Pakistan Petroleum Limited

Synergy

Nine Months Report March 2013

Synergy

As a major national Exploration and Production (E&P) company in business for nearly seven decades, we at Pakistan Petroleum Limited (PPL) are committed to delivering top value to all our stakeholders. Experience tells us a sustainable way of achieving this is by capitalizing on synergies around key performance objectives, a value that lies at the core of our corporate strategy.

This synergy is geared towards accelerating exploration and production to supplement efforts for a safe energy future by deploying latest technology and participating in international ventures while adhering to best practices of good governance, including transparency, employee health and safety, environmental conservation and socio-economic development of disadvantaged communities.

Contents

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 optimisation program in the most efficient manner through a team of professionals utilizing the latest developments in technology, while ensuring that quality is an integral part of all operations and maintaining the highest standards of health, safety, environment protection and addressing community development needs.

Company Information

Board of Directors

- Mr. Asim Murtaza Khan - Chief Executive Officer / Managing Director
- Mr. Sajid Zahid (Non-Executive Director)
- Mr. Saquib H. Shirazi (Independent, Non-Executive Director)
- Dr. Amer Sheikh (Non-Executive Director)
- Mr. Qazi Mohammad Saleem Siddiqui (Non-Executive Director)
- Mr. Zain Magsi (Independent, Non-Executive Director)
- Mr. Mohsin Aziz (Independent, Non-Executive Director)
- Mr. M. Shoukat Saleem (Independent, Non-Executive Director)
- Mr. Javed Masud (Independent, Non-Executive Director)
- Mr. Javed Akbar (Independent, Non-Executive Director)

Company Secretary

Mr. M. Mubbasshar Siddiqui

Registered Office

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P.O. Box 3942, Karachi-75530.
UAN: 111-568-568
Fax: 021-35680005 & 021-35682125
Website: www.ppl.com.pk
Email: info@ppl.com.pk

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Shares Registrar

FAMCO Associates (Pvt.) Ltd.
1st Floor, State Life Building No.1-A
I.I. Chundrigar Road,
Karachi-74000.

Legal Advisors

Surridge & Beecheno

Directors' Interim Review

Your directors are pleased to present the unaudited condensed interim financial statements for the nine months period ended March 31, 2013, alongwith consolidated financial statements of PPL (the Company) with its subsidiaries PPL Europe E&P Limited and PPL Asia DMCC, here-in-after referred to as "the Group", and a brief review of the Company's operations.

CORPORATE ACQUISITION OF PPL EUROPE E&P LIMITED (FORMERLY MND EXPLORATION AND PRODUCTION LIMITED)

During the current period, PPL has acquired 100% shareholding of MND Exploration & Production Limited, a company incorporated in England and Wales. Subsequent to the acquisition, the name of the subsidiary has been changed to PPL Europe E&P Limited.

The wholly-owned subsidiary's main objective is exploration and production of oil and gas and it currently holds partner-operated working interests in five Pakistan and Yemen based producing field and exploratory blocks.

ESTABLISHMENT OF PPL ASIA DMCC (WHOLLY-OWNED SUBSIDIARY)

During the current period, PPL has also established a wholly-owned subsidiary, PPL Asia DMCC in Dubai, UAE, registered with the Registrar of Companies of the Dubai Multi Commodities Centre Authority (DMCC).

The subsidiary's main objective is exploration and production of oil and gas, and in this respect, assignment to PPL Asia DMCC of interest in Block-8 under the Exploration, Development and Production Service Contract with Midland Oil Company, Iraq, as well as the registration of Iraq Branch office are in progress. Contractors for preliminary exploration activities are being engaged for commencement of work commitment.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial

The Company's performance improved with respect to revenue and profitability during the nine months period ended March 31, 2013. Profit after taxation of the Company increased by around 4% to Rs 33,530 million during the nine months period ended March 31, 2013, as compared to Rs 32,270 million in the corresponding period.

The key financial results of the Company are as follows:

	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs million		Rs million	
Sales revenue (net)	26,504	26,254	77,177	71,511
Profit before taxation	16,315	17,307	49,240	46,244
Taxation	(5,102)	(5,151)	(15,710)	(13,974)
Profit after taxation	11,213	12,156	33,530	32,270
		(Restated)		(Restated)
Basic and Diluted Earnings Per Share (Rs)	6.82	7.40	20.41	19.64

Directors' Interim Review

Profitability during the current nine months period ended March 31, 2013 has improved, as compared to the corresponding period, due to increase in oil sales volumes, impact of higher international oil prices and depreciation of Pakistani Rupee against US Dollar. Volume increase of crude oil sales from Adhi, Tal and Nashpa fields, gas sales from Nashpa and Gambat fields were offset by decrease in gas sales from Sui, Kandhkot, Hala, Sawan, Latif and Tal fields, and decrease in condensate sales from Adhi, Tal and Hala fields and LPG sales from the Hala field.

Other operating income also increased mainly due to increase in income from financial assets by Rs 310 million during the nine months period ended March 31, 2013, as a result of comparatively higher investments, however the income was partially offset by lower interest rates.

From the date of acquisition, PPL Europe E&P Limited has contributed around Rs 62 million to the Group's revenue and Rs 22 million to the Group's profit after tax.

Operational

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

	Unit	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine Months ended March 31, 2013	Nine Months ended March 31, 2012
Natural Gas	MMCF	76,310	87,638	226,181	250,726
Crude Oil / Natural Gas Liquids (NGL) / Condensate	BBL	861,298	800,134	2,536,589	2,221,572
Liquefied Petroleum Gas (LPG)	Tonnes	4,148	4,844	12,745	15,920

CORPORATE STRATEGY AND FOCUS AREAS

As a major national Exploration and Production (E&P) Company in business for nearly seven decades, we at Pakistan Petroleum Limited (PPL) are committed to delivering top value to all our stakeholders. Experience tells us a sustainable way of achieving this by capitalising on synergies around key performance objectives, a value that lies at the core of our corporate strategy.

This synergy is geared towards accelerating exploration and production to supplement efforts for a safe energy future by deploying latest technology and participating in international ventures, while adhering to best practices of good governance, including transparency, employee health and safety, environmental conservation and socio-economic development of under-privileged areas.

Exploration

The Company's exploration strategy is aimed at replenishing and enhancing its existing hydrocarbon reserves, through exploration and production optimisation in order to maintain its position as a premier E&P Company of the Country.

Directors' Interim Review

PPL continued its efforts to acquire prospective areas locally and overseas. In this respect, PPL participated in exploration bidding round held on March 10, 2013, where PPL won 11 blocks (including one joint venture block with OMV). In addition, overseas opportunities are also being evaluated for farm-in / application.

New and Ongoing Activities

The Company's portfolio consists of forty six exploration blocks out of which twenty eight are PPL operated (including Block-8 in Iraq) and remaining eighteen, including three offshore blocks in Pakistan and one onshore block in Yemen, are partner operated.

New and ongoing activities that took place in the current period were as follows:

PPL-operated areas

Setting up of Company's branch office in Baghdad, Iraq for execution of exploration activities in Block- 8 is expected in the first half of 2013. Planning for seismic survey is at advanced stage.

In Gambat South Block, two exploratory wells, Wafiq X-1 and Shahdad X-1 were spud-in in February and March 2013, respectively and currently the drilling is in progress.

2D seismic survey in Zindan Block and 3D seismic survey in Sirani Block have been completed. 2D seismic survey in Dhok Sultan Block is in progress.

Partner-operated areas

3D seismic survey in Tal field has been completed.

In Sukhpur Block, first exploratory well, Lundali-1 was spud-in in January 2013 and currently logging is in progress.

Appraisal and Development

In Sui Field, development well Sui-99 (H) was completed as gas producer, whereas development well Sui-98 (U) was spud-in in October 2012 and drilling is in progress.

In Kandhkot Field, horizontal development well Kandhkot-28 (M) was completed in February 2013 as gas producer.

Adhi Early Production Facility (EPF) Revamp Project is under commissioning.

Compressor Unit-A in Qadirpur Field has been commissioned as part of compression project and as a result, field production has increased by 30 MMscfd.

In Qadirpur Field, the development well Qadirpur-48 was spud-in in March 2013 and the drilling is in progress.

In Tal Field, the drilling of Manzalai-10 well has been completed and currently, well testing is in progress.

In Tal Field, the development well Makori East-03 was spud-in in January 2013 and the drilling is in progress.

The activities related to the installation of 150 MMscfd Makori Gas Processing Plant in Tal Field are in progress, with first gas expected in third quarter of 2013.

Activities pertaining to installation of 100 MMscfd capacity Centralised Processing Facility comprising of LPG extraction plant and dehydration unit at Nashpa Field are in progress, with expected completion in second quarter of 2014.

In Latif Field, the development wells Latif-5 and Latif-6 were completed in current quarter, as gas producers.

Corporate Social Responsibility

PPL, as a responsible corporate entity, has always played an active role in the uplift and development of marginalised communities around its producing fields and exploratory areas. In this regard, the Company's Corporate Social Responsibility has taken numerous meaningful initiatives and made contributions for promotion of education, healthcare, infrastructure development, skills development and livelihood generation in its operational areas and beyond.

Relief and assistance for flood affected areas

The Company played an active role in providing relief and assistance to communities affected by the recent flash floods and rains. More than 1,200 tents and 5,000 ration bags have been distributed by the Company.

PPL public welfare hospital

Construction of 50-bed PPL Public Welfare Hospital Sui has been completed. Arrangements to make the hospital operational were initiated with the Health Department, Government of Balochistan.

Education and training

PPL has constructed academic blocks at schools in various districts. In addition, financial support in terms of scholarships was provided to more than 250 students hailing from the Company's operational areas, out of which over 200 students belong to Sui and Dera Bugti.

A multi-purpose auditorium was constructed and inaugurated at FC Public School and College Nushki, Balochistan during the current period. Similarly, construction work of PPL Tameer-e-Millat Foundation Primary School Nushki was also completed and classes commenced.

Moreover, construction of Staff Hostel, additional classrooms at Taleem Foundation School Sui and Women Vocational Training Centre Sui, including external development works have been completed.

Water supply schemes

Twenty community water supply schemes in district Lakki Marwat and two in district Kachhi were completed, while construction work at water supply schemes in Fateh village, District Dera Ismail Khan and Sui town is in progress.

Directors' Interim Review

Installation of thirty eight deep hand pumps in District Thatta under PCA obligation for Jungshahi Block is in progress. Installation of sixteen deep hand pumps at sixteen villages in District Thatta has been completed.

Human Resources

The Company's human resource strategy is geared for an effective organisational plan and employee development programme, sound compensation and benefit plans, policies and practices, designed to attract and retain high caliber personnel, for efficient management of business with a view to achieve set objectives.

Occupational Health, Safety and Environment (HSE)

PPL's well-defined HSE Policy plays a key role in its decision making process to ensure compliance with statutory requirements and to achieve continuous improvement in HSE Management System implementation.

PPL is committed to align its activities in line with international standards and industry best practices to make the workplace safe and environmental friendly, as far as possible, for all its stakeholders.

Quality Management System

PPL is actively progressing with its plans to enhance assets' integrity with institutionalisation of quality in various business processes. The Company is working to embed and nurture quality management system and has the largest number of departments and production facilities with ISO 9001 certification in the local E&P sector.

Industrial Relations

The overall industrial relations climate, law and order situation and discipline remained satisfactory at all locations including Sui gas field.

ACKNOWLEDGEMENT

The Board is thankful to the Management for its purposeful efforts to upscale exploration activities, as well as, the Government for its enabling guidance and assistance in this regard. The Board is equally grateful to staff and workers for their hard work and dedication. The Board would also like to place on record, gratitude to our shareholders for reposing confidence in the Company.

(MOHSIN AZIZ)
CHAIRMAN

Karachi
April 30, 2013

Unconsolidated Condensed Interim Balance Sheet as at March 31, 2013

	Note	March 31, 2013 Unaudited	June 30, 2012 Audited
		Rs '000	
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	62,129,209	55,313,451
Intangible assets		422,642	433,569
		62,551,851	55,747,020
Equity-accounted investment in joint venture		526,347	413,147
Long-term investments	5	39,643,058	20,346,358
Long-term loans - staff		23,425	21,262
Long-term deposits		727,676	697,676
Long-term receivables		116,682	71,805
		103,589,039	77,297,268
CURRENT ASSETS			
Stores and spares		4,260,016	3,467,552
Trade debts	6	59,873,007	50,159,492
Loans and advances		1,294,101	691,862
Trade deposits and short-term prepayments		268,687	161,013
Accrued financial income		402,983	553,290
Current maturity of long-term investments	5	40	748,276
Current maturity of long-term receivables		-	4,251
Other receivables		281,253	528,023
Short-term investments	7	26,146,512	35,265,000
Cash and bank balances		5,132,423	1,675,160
		97,659,022	93,253,919
		201,248,061	170,551,187
SHARE CAPITAL AND RESERVES			
Share capital		16,431,102	13,144,909
Reserves	8	126,723,580	113,239,278
		143,154,682	126,384,187
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		14,604,818	14,334,962
Liabilities against assets subject to finance leases		144,393	131,115
Deferred liabilities		1,695,331	1,561,710
Deferred taxation	9	8,817,908	6,871,537
		25,262,450	22,899,324
CURRENT LIABILITIES			
Trade and other payables	10	31,094,982	18,096,399
Current maturity of liabilities against assets subject to finance leases		98,694	82,923
Current maturity of deferred income		-	1,172
Taxation		1,637,253	3,087,182
		32,830,929	21,267,676
CONTINGENCIES AND COMMITMENTS	11	-	-
		201,248,061	170,551,187

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited) for the nine months period ended March 31, 2013

	Note	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
		Rs '000		Rs '000	
Sales - net	12	26,503,913	26,254,528	77,177,102	71,511,135
Field expenditures	13	(7,679,032)	(6,179,624)	(21,396,893)	(18,347,475)
Royalties		(3,185,172)	(3,131,727)	(9,232,224)	(8,518,675)
		(10,864,204)	(9,311,351)	(30,629,117)	(26,866,150)
		15,639,709	16,943,177	46,547,985	44,644,985
Share of profit in equity-accounted investment in joint venture		37,700	16,000	113,200	26,000
Other operating income	14	1,591,357	1,675,806	5,490,536	5,132,264
Other operating expenses		(855,053)	(1,281,883)	(2,616,733)	(3,425,939)
Finance costs		(98,911)	(45,610)	(295,120)	(133,552)
Profit before taxation		16,314,802	17,307,490	49,239,868	46,243,758
Taxation	15	(5,101,537)	(5,151,099)	(15,709,748)	(13,974,045)
Profit after taxation		11,213,265	12,156,391	33,530,120	32,269,713
			(Restated)		(Restated)
Basic and diluted earnings per share (Rs)	18	6.82	7.40	20.41	19.64

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended March 31, 2013

	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000		Rs '000	
Profit after taxation	11,213,265	12,156,391	33,530,120	32,269,713
Other comprehensive income - net of taxation	-	-	-	-
Total comprehensive income	11,213,265	12,156,391	33,530,120	32,269,713

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited) for the nine months period ended March 31, 2013

	Note	Nine months ended March 31, 2013	Nine months ended March 31, 2012
		Rs '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		84,466,715	70,315,687
Receipts of other operating income		191,899	564,940
Cash paid to suppliers / service providers and employees		(15,303,284)	(16,829,808)
Payment of indirect taxes and Government levies including royalty		(17,981,290)	(19,905,537)
Income tax paid		(15,213,306)	(5,269,182)
Finance costs paid		(25,265)	(21,825)
Long-term loans - staff (net)		5,448	(1,813)
Net cash generated from operating activities		36,140,917	28,852,462
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(11,961,610)	(5,731,636)
Purchase of long-term investments		(983,379)	(3,808,912)
Redemption of long-term investments		750,020	-
Investment in PPL Asia DMCC		(5,350)	-
Advance against issue of shares of PPL Asia DMCC		(1,468,662)	-
Investment in PPL Europe E&P Limited		(15,664,177)	-
Long-term deposits		(30,000)	(22,675)
Long-term receivables		(41,798)	(40,217)
Share of profit received from equity-accounted investment in joint venture		-	25,000
Financial income received		4,257,712	4,020,867
Proceeds on sale of property, plant and equipment		20,524	88,735
Net cash used in investing activities		(25,126,720)	(5,468,838)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance leases		84,203	(68,074)
Dividends paid		(16,759,625)	(8,962,384)
Net cash used in financing activities		(16,675,422)	(9,030,458)
Net (decrease) / increase in cash and cash equivalents		(5,661,225)	14,353,166
Cash and cash equivalents at the beginning of the period		36,940,160	22,354,271
Cash and cash equivalents at the end of the period	16	31,278,935	36,707,437

The annexed notes 1 to 20 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 nine months period ended March 31, 2013

	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	Total		
	Rs '000										
Balance as at June 30, 2011	11,949,792	138	1,428	69,761	14,021,894	20,000,000	-	48,380,020	82,471,675	82,473,103	94,423,033
Appropriation of insurance reserve for the year ended June 30, 2011	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2011	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-
Issuance of bonus shares @ 10% (one share for every ten ordinary shares held)	1,194,979	-	-	-	-	-	-	(1,194,979)	(1,194,979)	(1,194,979)	-
Final dividend on ordinary shares @ 20% for the year ended June 30, 2011	-	-	-	-	-	-	-	(2,389,958)	(2,389,958)	(2,389,958)	(2,389,958)
Total comprehensive income for the nine months period ended March 31, 2012	-	-	-	-	-	-	-	32,269,713	32,269,713	32,269,713	32,269,713
Interim dividend for the year ended June 30, 2012											
- Ordinary shares - 50%	-	-	-	-	-	-	-	(6,572,385)	(6,572,385)	(6,572,385)	(6,572,385)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(41)	(41)	(41)	(41)
Balance as at March 31, 2012	13,144,771	138	1,428	69,761	19,021,894	25,000,000	-	60,492,370	104,584,025	104,585,453	117,730,362
Balance as at June 30, 2012	13,144,771	138	1,428	69,761	19,021,894	25,000,000	-	69,146,195	113,237,850	113,239,278	126,384,187
Appropriation of insurance reserve for the year ended June 30, 2012	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2012	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-
Appropriation of dividend equalisation reserve for the year ending June 30, 2013	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Acquisition of 100% shareholding of PPL Europe E&P Limited	-	-	-	-	-	(15,664,177)	-	15,664,177	-	-	-
Issuance of bonus shares @ 25% (one share for every four ordinary shares held)	3,286,193	-	-	-	-	-	-	(3,286,193)	(3,286,193)	(3,286,193)	-
Final dividend on ordinary shares @ 65% for the year ended June 30, 2012	-	-	-	-	-	-	-	(8,544,101)	(8,544,101)	(8,544,101)	(8,544,101)
Total comprehensive income for the nine months period ended March 31, 2013	-	-	-	-	-	-	-	33,530,120	33,530,120	33,530,120	33,530,120
Interim dividend for the year ending June 30, 2013											
- Ordinary shares - 50%	-	-	-	-	-	-	-	(8,215,482)	(8,215,482)	(8,215,482)	(8,215,482)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(42)	(42)	(42)	(42)
Balance as at March 31, 2013	16,430,964	138	1,428	69,761	24,021,894	14,335,823	5,000,000	83,294,674	126,722,152	126,723,580	143,154,682

The annexed notes 1 to 20 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 nine months period ended March 31, 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

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.

2. BASIS OF PRESENTATION

2.1 This unconsolidated condensed interim financial report of the Company for the nine months period ended March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. 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 financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.

2.3 Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Company from consolidation of financial statements in respect of its investment in "The Pakistan Petroleum Provident Fund Trust Company (Private) Limited", a wholly owned Subsidiary under section 237 of the Companies Ordinance, 1984. Accordingly, the Company has not consolidated the Subsidiary in its consolidated condensed interim financial statements for the nine months period ended March 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

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

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 financial statements for the year ended June 30, 2012. 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, 2012 and June 30, 2011 as per the Company's policy, for the nine months period ended March 31, 2013 and March 31, 2012 would have been as follows:

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000	
Staff costs of the Company for the period would have been higher by:	2,017,424	3,384,091
Profit after taxation would have been lower by:	2,017,424	3,384,091
Earnings per share would have been lower by (Rs):	1.23	2.06

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
Retained earnings would have been lower by:	12,223,125	10,205,701
Reserves would have been higher by:	12,223,125	10,205,701

4. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2013 Unaudited	June 30, 2012 Audited
Opening Net Book Value (NBV)	48,127,203	39,838,249
Additions to:		
- owned assets	2,044,403	15,073,388
- assets subject to finance leases	84,549	127,557
	2,128,952	15,200,945
	50,256,155	55,039,194
Disposals / adjustments during the period / year (NBV)	(6,208)	(150,338)
Depreciation / amortisation charged during the period / year	(4,945,295)	(6,761,653)
	45,304,652	48,127,203
Capital work-in-progress – note 4.1	16,824,557	7,186,248
	62,129,209	55,313,451

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

For the nine months period ended March 31, 2013

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
4.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	5,833,069	2,194,892
Prospecting and development wells	10,576,421	4,852,857
Land, buildings and civil constructions	126,218	110,517
Capital stores for drilling and development	288,849	27,982
	16,824,557	7,186,248
5. LONG-TERM INVESTMENTS		
Investment in related parties - wholly owned subsidiaries		
The Pakistan Petroleum Provident Fund Trust Company (Private) Limited	1	1
PPL Asia DMCC – note 5.1	5,350	-
Advance against issue of shares of PPL Asia DMCC – note 5.2	1,468,662	-
PPL Europe E&P Limited – note 5.3	15,664,177	-
	17,138,190	1
Other investments		
Held-to-maturity		
- Term Finance Certificates	99,880	99,900
- Pakistan Investment Bonds	657,888	1,400,393
- GoP Ijara Sukuk	2,501,247	2,501,972
- Local currency term deposits with banks	2,000,000	2,000,000
- Foreign currency term deposits with banks	6,671,290	5,285,635
	11,930,305	11,287,900
Designated at fair value through profit or loss		
- Mutual Funds	10,574,603	9,806,733
Less: Current maturities		
- Term Finance Certificates	(40)	(40)
- Pakistan Investment Bonds	-	(748,236)
	(40)	(748,276)
	39,643,058	20,346,358

5.1 During the current period, the Company has established a wholly owned Subsidiary PPL Asia DMCC, registered on February 04, 2013 with the Registrar of Companies of the Dubai Multi Commodities Centre Authority (DMCC). The registered office of PPL Asia DMCC is situated at Unit No 3O-01-701, Floor No.1, Building No 3, Plot Number 550-554 J&G, (DMCC), Dubai, United Arab Emirates.

The Subsidiary's main objective is exploration and production of oil and gas and in this respect, the Company is in the process of assigning its interest in Block -8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with Midland Oil Company, Iraq, to PPL Asia DMCC.

5.2 The Company has paid a signature bonus under the EDPSC and after the assignment of Block-8 to PPL Asia DMCC, the amount of signature bonus will be transferred to the Subsidiary against its share capital.

5.3 The Company has acquired 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the Subsidiary has been 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 one exploration block in Yemen.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
6. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	17,826,341	16,412,700
Sui Northern Gas Pipelines Limited (SNGPL)	18,101,162	10,082,065
Sui Southern Gas Company Limited (SSGCL)	14,528,654	14,766,219
	50,456,157	41,260,984
Non-related parties		
Attock Refinery Limited (ARL)	9,139,857	7,926,337
Others	276,993	972,171
	9,416,850	8,898,508
	59,873,007	50,159,492
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,181,220
Less: Provision for doubtful debts – note 6.2 & 14	(1,156,220)	(1,181,220)
	-	-
	59,873,007	50,159,492

6.1 Trade debts include overdue amount of Rs 37,751 million (June 30, 2012: Rs 28,092 million) receivable from the State controlled utility companies (i.e. GENCO-II, SNGPL, SSGCL) and Rs 5,087 million (June 30, 2012: Rs 4,916 million) overdue receivable from refineries i.e. (ARL, Byco, Pak-Arab Refinery Limited, National Refinery Limited and Pakistan Refinery Limited).

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 provision for doubtful debts has been created in these unconsolidated condensed interim financial statements, except for provision against receivable from Byco.

6.2 During the current period, the Company has received Rs 25 million from Byco and accordingly, the provision for doubtful debts has been reversed to the extent of the aforesaid amount in these unconsolidated condensed interim financial statements.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
7. SHORT-TERM INVESTMENTS		
Held-to-maturity		
Local currency term deposits with banks	23,180,000	25,440,000
Investment in Treasury Bills	2,966,512	9,825,000
	26,146,512	35,265,000

8. RESERVES

During the current period, the Company has established a Dividend Equalisation Reserve and transferred an amount of Rs 5,000 million to the reserve from un-appropriated profits to maintain dividend declarations.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
9. DEFERRED TAXATION		
Credit / (debit) balances arising on account of:		
Exploration expenditure	(3,755,045)	(4,015,497)
Amortisation of intangible assets	(3,854)	(4,648)
Provision for staff retirement and other benefits	(593,366)	(546,599)
Provision for obsolete / slow moving stores	(35,092)	(35,092)
Provision for doubtful debts	(462,488)	(472,488)
Provision for decommissioning obligation	186,437	283,495
Accelerated tax depreciation allowances	5,091,625	5,608,865
Exploratory wells cost	1,376,111	938,908
Prospecting and development expenditure	7,016,997	5,114,445
Others	(3,417)	148
	8,817,908	6,871,537

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
10. TRADE AND OTHER PAYABLES		
Creditors	104,806	178,763
Accrued liabilities	1,859,098	2,710,589
Security deposits from LPG distributors	169,651	169,651
Retention money	60,388	308,210
Unpaid and unclaimed dividends	2,343,672	131,969
Gas development surcharge	14,471,987	10,604,097
Gas infrastructure development cess	1,953,080	423,001
Federal excise duty (net)	197,127	176,691
Sales tax (net)	68,514	-
Royalties	4,621,033	2,011,939
Current accounts with joint venture partners	2,610,692	1,361,257
Workers' Profits Participation Fund	2,585,627	-
Others	49,307	20,232
	31,094,982	18,096,399

11. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2012, except as mentioned below:

a) The commitment to spend upto US$ 100 million over the first five years of exploration period under EDPSC for Block-8 in Iraq signed with Midland Oil Company, Iraq.

b) The Tax Authorities have amended the assessment order for tax year 2012 and raised demand of Rs 2,360 million mainly on tax rate, depletion and decommissioning cost issues. The Company has filed an appeal before the CIR (A). The provision in respect of the issues has already been accounted for by the Company.

	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000		Rs '000	
12. SALES - net				
Natural gas	16,991,511	18,010,604	50,689,896	49,937,247
Gas supplied to Sui villages	86,822	80,260	241,808	181,678
Internal consumption of gas	47,920	41,597	146,587	121,333
Condensate / NGL	2,603,710	2,845,593	7,794,707	8,234,741
Crude oil	6,400,321	4,864,410	17,248,076	11,842,317
LPG	373,629	412,064	1,056,028	1,193,819
	26,503,913	26,254,528	77,177,102	71,511,135

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

For the nine months period ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000	
13. FIELD EXPENDITURES		
Development and drilling	3,454,450	4,981,155
Exploration	4,753,430	2,269,268
Depreciation	2,446,351	2,400,598
Amortisation of intangible assets	150,123	89,649
Amortisation of decommissioning cost	989,330	367,218
Amortisation of prospecting and development expenditure	1,509,614	1,519,482
Salaries, wages, welfare and other benefits	4,457,734	3,848,807
Employees' medical benefits	282,582	231,600
Manpower development	22,767	23,249
Travelling and conveyance	416,658	398,346
Communication	20,847	22,738
Stores and spares consumed	1,021,331	738,438
Fuel and power	232,260	213,041
Rent, rates and taxes	143,140	71,417
Insurance	492,410	294,653
Repairs and maintenance	258,045	230,561
Professional services	168,014	27,086
Auditors' remuneration	1,875	1,650
Free supply of gas to Sui villages	293,632	222,017
Donations	80,489	171,480
Social welfare / community development	93,551	147,858
Other expenses	143,933	104,893
	21,432,566	18,375,204
Recoveries	(35,673)	(27,729)
	21,396,893	18,347,475
14. OTHER OPERATING INCOME		
Income from financial assets		
Income on loans and bank deposits	447,092	322,454
Income on term deposits	2,021,765	2,022,657
Income on long-term held-to-maturity investments	665,925	654,654
Income from investment in treasury bills	979,393	883,801
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	677,870	597,703
	4,792,045	4,481,269
Income from assets other than financial assets		
Rental income on assets	27,693	91,455
Profit on sale of property, plant and equipment	14,316	86,055
Profit on sale of stores and spares (net)	6,236	13,031
Exchange gain on foreign currency	492,276	317,806
Share of profit on sale of LPG	76,124	92,994
Refund of sales tax paid under amnesty scheme	-	31,120
Reversal of provision for doubtful debts - Byco - note 6.2	25,000	-
Others	56,846	18,534
	698,491	650,995
	5,490,536	5,132,264

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Unaudited) for the nine months period ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000	
15. TAXATION		
Current		
- For the nine months period	13,983,111	15,158,919
- For the prior year	(219,734)	(682,911)
	13,763,377	14,476,008
Deferred	1,946,371	(501,963)
	15,709,748	13,974,045
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,132,423	3,261,798
Short-term highly liquid investments - note 7	26,146,512	33,445,639
	31,278,935	36,707,437
17. TRANSACTIONS WITH RELATED PARTIES		
Transactions with related parties are as follows:		
Sale of gas to State controlled entities (including Government Levies):		
GENCO-II	11,248,641	12,628,358
SSGCL	10,977,748	11,468,343
SNGPL	45,244,473	43,112,066
	67,470,862	67,208,767
Trade debts and other receivables from State controlled entities as at March 31	50,590,249	42,022,803
Transactions with Bolan Mining Enterprises:		
Share of profit received	-	25,000
Purchase of goods	24,137	-
Reimbursement of employee cost on secondment	9,879	8,159
Transactions with Joint Ventures:		
Payments of cash calls to Joint Ventures	16,211,024	10,094,548
Expenditures incurred by the Joint Ventures	16,888,438	9,493,913
Current account receivables from Joint Venture partners as at March 31	253,428	254,938
Current account payables relating to Joint Ventures as at March 31	9,735	5,716
Under advance balances relating to Joint Ventures as at March 31	1,481,310	729,440
Income from rental of assets to Joint Ventures	863	91,455
Other related parties:		
Dividends to GoP	14,244,675	7,203,138
Dividends to Trust under BESOS	1,473,852	1,225,062
Transactions with retirement benefit funds	690,909	496,745
Remuneration to key management personnel	3,433,402	2,597,855
Payment of rental to Pakistan Industrial Development Corporation	38,376	34,087
Payment to National Insurance Company Limited	843,575	566,355
Payment to Pakistan State Oil Company Limited	204,113	79,163

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

For the nine months period ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
18. EARNINGS PER SHARE		
18.1 Basic earnings per share		
Profit after taxation (Rs'000)	33,530,120	32,269,713
Dividend on convertible preference shares (Rs'000)	(42)	(41)
Profit attributable to ordinary shareholders (Rs'000)	33,530,078	32,269,672
		(Restated)
Weighted average number of ordinary shares in issue	1,643,096,346	1,643,096,346
Basic earnings per share (Rs)	20.41	19.64
18.2 Diluted earnings per share		
Profit after taxation (Rs'000)	33,530,120	32,269,713
		(Restated)
Weighted average number of ordinary shares in issue	1,643,096,346	1,643,096,346
Adjustment for convertible preference shares	13,840	13,840
Weighted average number of ordinary shares for diluted earnings per share	1,643,110,186	1,643,110,186
Diluted earnings per share (Rs)	20.41	19.64

18.3 During the current period, the Company has issued 25% bonus shares (i.e. one share for every four ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the nine months period ended March 31, 2012.

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 30, 2013 by the Board of Directors of the Company.

20. GENERAL

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

20.2 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 March 31, 2013

	Note	March 31, 2013 Unaudited	June 30, 2012 Audited
		Rs '000	
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	76,784,271	55,313,451
Intangible assets	6	3,626,505	433,569
		80,410,776	55,747,020
Equity-accounted investment in joint venture		526,347	413,147
Long-term investments	7	22,504,869	20,346,358
Long-term loans - staff		23,425	21,262
Long-term deposits		727,676	697,676
Long-term receivables		116,682	71,805
		104,309,775	77,297,268
CURRENT ASSETS			
Stores and spares		4,260,016	3,467,552
Trade debts	8	60,261,510	50,159,492
Loans and advances		1,428,951	691,862
Trade deposits and short-term prepayments		272,007	161,013
Accrued financial income		402,983	553,290
Current maturity of long-term investments	7	40	748,276
Current maturity of long-term receivables		-	4,251
Other receivables		582,105	528,023
Short-term investments	9	26,146,512	35,265,000
Cash and bank balances		7,807,906	1,675,160
		101,162,030	93,253,919
		205,471,805	170,551,187
SHARE CAPITAL AND RESERVES			
Share capital		16,431,102	13,144,909
Reserves	10	126,761,420	113,239,278
		143,192,522	126,384,187
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		14,746,731	14,334,962
Liabilities against assets subject to finance leases		144,393	131,115
Deferred liabilities		1,695,331	1,561,710
Deferred taxation	11	12,394,795	6,871,537
		28,981,250	22,899,324
CURRENT LIABILITIES			
Trade and other payables	12	31,277,458	18,096,399
Current maturity of liabilities against assets subject to finance leases		98,694	82,923
Current maturity of deferred income		-	1,172
Taxation		1,921,881	3,087,182
		33,298,033	21,267,676
CONTINGENCIES AND COMMITMENTS	13	-	-
		205,471,805	170,551,187

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Director

Chief Executive

Consolidated Condensed Interim Profit and Loss Account (Unaudited)

For the nine months period ended March 31, 2013

	Note	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
		Rs '000		Rs '000	
Sales - net	14	26,565,469	26,254,528	77,238,658	71,511,135
Field expenditures	15	(7,696,944)	(6,179,624)	(21,414,805)	(18,347,475)
Royalties		(3,191,901)	(3,131,727)	(9,238,953)	(8,518,675)
		(10,888,845)	(9,311,351)	(30,653,758)	(26,866,150)
		15,676,624	16,943,177	46,584,900	44,644,985
Share of profit in equity-accounted investment in joint venture		37,700	16,000	113,200	26,000
Other operating income	16	1,591,540	1,675,806	5,490,719	5,132,264
Other operating expenses		(855,053)	(1,281,883)	(2,616,733)	(3,425,939)
Finance costs		(99,076)	(45,610)	(295,285)	(133,552)
Profit before taxation		16,351,735	17,307,490	49,276,801	46,243,758
Taxation	17	(5,116,581)	(5,151,099)	(15,724,792)	(13,974,045)
Profit after taxation		11,235,154	12,156,391	33,552,009	32,269,713
			(Restated)		(Restated)
Basic and diluted earnings per share (Rs)	20	6.84	7.40	20.42	19.64

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Director

Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended March 31, 2013

	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000		Rs '000	
Profit after taxation	11,235,154	12,156,391	33,552,009	32,269,713
Other comprehensive income potentially reclassifiable to profit or loss - net of taxation :				
Foreign exchange difference on translation of subsidiary	15,951	-	15,951	-
Total comprehensive income	11,251,105	12,156,391	33,567,960	32,269,713

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Director

Chief Executive

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended March 31, 2013

	Note	Nine months ended March 31, 2013	Nine months ended March 31, 2012
		Rs '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		84,528,271	70,315,687
Receipts of other operating income		192,082	564,940
Cash paid to suppliers / service providers and employees		(15,327,925)	(16,829,808)
Payment of indirect taxes and Government levies including royalty		(17,981,290)	(19,905,537)
Income tax paid		(15,228,350)	(5,269,182)
Finance costs paid		(25,430)	(21,825)
Long-term loans - staff (net)		5,448	(1,813)
Net cash generated from operating activities		36,162,806	28,852,462
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(13,430,272)	(5,731,636)
Purchase of long-term investments		(983,379)	(3,808,912)
Redemption of long-term investments		750,020	-
Acquisition of PPL Europe E&P Limited (net)	4.2	(13,015,933)	-
Long-term deposits		(30,000)	(22,675)
Long-term receivables		(41,798)	(40,217)
Share of profit received from equity-accounted investment in joint venture		-	25,000
Financial income received		4,257,712	4,020,867
Proceeds on sale of property, plant and equipment		20,524	88,735
Net cash used in investing activities		(22,473,126)	(5,468,838)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against assets subject to finance leases		84,203	(68,074)
Dividends paid		(16,759,625)	(8,962,384)
Net cash used in financing activities		(16,675,422)	(9,030,458)
Net (decrease) / increase in cash and cash equivalents		(2,985,742)	14,353,166
Cash and cash equivalents at the beginning of the period		36,940,160	22,354,271
Cash and cash equivalents at the end of the period	18	33,954,418	36,707,437

The annexed notes 1 to 22 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 nine months period ended March 31, 2013

	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	Total		
	Rs '000											
Balance as at June 30, 2011	11,949,792	138	1,428	69,761	14,021,894	20,000,000	-	48,380,020	-	82,471,675	82,473,103	94,423,033
Appropriation of insurance reserve for the year ended June 30, 2011	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2011	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-	-
Issuance of bonus shares @ 10% (one share for every ten ordinary shares held)	1,194,979	-	-	-	-	-	-	(1,194,979)	-	(1,194,979)	(1,194,979)	-
Final dividend on ordinary shares @ 20% for the year ended June 30, 2011	-	-	-	-	-	-	-	(2,389,958)	-	(2,389,958)	(2,389,958)	(2,389,958)
Total comprehensive income for the period ended March 31, 2012	-	-	-	-	-	-	-	32,269,713	-	32,269,713	32,269,713	32,269,713
Interim dividend for the year ended June 30, 2012												
- Ordinary shares - 50%	-	-	-	-	-	-	-	(6,572,385)	-	(6,572,385)	(6,572,385)	(6,572,385)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(41)	-	(41)	(41)	(41)
Balance as at March 31, 2012	13,144,771	138	1,428	69,761	19,021,894	25,000,000	-	60,492,370	-	104,584,025	104,585,453	117,730,362
Balance as at June 30, 2012	13,144,771	138	1,428	69,761	19,021,894	25,000,000	-	69,146,195	-	113,237,850	113,239,278	126,384,187
Appropriation of insurance reserve for the year ended June 30, 2012	-	-	-	-	5,000,000	-	-	(5,000,000)	-	-	-	-
Appropriation of assets acquisition reserve for the year ended June 30, 2012	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-	-
Appropriation of dividend equalisation reserve for the year ending June 30, 2013	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	-
Acquisition of 100% shareholding of PPL Europe E&P Limited	-	-	-	-	-	(15,664,177)	-	15,664,177	-	-	-	-
Issuance of bonus shares @ 25% (one share for every four ordinary shares held)	3,286,193	-	-	-	-	-	-	(3,286,193)	-	(3,286,193)	(3,286,193)	-
Final dividend on ordinary shares @ 65% for the year ended June 30, 2012	-	-	-	-	-	-	-	(8,544,101)	-	(8,544,101)	(8,544,101)	(8,544,101)
Total comprehensive income for the period ended March 31, 2013	-	-	-	-	-	-	-	33,552,009	15,951	33,567,960	33,567,960	33,567,960
Interim dividend for the year ending June 30, 2013												
- Ordinary shares - 50%	-	-	-	-	-	-	-	(8,215,482)	-	(8,215,482)	(8,215,482)	(8,215,482)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(42)	-	(42)	(42)	(42)
Balance as at March 31, 2013	16,430,964	138	1,428	69,761	24,021,894	14,335,823	5,000,000	83,316,563	15,951	126,759,992	126,761,420	143,192,522

The annexed notes 1 to 22 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 nine months period ended March 31, 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i-e PPL Europe E&P Limited (Formerly MND Exploration and Production Limited), PPL Asia DMCC and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC). The Group, except PPPFTC as mentioned below, 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

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 has 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 has been 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 one exploration block in Yemen.

PPL Asia DMCC

During the current period, the Holding Company has also established a wholly owned Subsidiary PPL Asia DMCC, registered on February 04, 2013 with the Registrar of Companies of Dubai Multi Commodities Centre Authority (DMCC). The registered office of PPL Asia DMCC is situated at Unit No 3O-01-701, Floor No.1, Building No 3, Plot Number 550-554 J&G, DMCC, Dubai, United Arab Emirates.

The Subsidiary's main objective is exploration and production of oil and gas, and in this respect, the Holding Company is in the process of assigning its 100% working interest in Block -8, Iraq, acquired under the Exploration, Development and Production Service Contract (EDPSC) dated November 05, 2012 with Midland Oil Company, Iraq, to PPL Asia DMCC.

The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

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.

1.2 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 2.4, 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.

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.

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.

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, the carrying amount of any NCI and the cumulative translation differences recognised in equity, however, recognises the fair value of the consideration received, fair value of any investment retained, surplus or deficit in profit or loss and reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the balance sheet date and their income and expenses are translated at exchange rates approximating those prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Unaudited) for the nine months period ended March 31, 2013

2. BASIS OF PRESENTATION

2.1 The consolidated condensed interim financial report for the nine months period ended March 31, 2013, has been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" 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.

2.2 These consolidated condensed interim financial statements are unaudited and do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Holding Company for the year ended June 30, 2012.

2.3 The comparative balance sheet presented in these consolidated condensed interim financial statements as at June 30, 2012 has been extracted from the audited financial statements of the Holding Company for the year ended June 30, 2012, whereas the comparative 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 are extracted from the unaudited financial statements of the Holding Company for the nine months period ended March 31, 2012.

2.4 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 nine months period ended March 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

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

3.2 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 financial statements for the year ended June 30, 2012. 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, 2012 and June 30, 2011 as per the Group's policy, for the nine months periods ended March 31, 2013 and March 31, 2012 would have been as follows:

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

For the nine months period ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000	
Staff costs of the Group for the period would have been higher by:	2,017,424	3,384,091
Profit after taxation would have been lower by:	2,017,424	3,384,091
Earnings per share would have been lower by (Rs):	1.23	2.06

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
Retained earnings would have been lower by:	12,223,125	10,205,701
Reserves would have been higher by:	12,223,125	10,205,701

4. ACQUISITION OF OPERATIONS OF PPL EUROPE E&P LIMITED (FORMERLY MND EXPLORATION AND PRODUCTION LIMITED)

4.1 a) Growth remains the prime focus of the Holding Company's Corporate Strategy with the objective to replenish reserves and enhance production through organic growth, as well as acquisitions. Accordingly, on March 21, 2013 the Holding Company acquired 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales, from MND E&P a.s.

b) The acquisition of MND Exploration and Production Limited, will not only enrich the Group's asset portfolio but also acts as a catalyst for international operations expansion into newer plays through this wholly-owned Subsidiary. Subsequent to acquisition, the name of the Subsidiary has been changed to PPL Europe E&P Limited.

c) The acquisition of PPL Europe E&P Limited has been accounted for under the 'acquisition method' as laid down by International Financial Reporting Standard (IFRS) - 3 "Business Combinations" as applicable in Pakistan.

4.2 The fair value of assets acquired and liabilities assumed as of the date of acquisition are as follows:

	Fair value of assets / liabilities recognised Rs '000
ASSETS	
Property, plant and equipment - note 4.3	13,172,986
Trade debts	388,108
Loans and advances	134,712
Trade deposits and short-term prepayments	3,317
Other receivables - note 4.4	300,546
Cash and bank balances - note 4.5	2,645,550
	16,645,219
LIABILITIES	
Provision for decommissioning obligation	141,769
Deferred taxation - note 4.6	3,573,248
Trade and other payables	182,291
Taxation - note 4.7	284,338
	4,181,646
Fair value of identifiable net assets on acquisition	12,463,573
Consideration (cost of acquisition)	15,664,177
Goodwill on acquisition - note 4.6	3,200,604
Foreign exchange difference on translation	3,259
Goodwill as at March 31, 2013 - note 6	3,203,863
Net cash outflow on acquisition is as follows:	
Cash paid on acquisition	15,664,177
Cash acquired in Subsidiary	(2,645,550)
Foreign exchange difference on translation	(2,694)
	(2,648,244)
Net cash outflow	13,015,933

4.3 The amount includes prospecting and development expenditures pertaining to oil and gas producing field and exploratory blocks.

4.4 Other receivables include Rs 300 million indemnification asset in respect of tax years 2010 to 2012, as MND E&P a.s is liable to compensate the Group against any unfavourable orders in respect of tax upto tax year 2012. The corresponding amount of liability has also been recognised under the head taxation (note 4.7).

4.5 Cash and bank balances include Rs 520 million provided as cash collateral to the Subsidiary's bank, to provide bank guarantees to host Governments as security against the Subsidiary's contractual license work commitments.

4.6 The goodwill mainly arises due to the requirement to recognise deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair values. Goodwill recognised is not expected to be deductible for income tax purposes.

4.7 The taxation amount is net of the tax liabilities and the amount of tax refundable from the Tax Department. Tax liabilities include Rs 899 million recognised as per the requirements of IFRS-3 for tax years 2003 to 2012 pertaining to the tax rate, depletion allowance and decommissioning costs issues. The Subsidiary has already paid amount of Rs 599 million to the Tax Department under protest, as per tax amnesty scheme which had exempted the whole amount of default surcharge and penalties on tax demands pertaining to tax years 2003 to 2009. The Subsidiary has filed appeals at Islamabad High Court and is of the opinion that the grounds of appeals are strong. The estimated tax demands for tax years 2010 to 2012 amount to Rs 300 million (note 4.4).

4.8 From the date of acquisition, PPL Europe E&P Limited has contributed around Rs 62 million to Group revenue and Rs 22 million to Group profit. If the acquisition of the Subsidiary had been completed on the first day of the financial year, the consolidated condensed interim profit and loss account would have included revenue and profit of around Rs 1,634 million and Rs 561 million, respectively.

4.9 The Holding Company has incurred various transaction related costs amounting to Rs 116 million on acquisition of PPL Europe E&P Limited and the same have been recorded in the field expenditures under the heads rent, rates and taxes, and professional services.

4.10 The initial accounting in respect of acquisition under IFRS-3 involves identifying and determining the fair values to be assigned to the acquiree's identifiable assets and liabilities, including goodwill.

In this respect, the management is in the process of carrying out a detailed exercise for the identification and valuation of assets and liabilities required to be separately recognised under the initial accounting for the acquisition under IFRS-3, and the exercise is expected to be completed shortly. IFRS-3 envisages such a situation and allows an acquirer to account for the acquisition using provisional values if the initial accounting for the acquisition can be determined only provisionally at the period end. However, adjustments to these provisional values consequent to completion of the initial accounting of the acquisition are required under IFRS-3 to be incorporated in the financial statements within a period of twelve months from the acquisition date.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	48,127,203	39,838,249
Additions to:		
- owned assets	5,838,783	15,073,388
- assets subject to finance leases	84,549	127,557
	5,923,332	15,200,945
	54,050,535	55,039,194
Disposals / adjustments during the period / year (NBV)	(6,208)	(150,338)
Depreciation / amortisation charged during the period / year	(4,945,295)	(6,761,653)
	49,099,032	48,127,203
Capital work-in-progress – note 5.1	27,685,239	7,186,248
	76,784,271	55,313,451
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	5,833,069	2,194,892
Prospecting and development expenditures – note 4.3	21,437,103	4,852,857
Land, buildings and civil constructions	126,218	110,517
Capital stores for drilling and development	288,849	27,982
	27,685,239	7,186,248

6. Intangible assets

Intangible assets include goodwill as mentioned in the note 4.2.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
7. LONG-TERM INVESTMENTS		
Investment in related party		
Fully paid shares in PPPFTC – note 2.4	1	1
Other investments		
Held-to-maturity		
- Term Finance Certificates	99,880	99,900
- Pakistan Investment Bonds	657,888	1,400,393
- GoP Ijara Sukuk	2,501,247	2,501,972
- Local currency term deposits with banks	2,000,000	2,000,000
- Foreign currency term deposits with banks	6,671,290	5,285,635
	11,930,305	11,287,900
Designated at fair value through profit or loss		
- Mutual Funds	10,574,603	9,806,733
Less: Current maturities		
- Term Finance Certificates	(40)	(40)
- Pakistan Investment Bonds	-	(748,236)
	(40)	(748,276)
	22,504,869	20,346,358
8. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	17,826,341	16,412,700
Sui Northern Gas Pipelines Limited (SNGPL)	18,418,388	10,082,065
Sui Southern Gas Company Limited (SSGCL)	14,599,931	14,766,219
	50,844,660	41,260,984
Non-related parties		
Attock Refinery Limited (ARL)	9,139,857	7,926,337
Others	276,993	972,171
	9,416,850	8,898,508
	60,261,510	50,159,492
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,181,220
Less: Provision for doubtful debts – note 8.2 & 16	(1,156,220)	(1,181,220)
	-	-
	60,261,510	50,159,492

8.1 Trade debts include overdue amount of Rs 37,957 million (June 30, 2012: Rs 28,092 million) receivable from the State controlled utility companies (i.e. GENCO-II, SNGPL, SSGCL) and Rs 5,087 million (June 30, 2012: Rs 4,916 million) overdue receivable from refineries i.e. (ARL, Byco, Pak-Arab Refinery Limited, National Refinery Limited and Pakistan Refinery Limited).

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 provision for doubtful debts has been created in these consolidated condensed interim financial statements, except for provision against receivable from Byco.

8.2 During the current period, the Group has received Rs 25 million from Byco and accordingly, the provision for doubtful debts has been reversed to the extent of the aforesaid amount in these consolidated condensed interim financial statements.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
9. SHORT-TERM INVESTMENTS		
Held-to-maturity		
Local currency term deposits with banks	23,180,000	25,440,000
Investment in Treasury Bills	2,966,512	9,825,000
	26,146,512	35,265,000

10. RESERVES

The Holding Company has established a Dividend Equalisation Reserve and transferred an amount of Rs 5,000 million to the reserve from un-appropriated profits to maintain dividend declarations.

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
11. DEFERRED TAXATION		
Credit / (debit) balances arising on account of:		
Exploration expenditure	(3,755,045)	(4,015,497)
Amortisation of intangible assets	(3,854)	(4,648)
Provision for staff retirement and other benefits	(593,366)	(546,599)
Provision for obsolete / slow moving stores	(35,092)	(35,092)
Provision for doubtful debts	(462,488)	(472,488)
Provision for decommissioning obligation	186,437	283,495
Accelerated tax depreciation allowances	6,521,606	5,608,865
Exploratory wells cost	1,376,111	938,908
Prospecting and development expenditure	9,163,903	5,114,445
Others	(3,417)	148
	12,394,795	6,871,537

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

For the nine months period ended March 31, 2013

	March 31, 2013 Unaudited	June 30, 2012 Audited
	Rs '000	
12. TRADE AND OTHER PAYABLES		
Creditors	232,811	178,763
Accrued liabilities	1,859,098	2,710,589
Security deposits from LPG distributors	169,651	169,651
Retention money	60,388	308,210
Unpaid and unclaimed dividends	2,343,672	131,969
Gas development surcharge	14,471,987	10,604,097
Gas infrastructure development cess	1,953,080	423,001
Federal excise duty (net)	197,127	176,691
Sales tax (net)	94,165	-
Royalties	4,637,870	2,011,939
Current accounts with joint venture partners	2,614,483	1,361,257
Workers' Profits Participation Fund	2,585,627	-
Others	57,499	20,232
	31,277,458	18,096,399

13. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as reported in the annual financial statements of the Holding Company for the year ended June 30, 2012, except for the following:

13.1 In respect of the Holding Company, the Tax Authorities have amended the assessment order for tax year 2012 and raised demand of Rs 2,360 million mainly on tax rate, depletion and decommissioning cost issues. The Holding Company has filed an appeal before the CIR (A). The provision in respect of above issues has already been accounted for by the Holding Company.

13.2 There is a commitment to spend upto US$ 100 million over the first five years of exploration period under EDPSC for Block-8 in Iraq signed with Midland Oil Company, Iraq.

13.3 As disclosed in note 4.7 to these consolidated condensed interim financial statements, in respect of PPL Europe E&P Limited, the Tax Authorities have raised demands for tax years 2003-2009 amounting to Rs 599 million. Under amnesty scheme, the Subsidiary has paid Rs 599 million under protest and filed appeals with Islamabad High Court which are pending for hearing. The estimated tax demands for tax years 2010 to 2012 amount to Rs 300 million.

13.4 During 2009, the Tax Authorities raised a demand of Rs 786 million on account of non deduction of tax on the gross consideration paid by the Subsidiary to MND E&P a.s. for obtaining the working interest of South West Miano Block (Sawan). The Subsidiary has won its appeal against this ruling at ATIR level. However, the Tax Authorities have filed an appeal in the Islamabad High Court. MND E&P a.s is liable to compensate the Holding Company against any unfavourable order in respect of the tax demand.

13.5 PPL Europe E&P Limited is required to provide bank guarantees to host Governments as security against its contractual license work commitments. These guarantees amount to Rs 520 million, which have been provided through a cash collateral to the Subsidiary's bank, as disclosed in note 4.5 to these consolidated condensed interim financial statements.

	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000		Rs '000	
14. SALES - net				
Natural gas	17,053,067	18,010,604	50,751,452	49,937,247
Gas supplied to Sui villages	86,822	80,260	241,808	181,678
Internal consumption of gas	47,920	41,597	146,587	121,333
Condensate / NGL	2,603,710	2,845,593	7,794,707	8,234,741
Crude oil	6,400,321	4,864,410	17,248,076	11,842,317
LPG	373,629	412,064	1,056,028	1,193,819
	26,565,469	26,254,528	77,238,658	71,511,135

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000	
15. FIELD EXPENDITURES		
Development and drilling	3,457,510	4,981,155
Exploration	4,753,430	2,269,268
Depreciation	2,446,584	2,400,598
Amortisation of intangible assets	150,123	89,649
Amortisation of decommissioning cost	989,550	367,218
Amortisation of prospecting and development expenditure	1,519,032	1,519,482
Salaries, wages, welfare and other benefits	4,457,360	3,848,807
Employees' medical benefits	284,438	231,600
Manpower development	22,767	23,249
Travelling and conveyance	416,807	398,346
Communication	20,905	22,738
Stores and spares consumed	1,021,344	738,438
Fuel and power	232,361	213,041
Rent, rates and taxes - note 4.9	143,361	71,417
Insurance	492,304	294,653
Repairs and maintenance	258,109	230,561
Professional services - note 4.9	170,086	27,086
Auditors' remuneration	1,639	1,650
Free supply of gas to Sui villages	293,632	222,017
Donations	80,489	171,480
Social welfare / community development	93,551	147,858
Other expenses	145,096	104,893
	21,450,478	18,375,204
Recoveries	(35,673)	(27,729)
	21,414,805	18,347,475

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

For the nine months period ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Rs '000	
16. OTHER OPERATING INCOME		
Income from financial assets		
Income on loans and bank deposits	447,276	322,454
Income on term deposits	2,021,765	2,022,657
Income on long-term held-to-maturity investments	665,925	654,654
Income from investment in treasury bills	979,393	883,801
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	677,870	597,703
	4,792,229	4,481,269
Income from assets other than financial assets		
Rental income on assets	27,693	91,455
Profit on sale of property, plant and equipment	14,316	86,055
Profit on sale of stores and spares (net)	6,236	13,031
Exchange gain on foreign currency	492,276	317,806
Share of profit on sale of LPG	76,123	92,994
Refund of sales tax paid under amnesty scheme	-	31,120
Reversal of provision for doubtful debts - Byco - note 8.2	25,000	-
Others	56,846	18,534
	698,490	650,995
	5,490,719	5,132,264
17. TAXATION		
Current		
- For the nine months period	13,996,919	15,158,919
- For the prior year	(219,734)	(682,911)
	13,777,185	14,476,008
Deferred	1,947,607	(501,963)
	15,724,792	13,974,045
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,807,906	3,261,798
Short-term highly liquid investments - note 9	26,146,512	33,445,639
	33,954,418	36,707,437

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	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	11,248,641	12,628,358
SSGCL	10,990,248	11,468,343
SNGPL	45,303,378	43,112,066
	67,542,267	67,208,767
Trade debts and other receivables from State controlled entities as at March 31	50,978,752	42,022,803
Transactions with Bolan Mining Enterprises:		
Share of profit received	-	25,000
Purchase of goods	24,137	-
Reimbursement of employee cost on secondment	9,879	8,159
Transactions with Joint Ventures:		
Payments of cash calls to Joint Ventures	16,211,024	10,094,548
Expenditures incurred by the Joint Ventures	16,904,602	9,493,913
Current account receivables from Joint Venture partners as at March 31	253,428	254,938
Current account payables relating to Joint Ventures as at March 31	9,735	5,716
Under advance balances relating to Joint Ventures as at March 31	1,350,251	729,440
Income from rental of assets to Joint Ventures	863	91,455
Other related parties:		
Dividends to GoP	14,244,675	7,203,138
Dividends to Trust under BESOS	1,473,852	1,225,062
Transactions with retirement benefit funds	690,909	496,745
Remuneration to key management personnel	3,433,402	2,597,855
Payment of rental to Pakistan Industrial Development Corporation	38,376	34,087
Payment to National Insurance Company Limited	843,575	566,355
Payment to Pakistan State Oil Company Limited	204,113	79,163

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

For the nine months period ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
20. EARNINGS PER SHARE		
20.1 Basic earnings per share		
Profit after taxation (Rs'000)	33,552,009	32,269,713
Dividend on convertible preference shares (Rs'000)	(42)	(41)
Profit attributable to ordinary shareholders (Rs'000)	33,551,967	32,269,672
		(Restated)
Weighted average number of ordinary shares in issue	1,643,096,346	1,643,096,346
Basic earnings per share (Rs)	20.42	19.64
20.2 Diluted earnings per share		
Profit after taxation (Rs'000)	33,552,009	32,269,713
		(Restated)
Weighted average number of ordinary shares in issue	1,643,096,346	1,643,096,346
Adjustment for convertible preference shares	13,840	13,840
Weighted average number of ordinary shares for diluted earnings per share	1,643,110,186	1,643,110,186
Diluted earnings per share (Rs)	20.42	19.64

20.3 During the current period, the Holding Company has issued 25% bonus shares (i.e. one share for every four ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the nine months period ended March 31, 2012.

21. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 30, 2013 by the Board of Directors of the Holding Company.

22. GENERAL

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

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

Director

Chief Executive

Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P.O. Box 3942, Karachi-75530, Pakistan.
UAN: 021-111-568-568
Fax: 021-35680005, 021-35682125
Email: info@ppl.com.pk
Website: www.ppl.com.pk