58,193,946	49,862,487

Unsecured and considered doubtful

### Non-related party

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

1,156,220	1,156,220
(1,156,220)	(1,156,220)
-	-
58,193,946	49,862,487

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

December 31, 2014 Unaudited	June 30, 2014 Audited
Rs '000	

## 6.1 The ageing of trade debts is as follows:

Neither past due nor impaired	17,673,218	21,668,307
Past due but not impaired:		
Related parties		
- within 90 days	13,795,318	10,157,677
- 91 to 180 days	7,431,187	5,867,604
- over 180 days	13,729,987	10,401,911
	34,956,492	26,427,192
Non-related parties		
- within 90 days	5,210,651	1,593,497
- 91 to 180 days	196,005	39,090
- over 180 days	157,580	134,401
	5,564,236	1,766,988
	58,193,946	49,862,487

## 6.2 Trade debts include overdue amount of Rs 34,956 million (June 30, 2014: Rs 26,427 million) receivable from the State controlled utility companies (GENCO-II, SNGPL and SSGCL) and Rs 6,720 million (June 30, 2014: Rs 2,923 million) overdue receivable from refineries (ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

Based on the measures being undertaken by the Government of Pakistan (GoP) to resolve the Inter-Corporate Circular Debt issue, the Company considers these amounts to be fully recoverable and therefore, no further provision for doubtful debts has been created in these unconsolidated condensed interim financial statements, except for provision against receivable from Byco made in previous years.

December 31, 2014 Unaudited	June 30, 2014 Audited
Rs '000	

## 7. SHORT-TERM INVESTMENTS

### Held-to-maturity

Local currency term deposits with banks	18,580,000	19,350,000
Investment in Treasury Bills	1,036,364	-
	19,616,364	19,350,000

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

December 31, 2014 Unaudited	June 30, 2014 Audited
-----------------------------------	-----------------------------

Rs '000

## 8. DEFERRED TAXATION

Credit / (debit) balances arising on account of:

Exploration expenditure	(3,406,000)	(3,478,000)
Amortisation of intangible assets	(13,263)	(4,422)
Provision for staff retirement and other benefits	(721,063)	(698,271)
Provision for obsolete / slow moving stores	(39,428)	(40,623)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	50,204	71,206
Accelerated tax depreciation allowances	5,929,063	6,346,687
Exploratory wells cost	5,826,951	4,295,870
Prospecting and development expenditure	9,742,127	9,029,247
Others	(4,267)	9,870
	<u>16,901,836</u>	<u>15,069,076</u>

## 9. TRADE AND OTHER PAYABLES

Creditors	232,781	288,512
Accrued liabilities	3,319,472	3,100,302
Security deposits from LPG distributors	602,618	625,069
Retention money	49,492	43,100
Unpaid and unclaimed dividends	227,676	192,517
Gas development surcharge	5,539,171	3,805,195
Gas infrastructure development cess	2,912,937	1,479,926
Federal excise duty (net)	159,454	-
Sales tax (net)	326,740	-
Royalties	4,877,016	5,996,004
Current accounts with joint venture partners	4,670,580	2,234,383
Liabilities for staff retirement benefit plans	-	85,395
Workers' Profits Participation Fund (WPPF)	1,742,414	-
Others	141,989	65,316
	<u>24,802,340</u>	<u>17,915,719</u>

## 10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as reported in the annual unconsolidated financial statements for the year ended June 30, 2014.



# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
Rs '000	

## 11. SALES - net

Natural gas	30,712,911	33,626,049
Gas supplied to Sui villages	152,602	173,368
Internal consumption of gas	86,013	101,513
Condensate / NGL	5,349,405	7,486,700
Crude oil	19,767,212	16,372,728
LPG	1,742,699	715,708
	<u>57,810,842</u>	<u>58,476,066</u>

## 12. FIELD EXPENDITURES

Development and drilling - note 12.1	3,355,130	2,830,123
Exploration	4,515,151	1,835,550
Depreciation	2,075,662	1,590,283
Amortisation of intangible assets	99,655	106,733
Amortisation of decommissioning cost	626,775	721,718
Amortisation of prospecting and development expenditure	2,142,444	1,541,889
Salaries, wages, welfare and other benefits	3,533,541	3,394,750
Employees' medical benefits	219,147	182,451
Manpower development	19,872	16,459
Travelling and conveyance	265,974	269,476
Communication	11,235	19,465
Stores and spares consumed	535,552	525,273
Fuel and power	154,246	167,761
Rent, rates and taxes	51,143	52,271
Insurance	282,456	323,976
Repairs and maintenance	139,583	159,625
Professional services	21,010	50,054
Auditors' remuneration	2,205	1,125
Free supply of gas to Sui villages	186,905	212,259
Donations	78,506	64,770
Social welfare / community development	20,477	4,160
Other expenses	70,625	88,765
	<u>18,407,294</u>	<u>14,158,936</u>
Recoveries	(967,296)	(601,477)
	<u>17,439,998</u>	<u>13,557,459</u>

12.1 These are net of insurance claim received of Rs 97 million during the current period in respect of sabotage activity caused at Sui gas field during the year ended June 30, 2011.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
Rs '000	

## 13. OTHER INCOME

### Income from financial assets

Income on loans and bank deposits	257,540	199,515
Income on term deposits	1,021,850	818,545
Income on long-term held-to-maturity investments	1,524,948	1,428,289
Income from investment in treasury bills	279,723	111,396
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	488,259	358,976
	3,572,320	2,916,721

### Income from assets other than financial assets

Rental income on assets	61,862	84,007
Profit on sale of property, plant and equipment (net)	8,131	17,231
Profit on sale of stores and spares (net)	282	5,517
Exchange gain on foreign currency	233,024	582,005
Share of profit on sale of LPG	146,409	40,986
Others	9,193	42,029
	458,901	771,775
	4,031,221	3,688,496

## 14. OTHER OPERATING EXPENSES

WPPF	1,742,414	2,068,168
Impairment loss – note 5.1	2,456,959	-
	4,199,373	2,068,168

## 15. TAXATION

Current		
- For the half year	9,036,804	10,769,987
- For the prior year	97,246	(358,380)
	9,134,050	10,411,607
Deferred	1,832,757	2,377,322
	10,966,807	12,788,929

## 16. CASH AND CASH EQUIVALENTS

Cash and bank balances	1,508,750	2,975,750
Short-term highly liquid investments – note 7	19,616,364	17,615,000
	21,125,114	20,590,750

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
Rs '000	

## 17. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are as follows:

Sale of gas to State controlled entities  
(including Government Levies):

GENCO-II	11,440,990	7,316,540
SSGCL	8,010,094	8,422,600
SNGPL	25,469,655	28,763,910
	<u>44,920,739</u>	<u>44,503,050</u>

Trade debts and other receivables from State controlled entities as at December 31

47,447,124	35,430,948
------------	------------

Transactions with subsidiaries:

Receivable from PPL Asia DMCC	-	3,526
Receivable from PPL Asia E&P B.V.	19,789	11,509
Receivable from PPL Asia E&P B.V., Iraq Branch	184,941	100,418
Receivable from PPL Europe E&P Limited	47,432	5,715
Long-term loan to PPL Europe E&P Limited	1,130,824	-
Payment of employees cost on secondment	14,178	14,286

Transactions with Bolan Mining Enterprises:

Purchase of goods	20,353	-
Reimbursement of employee cost on secondment	10,640	9,153

Transactions with Joint Ventures:

Payments of cash calls to joint ventures	15,543,491	13,777,947
Expenditures incurred by the joint ventures	16,879,789	13,118,683
Current account receivables relating to joint ventures as at December 31	2,993,896	599,385
Current account payables relating to joint ventures as at December 31	18,030	14,954
Under advance balances relating to joint ventures as at December 31	2,043,631	2,036,005
Income from rental of assets to joint ventures	61,862	84,007

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
---	---

Rs '000

## Other related parties:

Dividends to GoP	9,982,954	8,756,972
Dividends to Trust under BESOS	1,087,268	906,057
Transactions with retirement benefit funds	332,036	447,395
Remuneration to key management personnel	783,173	682,687
Payment of rental to Pakistan Industrial Development Corporation	33,080	29,348
Payment to National Insurance Company Limited	417,212	834,806
Payment to Pakistan State Oil Company Limited	276,158	180,674

## 18. EARNINGS PER SHARE

### 18.1 Basic earnings per share

Profit after taxation (Rs'000)	22,138,952	26,506,247
Dividend on convertible preference shares (Rs'000)	(37)	(41)
Profit attributable to ordinary shareholders (Rs'000)	22,138,915	26,506,206
Weighted average number of ordinary shares in issue	1,971,716,579	1,971,715,615
Basic earnings per share (Rs)	11.23	13.44

### 18.2 Diluted earnings per share

Profit after taxation (Rs'000)	22,138,952	26,506,247
Weighted average number of ordinary shares in issue	1,971,716,579	1,971,715,615
Adjustment for convertible preference shares	12,876	13,840
Weighted average number of ordinary shares for diluted earnings per share	1,971,729,455	1,971,729,455
Diluted earnings per share (Rs)	11.23	13.44

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

## 19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on January 29, 2015 by the Board of Directors of the Company.

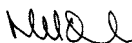
## 20. INTERIM DIVIDEND

The Board of Directors in their meeting held on January 29, 2015 have approved interim cash dividend @ 45% amounting to Rs 8,872.727 million (December 2013: @ 50% amounting to Rs 9,858.578 million) on paid-up value of ordinary share capital and @ 30% amounting to Rs 0.037 million (December 2013: @ 30% amounting to Rs 0.041 million) on the paid-up value of convertible preference share capital.

## 21. GENERAL

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

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



Director



Chief Executive



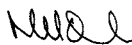
# Consolidated Condensed Interim Financial Statements

# Consolidated Condensed Interim Balance Sheet

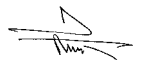
As at December 31, 2014

	Note	December 31, 2014 Unaudited	June 30, 2014 Audited
Rs '000			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	104,760,573	97,143,946
Intangible assets	6	1,607,135	3,500,805
		<u>106,367,708</u>	<u>100,644,751</u>
Equity-accounted investment in joint venture		900,788	735,188
Long-term investments	7	46,926,952	45,002,164
Long-term loans - staff		27,765	26,696
Long-term deposits		765,176	765,176
Long-term receivables		376,050	376,050
		<u>155,364,439</u>	<u>147,550,025</u>
<b>CURRENT ASSETS</b>			
Stores and spares		3,238,294	3,543,482
Trade debts	8	58,435,571	50,225,864
Loans and advances		2,812,875	1,750,468
Trade deposits and short-term prepayments		413,621	408,458
Interest accrued		1,479,379	1,341,326
Current maturity of long-term investments	7	500,096	500,179
Current maturity of long-term receivables		54,800	54,800
Other receivables		3,477,765	3,858,983
Short-term investments	9	27,663,391	27,243,478
Cash and bank balances		3,291,522	3,728,313
		<u>101,367,314</u>	<u>92,655,351</u>
		<u>256,731,753</u>	<u>240,205,376</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		19,717,295	19,717,295
Reserves		170,135,636	161,848,566
		<u>189,852,931</u>	<u>181,565,861</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for decommissioning obligation		15,947,371	15,679,518
Liabilities against assets subject to finance leases		176,976	175,770
Deferred liabilities		2,185,040	2,053,738
Deferred taxation	10	19,737,947	17,892,796
		<u>38,047,334</u>	<u>35,801,822</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	25,597,504	18,836,998
Current maturity of liabilities against assets subject to finance leases		105,470	102,114
Taxation		3,128,514	3,898,581
		<u>28,831,488</u>	<u>22,837,693</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	-	-
		<u>256,731,753</u>	<u>240,205,376</u>

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 half year ended December 31, 2014

	Note	Quarter ended December 31, 2014	Quarter ended December 31, 2013	Half year ended December 31, 2014	Half year ended December 31, 2013
		Rs '000		Rs '000	
Sales - net	13	27,146,796	31,115,054	58,419,096	59,311,005
Field expenditures	14	(9,094,287)	(7,191,113)	(18,162,747)	(14,315,786)
Royalties		(3,164,941)	(3,833,013)	(6,883,474)	(7,120,225)
		(12,259,228)	(11,024,126)	(25,046,221)	(21,436,011)
		14,887,568	20,090,928	33,372,875	37,874,994
Share of profit in equity - accounted investment in joint venture		102,400	39,909	165,600	86,713
Other income	15	1,764,649	1,529,348	4,050,972	3,692,038
Other operating expenses	16	(2,676,587)	(1,071,951)	(3,712,052)	(2,068,168)
Finance costs		(152,970)	(107,632)	(304,967)	(219,204)
Profit before taxation		13,925,060	20,480,602	33,572,428	39,366,373
Taxation	17	(4,956,897)	(6,376,894)	(10,925,888)	(12,749,182)
Profit after taxation		8,968,163	14,103,708	22,646,540	26,617,191
Basic and diluted earnings per share (Rs)	20	4.55	7.15	11.49	13.50

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

  
Director

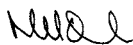
  
Chief Executive

# Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

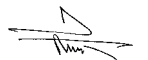
For the half year ended December 31, 2014

	Quarter ended December 31, 2014	Quarter ended December 31, 2013	Half year ended December 31, 2014	Half year ended December 31, 2013
	Rs '000		Rs '000	
Profit after taxation	8,968,163	14,103,708	22,646,540	26,617,191
Other comprehensive income potentially reclassifiable to profit and loss account in subsequent years				
Foreign exchange differences on translation of subsidiaries	(519,250)	100,569	428,408	959,722
Total comprehensive income	<u>8,448,913</u>	<u>14,204,277</u>	<u>23,074,948</u>	<u>27,576,913</u>

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 half year ended December 31, 2014

Note	Half year ended December 31, 2014	Half year ended December 31, 2013
	Rs '000	

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	64,745,668	67,211,221
Receipts of other income	217,746	172,538
Cash paid to suppliers / service providers and employees	(12,156,317)	(10,801,858)
Payment of indirect taxes and Government levies including royalty	(17,167,622)	(31,893,621)
Income tax paid	(9,907,573)	(8,838,350)
Finance costs paid	(42,331)	(19,397)
Long-term loans - staff (net)	555	(4,462)
Net cash generated from operating activities	25,690,126	15,826,071

### CASH FLOWS FROM INVESTING ACTIVITIES

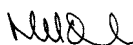
Capital expenditure (net)	(12,802,063)	(10,836,261)
Purchase of long-term investments	(3,469,707)	(6,726,104)
Disposal / redemption of long-term investments	2,155,020	1,180,350
Advance against issue of shares of PPL Asia E&P B.V.	-	(76,583)
Long-term deposits	-	(60,000)
Long-term receivables	-	(124,239)
Financial income received	3,076,995	2,702,907
Proceeds on sale of property, plant and equipment	18,993	23,495
Net cash used in investing activities	(11,020,762)	(13,916,435)

### CASH FLOWS FROM FINANCING ACTIVITIES


Payment of liabilities against assets subject to finance leases	(56,564)	(64,959)
Dividends paid	(14,787,878)	(9,037,037)
Net cash used in financing activities	(14,844,442)	(9,101,996)
Net decrease in cash and cash equivalents	(175,078)	(7,192,360)
Net foreign exchange differences	158,200	113,715
Cash and cash equivalents at the beginning of the period	30,971,791	37,397,778
Cash and cash equivalents at the end of the period	30,954,913	30,319,133

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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 half year ended December 31, 2014

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves						Total reserves	Total
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit	Translation reserve		
Rs '000											
Balance as at June 30, 2013	16,430,964	138	1,428	69,761	24,021,894	13,751,980	5,000,000	90,640,374	55,306	133,539,315	149,971,845
Appropriation of insurance reserve for the year ended June 30, 2013	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2013	-	-	-	-	-	5,000,000	-	-	-	(5,000,000)	-
Issuance of bonus shares @ 20% (one share for every five ordinary shares held)	3,286,193	-	-	-	-	-	-	(3,286,193)	-	(3,286,193)	-
Final dividend on ordinary shares @ 55% for the year ended June 30, 2013	-	-	-	-	-	-	-	(9,037,037)	-	(9,037,037)	(9,037,037)
Profit after taxation	-	-	-	-	-	-	-	26,617,191	-	26,617,191	26,617,191
Other comprehensive income for the half year ended	-	-	-	-	-	-	-	-	-	-	-
December 31, 2013, net of tax	-	-	-	-	-	-	-	-	959,722	959,722	959,722
Total comprehensive income for the half year ended December 31, 2013	-	-	-	-	-	-	-	26,617,191	959,722	27,576,913	27,576,913
Balance as at December 31, 2013	19,717,157	138	1,428	69,761	29,021,894	18,751,980	5,000,000	94,834,335	1,015,028	148,792,998	168,511,721
Balance as at June 30, 2014	19,717,157	138	1,428	69,761	29,021,894	18,751,980	5,000,000	109,357,106	(353,603)	161,847,138	181,565,861
Appropriation of insurance reserve for the year ended June 30, 2014	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2014	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-
Conversion of preference shares into ordinary shares	14	(14)	-	-	-	-	-	-	-	-	-
Final dividend on ordinary shares @ 75% for the year ended June 30, 2014	-	-	-	-	-	-	-	(14,787,878)	-	(14,787,878)	(14,787,878)
Profit after taxation	-	-	-	-	-	-	-	22,646,540	-	22,646,540	22,646,540
Other comprehensive income for the half year ended	-	-	-	-	-	-	-	-	-	-	-
December 31, 2014, net of tax	-	-	-	-	-	-	-	-	428,408	428,408	428,408
Total comprehensive income for the half year ended December 31, 2014	-	-	-	-	-	-	-	22,646,540	428,408	23,074,948	23,074,948
Balance as at December 31, 2014	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	107,215,768	74,805	170,134,208	188,852,331

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 half year ended December 31, 2014

## 1. LEGAL STATUS AND NATURE OF BUSINESS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited, PPL Asia E&P B.V. 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:

### 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 Holding Company is listed on all the three stock exchanges of Pakistan with effect from September 16, 2004. The registered office of the Holding Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

### 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 the acquisition, the name of the Subsidiary was changed to PPL Europe E&P Limited. The registered office of PPL Europe E&P Limited is situated at 6th Floor, One London Wall, London, United Kingdom.

The Subsidiary'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.

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

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

The Subsidiary's main objective is exploration and production of oil and natural gas resources.

### 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 Company is engaged in administrating the trusts formed for the benefits of the employees of the Holding Company.

## 2. BASIS OF CONSOLIDATION

The consolidated 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 financial statements, here-in-after referred to as "the Group".

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

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 changed to conform with accounting policies of the Group, wherever needed.

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

Where the ownership of a subsidiary is less than 100% and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss account, and reclassifies the Holding Company's share of components previously recognised in other comprehensive income to profit and loss account or retained earnings, as appropriate.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

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

### 3. BASIS OF PREPARATION

- 3.1 The consolidated condensed interim financial statements for the half year ended December 31, 2014, have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan and the provisions and directives of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

3.2 These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2014.

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 "The Pakistan Petroleum Provident Fund Trust Company (Private) Limited" (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 half year ended December 31, 2014.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Statement of Compliance

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, 2014.

### 4.2 Implication of revised IFRS-2 (Share Based Payments) on BESOS

In respect of the Holding Company, Benazir Employees' Stock Option Scheme (the BESOS scheme) including its terms and conditions, are the same, as mentioned in the consolidated financial statements for the year ended June 30, 2014. SECP has granted exemption from application of IFRS-2. Had the exemption not been granted, the impact based on the independent actuarial valuations conducted as on June 30, 2014 and June 30, 2013 as per the Group's policy, for the half year ended December 31, 2014 and December 31, 2013 would have been as follows:

	Half year ended December 31, 2014	Half year ended December 31, 2013
	Rs '000	
Staff costs of the Group for the period would have been higher by:	2,541,718	1,585,306
Profit after taxation would have been lower by:	2,541,718	1,585,306
Earnings per share would have been lower by (Rs):	1.29	0.80

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

	December 31, 2014 Unaudited	June 30, 2014 Audited
	Rs '000	
Retained earnings would have been lower by:	21,001,465	18,459,747
Reserves would have been higher by:	21,001,465	18,459,747
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening Net Book Value (NBV)	61,507,149	54,639,005
Additions to:		
- owned assets	2,428,172	17,928,963
- assets subject to finance leases	28,890	142,038
	2,457,062	18,071,001
	63,964,211	72,710,006
Disposals / adjustments during the period / year (NBV)	(10,862)	(1,895,392)
Depreciation / amortisation charged during the period / year	(5,293,943)	(9,307,465)
	58,659,406	61,507,149
Capital work-in-progress – note 5.1	46,101,167	35,636,797
	104,760,573	97,143,946
<b>5.1 Capital work-in-progress</b>		
Plant, machinery, fittings and pipelines	7,106,153	4,546,134
Prospecting and development expenditure	25,282,455	20,824,596
Lands, buildings and civil constructions	218,967	137,845
Capital stores for drilling and development	13,493,592	10,128,222
	46,101,167	35,636,797
<b>6. INTANGIBLE ASSETS</b>		
Goodwill – note 6.1	1,313,743	3,222,832
Computer software including ERP System	168,735	265,721
Intangible assets under development	124,657	12,252
	1,607,135	3,500,805
<b>6.1</b>	Goodwill acquired through business combination has been allocated to the cash-generating unit (CGU) i.e. PPL Europe E&P Limited. The recoverable amount of the CGU is determined based on a value-in-use calculation using cash flow projections from 5 year plan approved by management plus an estimated projection upto the expected field life for each asset and applying the expected value approach.	



# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

During the period, the Group has carried out impairment testing of goodwill allocated to the CGU as required by IAS 36 - 'Impairment of Assets'. The Group considers the relationship between international crude oil prices and carrying value of its assets, among other factors, when reviewing for indicators of impairment. As at December 31, 2014, the international crude oil prices were significantly lower than the forecasted prices used for evaluation of recoverable amount, indicating a potential impairment of goodwill. The recoverable amount has been determined using 'value-in-use' computations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the expected reserves and fields' profile. The pre-tax discount rate applied to cash flow projections is 15.11% ( June 30, 2014: 14.68%).

As a result of the significant decline in international crude oil prices and slight increase in the pre-tax discount rate, the Group has recorded an impairment loss of Rs 1,970 million. The impairment has been fully allocated to goodwill as follows:

	December 31, 2014 Unaudited	June 30, 2014 Audited
	Rs '000	
Goodwill	3,283,381	3,222,832
Less: Provision for impairment loss	(1,969,638)	-
	<u>1,313,743</u>	<u>3,222,832</u>

## 7. LONG-TERM INVESTMENTS

### Investment in related party

– wholly owned subsidiary

Fully paid shares in PPPFTC – note 3.3

1

1

### Other investments

#### Held-to-maturity

- Term Finance Certificates
- Pakistan Investment Bonds
- GoP Ijara Sukuk
- Local currency term deposits with banks
- Foreign currency term deposits with banks

99,800	99,820
22,638,525	22,749,408
500,056	500,139
2,000,000	2,000,000
9,586,636	9,113,904
<u>34,825,017</u>	<u>34,463,271</u>

Designated at fair value through profit or loss

- Mutual Funds

12,602,030	11,039,071
------------	------------

Less: Current maturities

- Term Finance Certificates
- GoP Ijara Sukuk

(40)	(40)
(500,056)	(500,139)
(500,096)	(500,179)
<u>46,926,952</u>	<u>45,002,164</u>

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

December  
31, 2014  
Unaudited

June  
30, 2014  
Audited

Rs '000

## 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)

10,304,872

6,435,882

15,915,427

12,127,303

21,020,675

20,774,049

47,240,974

39,337,234

### Non-related parties

Attock Refinery Limited (ARL)  
National Refinery Limited (NRL)  
Pak-Arab Refinery Limited (PARCO)  
Others

8,399,445

7,172,493

933,157

1,343,948

1,520,796

1,765,080

341,199

607,109

11,194,597

10,888,630

58,435,571

50,225,864

Unsecured and considered doubtful

### Non-related party

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

1,156,220

1,156,220

(1,156,220)

(1,156,220)

-

-

58,435,571

50,225,864

### 8.1 The ageing of trade debts is as follows:

Neither past due nor impaired

17,888,522

21,903,695

Past due but not impaired:

Related parties

- within 90 days

13,821,639

10,285,108

- 91 to 180 days

7,431,187

5,867,604

- over 180 days

13,729,987

10,401,911

34,982,813

26,554,623

Non-related parties

- within 90 days

5,210,651

1,594,055

- 91 to 180 days

196,005

39,090

- over 180 days

157,580

134,401

5,564,236

1,767,546

58,435,571

50,225,864

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

- 8.2 Trade debts include overdue amount of Rs 34,983 million (June 30, 2014: Rs 26,555 million) receivable from the State controlled utility companies (GENCO-II, SNGPL and SSGCL) and Rs 6,720 million (June 30, 2014: Rs 2,924 million) overdue receivable from refineries (ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

Based on the measures being undertaken by the Government of Pakistan (GoP) to resolve the Inter-Corporate Circular Debt issue, the Group considers these amounts to be fully recoverable and therefore, no further provision for doubtful debts has been created in these consolidated condensed interim financial statements, except for provision against receivable from Byco made in previous years.

December 31, 2014 Unaudited	June 30, 2014 Audited
-----------------------------------	-----------------------------

Rs '000

## 9. SHORT-TERM INVESTMENTS

### Held-to-maturity

Local currency term deposits with banks	18,580,000	19,350,000
Foreign currency term deposits with banks	8,047,027	7,893,478
Investment in Treasury Bills	1,036,364	-
	<u>27,663,391</u>	<u>27,243,478</u>

## 10. DEFERRED TAXATION

Credit / (debit) balances arising on account of:

Exploration expenditure	(3,406,000)	(3,478,000)
Amortisation of intangible assets	(13,263)	(4,422)
Provision for staff retirement and other benefits	(721,063)	(698,271)
Provision for obsolete / slow moving stores	(39,428)	(40,623)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	50,204	71,206
Accelerated tax depreciation allowances	5,793,405	6,066,714
Exploratory wells cost	5,826,951	4,444,242
Prospecting and development expenditure	12,824,206	12,216,403
Tax losses and credits	(110,310)	(231,835)
Others	(4,267)	9,870
	<u>19,737,947</u>	<u>17,892,796</u>

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

December 31, 2014 Unaudited	June 30, 2014 Audited
Rs '000	

## 11. TRADE AND OTHER PAYABLES

Creditors	232,781	288,512
Accrued liabilities	3,417,449	3,237,535
Security deposits from LPG distributors	602,618	625,069
Retention money	49,492	43,100
Unpaid and unclaimed dividends	227,676	192,517
Gas development surcharge	5,539,171	3,805,195
Gas infrastructure development cess	2,912,937	1,479,926
Federal excise duty (net)	159,454	-
Sales tax (net)	343,610	18,522
Royalties	4,874,684	6,007,351
Current accounts with joint venture partners	4,769,916	2,437,837
Liabilities for staff retirement benefit plans	-	85,395
Workers' Profits Participation Fund (WPPF)	1,742,414	-
Contractual obligations for Iraq EDPSC	577,820	517,819
Others	147,482	98,220
	<u>25,597,504</u>	<u>18,836,998</u>

## 12. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as reported in the consolidated financial statements for the year ended June 30, 2014.

Half year ended December 31, 2014	Half year ended December 31, 2013
Rs '000	

## 13. SALES - net

Natural gas	31,321,165	34,460,988
Gas supplied to Sui villages	152,602	173,368
Internal consumption of gas	86,013	101,513
Condensate / NGL	5,349,405	7,486,700
Crude oil	19,767,212	16,372,728
LPG	1,742,699	715,708
	<u>58,419,096</u>	<u>59,311,005</u>

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
Rs '000	

## 14. FIELD EXPENDITURES

Development and drilling - note 14.1	3,399,278	2,879,606
Exploration	4,685,270	1,902,775
Depreciation	2,079,714	1,593,658
Amortisation of intangible assets	99,655	106,733
Amortisation of decommissioning cost	633,081	726,454
Amortisation of prospecting and development expenditure	2,581,147	2,104,925
Salaries, wages, welfare and other benefits	3,555,724	3,414,826
Employees' medical benefits	219,147	182,451
Manpower development	19,872	16,459
Travelling and conveyance	267,640	271,812
Communication	11,419	20,059
Stores and spares consumed	535,552	525,273
Fuel and power	154,613	168,068
Rent, rates and taxes	55,555	56,155
Insurance	283,222	324,730
Repairs and maintenance	140,717	160,835
Professional services	25,187	58,952
Auditors' remuneration	2,772	1,284
Free supply of gas to Sui villages	186,905	212,259
Donations	78,506	64,770
Social welfare / community development	20,477	4,160
Other expenses	94,590	121,019
	<u>19,130,043</u>	<u>14,917,263</u>
Recoveries	(967,296)	(601,477)
	<u>18,162,747</u>	<u>14,315,786</u>

- 14.1 These are net of insurance claim received of Rs 97 million during the current period in respect of sabotage activity caused at Sui gas field during the year ended June 30, 2011.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
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Rs '000

## 15. OTHER INCOME

### Income from financial assets

Income on loans and bank deposits	276,716	203,057
Income on term deposits	1,021,850	818,545
Income on long-term held-to-maturity investments	1,524,948	1,428,289
Income from investment in treasury bills	279,723	111,396
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	488,259	358,976
	3,591,496	2,920,263

### Income from assets other than financial assets

Rental income on assets	61,862	84,007
Profit on sale of property, plant and equipment (net)	8,131	17,231
Profit on sale of stores and spares (net)	282	5,517
Exchange gain on foreign currency	233,024	582,005
Share of profit on sale of LPG	146,409	40,986
Others	9,768	42,029
	459,476	771,775
	4,050,972	3,692,038

## 16. OTHER OPERATING EXPENSES

WPPF	1,742,414	2,068,168
Impairment loss – note 6.1	1,969,638	-
	3,712,052	2,068,168

## 17. TAXATION

### Current

- For the half year	9,036,804	10,956,461
- For the prior year	97,146	(358,380)
	9,133,950	10,598,081
Deferred	1,791,938	2,151,101
	10,925,888	12,749,182

## 18. CASH AND CASH EQUIVALENTS

Cash and bank balances	3,291,522	10,916,622
Short-term highly liquid investments	27,663,391	19,402,511
	30,954,913	30,319,133

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

Half year ended December 31, 2014	Half year ended December 31, 2013
Rs '000	

## 19. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are as follows:

Sale of gas to State controlled entities  
(including Government Levies):

Genco-II	11,440,990	7,316,540
SSGCL	8,072,031	8,641,574
SNGPL	26,119,741	29,524,828
	<u>45,632,762</u>	<u>45,482,942</u>

Trade debts and other receivables from State  
controlled entities as at December 31

47,688,749	35,782,262
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Transactions with Bolan Mining Enterprises:

Purchase of goods	20,353	-
Reimbursement of employee cost on secondment	<u>10,640</u>	<u>9,153</u>

Transactions with Joint Ventures:

Payments of cash calls to joint ventures	15,787,902	13,942,874
Expenditures incurred by the joint ventures	<u>17,155,926</u>	<u>13,898,124</u>
Current account receivables relating to joint ventures as at December 31	3,030,590	706,539
Current account payables relating to joint ventures as at December 31	<u>117,366</u>	<u>597,019</u>
Under advance balances relating to joint ventures as at December 31	2,043,631	2,036,005
Income from rental of assets to joint ventures	<u>61,862</u>	<u>84,007</u>

Other related parties:

Dividends to GoP	9,982,954	8,756,972
Dividends to Trust under BESOS	<u>1,087,268</u>	<u>906,057</u>
Transactions with retirement benefit funds	335,075	449,085
Remuneration to key management personnel	<u>798,987</u>	<u>698,123</u>
Payment of rental to Pakistan Industrial Development Corporation	33,080	29,348
Payment to National Insurance Company Limited	<u>417,212</u>	<u>834,806</u>
Payment to Pakistan State Oil Company Limited	<u>276,158</u>	<u>180,674</u>

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2014

	Half year ended December 31, 2014	Half year ended December 31, 2013
<b>20. EARNINGS PER SHARE</b>		
<b>20.1 Basic earnings per share</b>		
Profit after taxation (Rs'000)	22,646,540	26,617,191
Dividend on convertible preference shares (Rs'000)	(37)	(41)
Profit attributable to ordinary shareholders (Rs'000)	<u>22,646,503</u>	<u>26,617,150</u>
Weighted average number of ordinary shares in issue	<u>1,971,716,579</u>	<u>1,971,715,615</u>
Basic earnings per share (Rs)	<u>11.49</u>	<u>13.50</u>
<b>20.2 Diluted earnings per share</b>		
Profit after taxation (Rs'000)	<u>22,646,540</u>	<u>26,617,191</u>
Weighted average number of ordinary shares in issue	<u>1,971,716,579</u>	<u>1,971,715,615</u>
Adjustment for convertible preference shares	<u>12,876</u>	<u>13,840</u>
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>11.49</u>	<u>13.50</u>

## 21. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on January 29, 2015 by the Board of Directors of the Holding Company.

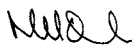
## 22. INTERIM DIVIDEND

The Board of Directors of the Holding Company in their meeting held on January 29, 2015 have approved interim cash dividend @ 45% amounting to Rs 8,872.727 million (December 2013: @ 50% amounting to Rs 9,858.578 million) on paid-up value of ordinary share capital and @ 30% amounting to Rs 0.037 million (December 2013: @ 30% amounting to Rs 0.041 million) on the paid-up value of convertible preference share capital.

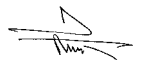
## 23. GENERAL

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

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



Director



Chief Executive



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## **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)