



Pakistan Petroleum Limited



Nine Months Report March 2015

Contents

- 02 Vision - Mission
- 03 Core Values
- 04 Company Information
- 05 Directors' Interim Review
- 10 Unconsolidated Condensed Interim Balance Sheet
- 11 Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)
- 12 Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)
- 13 Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)
- 14 Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)
- 15 Notes to and Forming Part of the Unconsolidated Condensed Interim
Financial Statements (Unaudited)
- 27 Consolidated Condensed Interim Balance Sheet
- 28 Consolidated Condensed Interim Profit and Loss Account (Unaudited)
- 29 Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)
- 30 Consolidated Condensed Interim Cash Flow Statement (Unaudited)
- 31 Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)
- 32 Notes to and Forming Part of the Consolidated Condensed Interim
Financial Statements (Unaudited)

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. Syed Wamiq Bokhari (Chief Executive Officer / Managing Director)
- Mr. Aftab Nabi (Independent, Non-Executive Director)
- Mr. Arshad Mirza (Non-Executive Director)
- Mr. Asif Baigmoamed (Independent, Non-Executive Director)
- Mr. Imtiaz Hussain Zaidi (Independent, Non-Executive Director)
- Mr. Muhammad Ashraf Iqbal Baluch (Independent, Non-Executive Director)
- Mr. Nadeem Mumtaz Qureshi (Independent, Non-Executive Director)
- Mr. 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
Email: 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 nine months period ended March 31, 2015 and a brief review of the Company's operations.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the nine months period ended March 31, 2015 are as follows:

Discoveries

Four discoveries have been made during the nine months period under review; 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 acquisition of 1,223 Line Kms and 1,413 Sq. Kms, respectively, were carried out during the nine months period, which represents increase of 436% and 101%, respectively, over the corresponding period.

Drilling Activities

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

Financial Highlights

The key financial results of the Company during the nine months period ended March 31, 2015 are as follows:

	Nine months ended March 31, 2015 Rs million	Nine months ended March 31, 2014 Rs million
Sales revenue (net)	80,584	88,867
Profit before taxation	43,588	56,386
Taxation	(13,640)	(18,298)
Profit after taxation	29,948	38,088
Basic and Diluted Earnings Per Share (Rs)	15.19	19.32

Sales revenue

Sales revenue has decreased by Rs 8,283 million during the current period as compared to the corresponding period. Negative variances on account of crude oil price and exchange rate amounting to Rs 13,380 million and Rs 2,317 million, respectively, were partially offset by positive volume variance of Rs 7,414 million.

Positive volume variance is attributable to the combined effect of 24% increase in oil sales volumes, 191% increase in LPG sales volumes and 6% decrease in gas sales volumes.

Directors' Interim Review

Surge in oil sales volumes is due to major increase in Tal, Nashpa, Hala and Adhi fields, and commencement of oil production from Ghauri discovery. Gas sales volumes have decreased in Sui, Kandhkot, Sawan, Qadirpur, Mazarani, Tal, Gambat, Chachar and Sukhpur fields, which were partially offset by increases in volumes from Nashpa, Latif, Hala and Adhi fields. LPG sales have risen due to commencement of production from Tal field in February 2014.

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

	Unit	Nine months ended March 31, 2015	Nine months ended March 31, 2014
Natural Gas	MMCF	199,751	213,322
Crude Oil / Natural Gas			
Liquids (NGL) / Condensate	BBL	4,114,691	3,318,414
Liquefied Petroleum Gas (LPG)	Tonnes	42,554	14,622

Profitability

In addition to decline in sales revenue, profitability of the Company has also decreased, mainly due to increase in field expenditures by Rs 5,120 million, which is 22% higher as compared to the corresponding period. Major reason of increase in field expenditures is due to increase in seismic acquisition cost in respect of PPL operated blocks, namely, Zamzama South, Kharan, Kotri, Malir, Karsal, Shah Bandar 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.

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 during the current period were as follows:

PPL-Operated Areas

In Nausherwani Block, 2D seismic survey has been completed.

2D seismic survey is in progress in Kalat, Shah Bandar and Bela West Blocks.

In Naushahro Firoz and Sadiqabad Blocks, 3D seismic survey is in progress.

In Hisal and Khipro East Blocks, seismic operations have been put on hold due to non-issuance of security clearance by Ministry of Defence.

In Gambat South Block, drilling of eighth exploratory well Nasr X-1 has been completed and currently recording of wireline logs is in progress. Further, workover operations of exploratory well Wafiq X-1 were successfully completed in February 2015.

In Naushahro Firoz Block, to appraise the tight gas discovery, work over at Naushahro Firoz X-1 started in March, 2015 and is 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 Kotri North Block, 1st exploratory well Kotri North X-1 was spud in February, 2015 and currently recording of wireline logs is in progress.

In Sirani Block, 2nd exploratory well Shadab X-1 drilled in March, 2015 was plugged and abandoned.

Partner-Operated Areas

In Tal Block, exploratory well Mardan Khel-1 was spud in September 2014 and currently production testing is in progress.

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

In Kirthar Block, drilling of exploratory well Rizq-1 has been completed and its testing is in progress.

Producing Fields and Development

PPL-Operated Fields

In Sui Field, workover operations on well-83 were performed successfully to bring the well in production. Further, perforation and acid stimulation jobs were carried out at wells Sui-56(U), Sui-77(U) & Sui-84(U).

Equipment for revamping / uprating of Sui compressors have been received at site. Revamping of one out of seven SML compressors is in progress and is expected to be completed by April 2015.

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). Based on discussions with the GoP, the management of the Company is confident that the extension / renewal will be granted.

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

In Adhi ML, development well Adhi-22 (T/K) was completed as gas / condensate producer in January 2015 and currently, drilling of development wells Adhi-23 (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 have been completed and installation of equipment at plant is in progress. Plant commissioning activities are planned in August 2015.

In Gambat South Block, first gas (off-spec) from well Kinza X-1 commenced in March 2015 through relocated Chachar Plant. Detailed design and engineering continue to progress in respect of 50MMscfd Gas Processing Facility at Sharf. First gas from discovery well Sharf X-1 is expected in December 2015.

In Hala Block, work on feederline and tie-in of Adam West X-1 to Hala Plant is in progress. First gas from Adam West X-1 is expected in May 2015.

Directors' Interim Review

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. Techno-commercial evaluation of the bids is in progress for award of EPCC contract for compression project and expected completion of the project is by May 2016.

In Nashpa Field, drilling of development well Nashpa-6 is in progress.

In Miano Field, drilling of development wells Miano-17 and Miano-18 has been completed.

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

In Kirthar Block, EWT production of Rehman 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 and exploration areas and beyond.

Education

During the period, PPL continued to provide financial support for promotion of education at its producing and exploratory areas across the country. PPL awarded scholarships to 40 new local students at its operated areas to pursue higher professional education in the field of IT, business administration, engineering and medicine for their complete duration of course of study, while 30 local students of Balochistan were awarded scholarships for secondary and higher secondary education.

Healthcare

At Sui, the newly established PPL Public Welfare Hospital continued to provide healthcare services through its daily OPD to an average 300 local patients with free medicines by the hospital. Similarly, all the three Mobile dispensaries continued to provide free primary healthcare services to local communities at Sui, Kandhkot and Mazarani, while PPL continued to provide in-kind support to the Government dispensary for treatment of local patients at Adhi Field. During the period, 3 days free surgical eye camps were also held at Dera Bugti, Kandhkot and Shahdadpur (Sanghar), which benefited over 6,000 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 four water supply schemes at District Washuk progressed satisfactorily and are near completion.

Infrastructure Development

As advised by the district Government, the construction of 8 km road from Indus Highway to village Punhal Khan Golo near Kandhkot, was commenced through the district Highways Department and progressed satisfactorily. The said road will be connecting a large number of farming communities to Indus Highway and market.

Technical & Skill Development

To provide quality skills, seven youth were selected under PPL scheme for skill development of the locals from Sui and admitted in one year City & Guilds Diploma courses in different trades at The Hunnar Foundation's Technical Training Center (HAKTI) at Tando Allah Yar. The Women Vocational Centers at Sui and Adhi performed satisfactorily, whereas, the construction of Women Vocational & Skill Development Centre at Kotri, District Jamshoro, with the collaboration of Taleem Foundation, is in progress and will be completed during the next quarter.

Human Resources

PPL realises the vital role of human resources in the success of the organisation. The focus of the HR strategy is on attracting, developing and retaining talent for sustaining long term success of the Company.

Quality, Health, Safety and Environment (QHSE)

QHSE activities which progressed during the period include issuance of Process Safety Management procedure on Process Hazard Analysis, finalisation of procedure on PSM Audit, completion of piping inspection at KFGCS, Non-intrusive inspection of pressure vessel at Sui Purification Plant and initiation of Risk Based Inspection at Adhi Field. These state of the art inspection techniques are either completed or planned for gradual extension at other Fields / Plants as well.

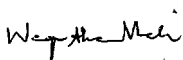
While sustaining existing ISO 9001, 14001 & OHSAS 18001 Certifications of operated fields and various departments, gap filling exercise progressed against ISO standards at Sui Field Hospital (9001), Medical Department Head Office (9001) and Khewali Pump Station (14001 & 18001). Department specific technical and administrative procedures were reviewed and revised to step forward towards fresh certifications, accordingly.

Industrial Relations

Overall 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 dedicated 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

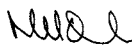
Karachi
April 24, 2015

Unconsolidated Condensed Interim Balance Sheet

As at March 31, 2015

	Note	March 31, 2015 Unaudited	June 30, 2014 Audited
Rs '000			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	93,442,255	82,636,347
Intangible assets		270,532	277,973
		<u>93,712,787</u>	<u>82,914,320</u>
Long-term investments	5	68,857,211	68,552,287
Long-term loans		1,172,514	986,532
Long-term deposits		765,176	765,176
Long-term receivables		376,050	376,050
		<u>164,883,738</u>	<u>153,594,365</u>
CURRENT ASSETS			
Stores and spares		4,585,627	3,543,482
Trade debts	6	53,670,117	49,862,487
Loans and advances		2,663,454	1,685,417
Trade deposits and short-term prepayments		249,564	398,482
Interest accrued		824,888	1,352,521
Current maturity of long-term investments	5	500,054	500,179
Current maturity of long-term receivables		54,800	54,800
Other receivables		3,174,129	3,725,398
Short-term investments	7	15,580,000	19,350,000
Cash and bank balances		5,735,461	2,275,912
		<u>87,038,094</u>	<u>82,748,678</u>
		<u>251,921,832</u>	<u>236,343,043</u>
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		<u>168,487,355</u>	<u>162,200,063</u>
		<u>188,204,650</u>	<u>181,917,358</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		15,772,540	15,385,920
Liabilities against assets subject to finance leases		180,852	175,770
Deferred liabilities		2,227,729	2,053,738
Deferred taxation	8	<u>18,494,904</u>	<u>15,069,076</u>
		<u>36,676,025</u>	<u>32,684,504</u>
CURRENT LIABILITIES			
Trade and other payables	9	23,669,220	17,915,719
Current maturity of liabilities against assets subject to finance leases		103,211	102,114
Taxation		<u>3,268,726</u>	<u>3,723,348</u>
		<u>27,041,157</u>	<u>21,741,181</u>
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		<u>251,921,832</u>	<u>236,343,043</u>

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



Director

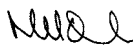


Chief Executive

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited) for the nine months period ended March 31, 2015

	Note	Quarter ended March 31, 2015	Quarter ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
		Rs '000		Rs '000	
Sales - net	11	22,773,613	30,390,665	80,584,455	88,866,731
Field expenditures	12	(11,006,901)	(9,769,439)	(28,446,899)	(23,326,898)
Royalties		(2,611,846)	(3,633,971)	(9,431,942)	(10,664,922)
		(13,618,747)	(13,403,410)	(37,878,841)	(33,991,820)
		9,154,866	16,987,255	42,705,614	54,874,911
Other income	13	2,017,179	1,109,697	6,048,400	4,798,193
Other operating expenses	14	(551,690)	(899,530)	(4,751,063)	(2,967,698)
Finance costs		(138,239)	(106,417)	(415,076)	(319,225)
Profit before taxation		10,482,116	17,091,005	43,587,875	56,386,181
Taxation	15	(2,673,134)	(5,509,422)	(13,639,941)	(18,298,351)
Profit after taxation		7,808,982	11,581,583	29,947,934	38,087,830
Basic and diluted earnings per share (Rs)	18	3.96	5.87	15.19	19.32

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



Director



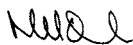
Chief Executive

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended March 31, 2015

	Quarter ended March 31, 2015	Quarter ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
	Rs '000		Rs '000	
Profit after taxation	7,808,982	11,581,583	29,947,934	38,087,830
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>7,808,982</u>	<u>11,581,583</u>	<u>29,947,934</u>	<u>38,087,830</u>

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, 2015

Note	Nine months ended March 31, 2015	Nine months ended March 31, 2014
	Rs '000	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	97,456,200	96,625,763
Receipts of other income	332,624	236,495
Cash paid to suppliers / service providers and employees	(22,768,129)	(22,607,789)
Payment of indirect taxes and Government levies including royalty	(28,850,380)	(41,351,037)
Income tax paid	(10,668,735)	(12,569,857)
Finance costs paid	(28,456)	(29,108)
Long-term loans and advances (net)	(187,502)	(9,529)
Net cash generated from operating activities	35,285,622	20,294,938

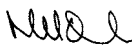
CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (net)	(18,248,980)	(15,329,801)
Purchase of long-term investments	(4,540,537)	(7,378,397)
Disposal / redemption of long-term investments	2,930,020	1,570,350
Advance against issue of shares of PPL Asia E&P B.V.	-	(108,320)
Investment in PPL Asia E&P B.V.	-	(6,408,146)
Long-term deposits	-	(60,000)
Long-term receivables	-	(124,239)
Financial income received	5,083,430	4,729,863
Proceeds on sale of property, plant and equipment	19,466	28,977
Net cash used in investing activities	(14,756,601)	(23,079,713)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance leases	(82,303)	(99,943)
Dividends paid	(20,757,169)	(18,895,657)
Net cash used in financing activities	(20,839,472)	(18,995,600)
Net decrease in cash and cash equivalents	(310,451)	(21,780,375)
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	16 21,315,461	12,737,413

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



Director



Chief Executive

For the nine months period ended March 31, 2015

	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, 2013	16,430,964	138	1,428	69,761	24,021,894	13,751,980	5,000,000	90,078,175	132,921,810	132,923,238	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)	-	-
- Appropriation 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)
- Interim dividend for the year ended June 30, 2014	-	-	-	-	-	-	-	-	-	-	-
- Ordinary shares - 50%	-	-	-	-	-	-	-	(9,859,578)	(9,859,578)	(9,859,578)	(9,859,578)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(42)	(42)	(42)	-
- Profit after taxation	-	-	-	-	-	-	-	38,087,830	38,087,830	38,087,830	38,087,830
- Other comprehensive income for the nine months period ended March 31, 2014	-	-	-	-	-	-	-	-	-	-	-
- March 31, 2014, net of tax	-	-	-	-	-	-	-	-	-	-	-
- Total comprehensive income for the nine months period ended March 31, 2014	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2014	19,717,157	138	1,428	69,761	29,021,894	18,751,980	5,000,000	95,984,155	148,827,790	148,829,218	168,546,513
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	181,917,958
- 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)
- Interim dividend for the year ending June 30, 2015	-	-	-	-	-	-	-	-	-	-	-
- Ordinary shares - 45%	-	-	-	-	-	-	-	(8,872,727)	(8,872,727)	(8,872,727)	(8,872,727)
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(37)	(37)	(37)	(37)
- Profit after taxation	-	-	-	-	-	-	-	29,947,934	29,947,934	29,947,934	29,947,934
- Other comprehensive income for the nine months period ended March 31, 2015	-	-	-	-	-	-	-	-	-	-	-
- March 31, 2015, net of tax	-	-	-	-	-	-	-	-	-	-	-
- Total comprehensive income for the nine months period ended March 31, 2015	-	-	-	-	-	-	-	29,947,934	29,947,934	29,947,934	29,947,934
Balance as at March 31, 2015	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	105,642,292	168,485,927	168,487,355	188,204,650

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, 2015

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

- 1.3 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). Based on discussions with the GoP, the management of the Company is confident that the extension / renewal will be granted.

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements of the Company for the nine months period ended March 31, 2015 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.

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.

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

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

For the nine months period ended March 31, 2015

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 nine months period ended March 31, 2015 and March 31, 2014 would have been as follows:

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
	Rs '000	
Staff costs of the Company for the period would have been higher by:	3,812,576	2,377,959
Profit after taxation would have been lower by:	3,812,576	2,377,959
Earnings per share would have been lower by (Rs):	1.93	1.21
	March 31, 2015 Unaudited	June 30, 2014 Audited
	Rs '000	

Retained earnings would have been lower by:	22,272,323	18,459,747
Reserves would have been higher by:	22,272,323	18,459,747

4. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	58,696,396	51,116,458
Additions to:		
- owned assets	8,676,295	17,588,492
- assets subject to finance leases	65,255	142,038
	8,741,550	17,730,530
	67,437,946	68,846,988
Disposals / adjustments during the period / year (NBV)	(21,497)	(1,895,392)
Depreciation / amortisation charged during the period / year	(7,391,494)	(8,255,200)
	60,024,955	58,696,396
Capital work-in-progress – note 4.1	33,417,300	23,939,951
	93,442,255	82,636,347

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

For the nine months period ended March 31, 2015

March 31, 2015 Unaudited	June 30, 2014 Audited
Rs '000	

4.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	8,130,336	4,541,896
Prospecting and development expenditures	12,645,110	9,451,764
Land, buildings and civil constructions	241,138	137,845
Capital stores for drilling and development	12,400,716	9,808,446
	<u>33,417,300</u>	<u>23,939,951</u>

5. LONG-TERM INVESTMENTS

Investment in related parties

- Wholly owned subsidiaries

The Pakistan Petroleum Provident Fund Trust Company (Private) Limited	1	1
PPL Europe E&P Limited (PPLE) - note 5.1	13,207,218	15,664,177
PPL Asia E&P B.V. (PPLA)	7,870,946	7,870,946

21,078,165 23,535,124

- Investment in jointly controlled entity

Bolan Mining Enterprises	15,000	15,000
--------------------------	--------	--------

Other investments

Held-to-maturity

- Term Finance Certificates	99,800	99,820
- Pakistan Investment Bonds	22,581,820	22,749,408
- GoP Ijara Sukuk	500,014	500,139
- Local currency term deposits with banks	2,000,000	2,000,000
- Foreign currency term deposits with banks	10,931,652	9,113,904

36,113,286 34,463,271

Designated at fair value through profit or loss

- Mutual Funds	12,150,814	11,039,071
----------------	------------	------------

Less: Current maturities

- Term Finance Certificates	(40)	(40)
- GoP Ijara Sukuk	(500,014)	(500,139)

(500,054) (500,179)

68,857,211 68,552,287

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

For the nine months period ended March 31, 2015

- 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.

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 as at December 31, 2014, the Company has recorded an impairment loss of Rs 2,457 million and reduced the carrying amount of the investment, accordingly.

March 31, 2015 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)

7,694,630	6,435,882
17,381,202	11,846,129
21,965,930	20,692,404
47,041,762	38,974,415

Non-related parties

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

4,517,208	7,172,493
733,644	1,343,390
759,678	1,765,080
617,825	607,109
6,628,355	10,888,072
53,670,117	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)
-	-
53,670,117	49,862,487

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

For the nine months period ended March 31, 2015

March 31, 2015 Unaudited	June 30, 2014 Audited
Rs '000	

6.1 The ageing of trade debts is as follows:

Neither past due nor impaired	17,508,463	21,668,307
Past due but not impaired:		
Related parties		
- within 90 days	12,193,292	10,157,677
- 91 to 180 days	9,329,201	5,867,604
- over 180 days	13,242,206	10,401,911
	34,764,699	26,427,192
Non-related parties		
- within 90 days	956,306	1,593,497
- 91 to 180 days	281,177	39,090
- over 180 days	159,472	134,401
	1,396,955	1,766,988
	53,670,117	49,862,487

6.2 Trade debts include overdue amount of Rs 34,765 million (June 30, 2014: Rs 26,427 million) receivable from the State controlled utility companies (GENCO-II, SNGPL and SSGCL) and Rs 2,553 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 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.

March 31, 2015 Unaudited	June 30, 2014 Audited
Rs '000	

7. SHORT-TERM INVESTMENTS

Held-to-maturity

Local currency term deposits with banks	15,580,000	19,350,000
	15,580,000	19,350,000

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

For the nine months period ended March 31, 2015

	March 31, 2015 Unaudited	June 30, 2014 Audited
	Rs '000	
8. DEFERRED TAXATION		
Credit / (debit) balances arising on account of:		
Exploration expenditure	(3,369,000)	(3,478,000)
Amortisation of intangible assets	3,162	(4,422)
Provision for staff retirement and other benefits	(735,151)	(698,271)
Provision for obsolete / slow moving stores	(39,428)	(40,623)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	59,797	71,206
Accelerated tax depreciation allowances	5,916,177	6,346,687
Exploratory wells cost	6,999,352	4,295,870
Prospecting and development expenditure	10,125,522	9,029,247
Others	(3,039)	9,870
	<u>18,494,904</u>	<u>15,069,076</u>
9. TRADE AND OTHER PAYABLES		
Creditors	507,045	288,512
Accrued liabilities	2,855,858	3,100,302
Security deposits from LPG distributors	602,618	625,069
Retention money	56,800	43,100
Unpaid and unclaimed dividends	3,095,990	192,517
Gas development surcharge	4,661,232	3,805,195
Gas infrastructure development cess	1,750,664	1,479,926
Federal excise duty (net)	169,973	-
Sales tax (net)	346,552	-
Royalties	3,887,228	5,996,004
Current accounts with joint venture partners	3,344,950	2,234,383
Liabilities for staff retirement benefit plans	-	85,395
Workers' Profits Participation Fund (WPPF)	2,294,104	-
Others	96,206	65,316
	<u>23,669,220</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 nine months period ended March 31, 2015

Nine months ended March 31, 2015	Nine months ended March 31, 2014
Rs '000	

11. SALES - net

Natural gas	46,088,552	51,035,150
Gas supplied to Sui villages	231,757	263,542
Internal consumption of gas	115,502	150,081
Crude oil / Condensate / NGL	31,464,165	36,216,889
LPG	2,684,479	1,201,069
	<u>80,584,455</u>	<u>88,866,731</u>

12. FIELD EXPENDITURES

Development and drilling – note 12.1	5,090,797	4,289,531
Exploration	7,670,563	4,741,336
Depreciation	3,122,935	2,422,773
Amortisation of intangible assets	136,774	159,903
Amortisation of decommissioning cost	923,872	1,069,876
Amortisation of prospecting and development expenditure	3,344,687	2,783,614
Salaries, wages, welfare and other benefits	6,159,224	5,308,576
Employees' medical benefits	327,399	269,053
Manpower development	36,303	25,790
Travelling and conveyance	428,514	408,161
Communication	23,792	31,664
Stores and spares consumed	1,123,259	1,205,366
Fuel and power	216,205	246,840
Rent, rates and taxes	79,550	73,273
Insurance	423,648	486,607
Repairs and maintenance	320,367	266,338
Professional services	41,100	72,162
Auditors' remuneration	3,308	1,688
Free supply of gas to Sui villages	284,033	322,527
Donations	82,501	86,033
Social welfare / community development	47,466	31,866
Other expenses	114,719	121,594
	<u>30,001,016</u>	<u>24,424,571</u>
Recoveries	<u>(1,554,117)</u>	<u>(1,097,673)</u>
	<u>28,446,899</u>	<u>23,326,898</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 nine months period ended March 31, 2015

Nine months ended March 31, 2015	Nine months ended March 31, 2014
Rs '000	

13. OTHER INCOME

Income from financial assets

Income on loans and bank deposits	338,878	306,442
Income on term deposits	1,485,983	980,384
Income on long-term held-to-maturity investments	2,269,864	2,215,582
Income from investment in treasury bills	293,360	348,018
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	812,042	618,249
	5,200,127	4,468,675

Income from assets other than financial assets

Rental income on assets	62,166	84,322
Profit on sale of property, plant and equipment (net)	8,440	19,276
Profit on sale of stores and spares (net)	12,164	14,837
Exchange gain on foreign currency	507,211	73,747
Share of profit on sale of LPG	246,508	77,183
Others	11,784	60,153
	848,273	329,518
	6,048,400	4,798,193

14. OTHER OPERATING EXPENSES

WPPF	2,294,104	2,967,698
Impairment loss	2,456,959	-
	4,751,063	2,967,698

15. TAXATION

Current

- For the nine months period	10,116,867	13,203,408
- For the prior year	97,246	(358,380)
	10,214,113	12,845,028
Deferred	3,425,828	5,453,323
	13,639,941	18,298,351

16. CASH AND CASH EQUIVALENTS

Cash and bank balances	5,735,461	1,497,617
Short-term highly liquid investments - note 7	15,580,000	11,239,796
	21,315,461	12,737,413

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

For the nine months period ended March 31, 2015

Nine months ended March 31, 2015	Nine months ended March 31, 2014
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	15,777,455	11,965,308
SSGCL	12,013,619	13,431,371
SNGPL	38,440,226	42,884,895
	<u>66,231,300</u>	<u>68,281,574</u>

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

47,494,010	41,129,311
------------	------------

Transactions with subsidiaries:

Payment received from PPL Asia DMCC	-	5,350
Receivable from PPLA	23,228	11,560
Receivable from PPLA, Iraq Branch	201,178	132,104
Receivable from PPLE	-	3,155
Long-term loan to PPLE	1,145,495	-
Interest received from PPLE	30,029	-
Assignment of Block-29, Yemen to PPLE	See note 17.2	-
Payment of employees cost on secondment	22,190	20,734

Transactions with Bolan Mining Enterprises:

Purchase of goods	60,825	30,474
Reimbursement of employee cost on secondment	15,397	13,492

Transactions with Joint Ventures:

Payments of cash calls to joint ventures	27,637,623	21,907,490
Expenditures incurred by the joint ventures	27,709,732	21,471,496
Current account receivables relating to joint ventures as at March 31	2,915,003	1,713,372
Current account payables relating to joint ventures as at March 31	123,503	14,525
Under advance balances relating to joint ventures as at March 31	779,441	2,259,275
Income from rental of assets to joint ventures	62,166	84,322

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

For the nine months period ended March 31, 2015

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
		Rs '000

Other related parties:

Dividends to GoP	15,972,728	15,762,550
Dividends to Trust under BESOS	1,087,268	1,630,902
Transactions with retirement benefit funds	560,043	662,783
Remuneration to key management personnel -note 17.1	1,235,374	1,084,188
Payment of rental to Pakistan Industrial Development Corporation	49,881	44,617
Payment to National Insurance Company Limited	429,937	950,958
Payment to Pakistan State Oil Company Limited	369,534	351,203

- 17.1 Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to thirteen non-executive directors was Rs 11 million.
- 17.2 During the current period, the entire working interest in Block – 29, Yemen was transferred by PPL to its wholly owned subsidiary, PPLE. The Ministry of Oil and Minerals Yemen vide letter dated May 14, 2014 had given its consent to this assignment. Subsequent to this, Novation to Joint Operating Agreement and Novation to Production Sharing Agreement (PSA) were signed in July 2014 and December 2014, respectively.

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
--	-------------------------------------	-------------------------------------

18. EARNINGS PER SHARE

18.1 Basic earnings per share

Profit after taxation (Rs'000)	29,947,934	38,087,830
Dividend on convertible preference shares (Rs'000)	(37)	(41)
Profit attributable to ordinary shareholders (Rs'000)	29,947,897	38,087,789
Weighted average number of ordinary shares in issue	1,971,716,748	1,971,715,615
Basic earnings per share (Rs)	15.19	19.32

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

For the nine months period ended March 31, 2015

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
18.2 Diluted earnings per share		
Profit after taxation (Rs'000)	29,947,934	38,087,830
Weighted average number of ordinary shares in issue	1,971,716,748	1,971,715,615
Adjustment for convertible preference shares	12,707	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)	15.19	19.32

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 24, 2015 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

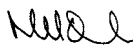
Consolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Balance Sheet

As at March 31, 2015

	Note	March 31, 2015 Unaudited	June 30, 2014 Audited
Rs '000			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	108,038,144	97,143,946
Intangible assets	6	1,598,669	3,500,805
		109,636,813	100,644,751
Equity-accounted investment in joint venture		951,588	735,188
Long-term investments	7	47,764,047	45,002,164
Long-term loans - staff		27,019	26,696
Long-term deposits		765,176	765,176
Long-term receivables		376,050	376,050
		159,520,693	147,550,025
CURRENT ASSETS			
Stores and spares		4,585,627	3,543,482
Trade debts	8	53,860,821	50,225,864
Loans and advances		2,663,454	1,750,468
Trade deposits and short-term prepayments		255,691	408,458
Interest accrued		828,732	1,341,326
Current maturity of long-term investments	7	500,054	500,179
Current maturity of long-term receivables		54,800	54,800
Other receivables		3,310,501	3,858,983
Short-term investments	9	23,723,761	27,243,478
Cash and bank balances		7,643,374	3,728,313
		97,426,815	92,655,351
		256,947,508	240,205,376
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		169,329,281	161,848,566
		189,046,576	181,565,861
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		16,081,893	15,679,518
Liabilities against assets subject to finance leases		180,852	175,770
Deferred liabilities		2,227,729	2,053,738
Deferred taxation	10	21,336,235	17,892,796
		39,826,709	35,801,822
CURRENT LIABILITIES			
Trade and other payables	11	24,594,703	18,836,998
Current maturity of liabilities against assets subject to finance leases		103,211	102,114
Taxation		3,376,309	3,898,581
		28,074,223	22,837,693
CONTINGENCIES AND COMMITMENTS			
	12	-	-
		256,947,508	240,205,376

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



Director

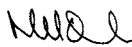


Chief Executive

Consolidated Condensed Interim Profit and Loss Account (Unaudited) for the nine months period ended March 31, 2015

	Note	Quarter ended March 31, 2015	Quarter ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
		Rs '000			Rs '000
Sales - net	13	23,039,329	30,764,001	81,458,425	90,075,006
Field expenditures	14	(11,330,209)	(11,474,534)	(29,492,956)	(25,790,320)
Royalties		(2,641,097)	(3,675,587)	(9,524,571)	(10,795,812)
		(13,971,306)	(15,150,121)	(39,017,527)	(36,586,132)
		9,068,023	15,613,880	42,440,898	53,488,874
Share of profit in equity - accounted investment in joint venture		50,800	79,487	216,400	166,200
Other income	15	2,029,848	1,124,030	6,080,820	4,816,068
Other operating expenses	16	(551,690)	(899,530)	(4,263,742)	(2,967,698)
Finance costs		(141,156)	(106,572)	(446,123)	(325,776)
Profit before taxation		10,455,825	15,811,295	44,028,253	55,177,668
Taxation	17	(2,647,400)	(5,234,893)	(13,573,288)	(17,984,075)
Profit after taxation		7,808,425	10,576,402	30,454,965	37,193,593
Basic and diluted earnings per share (Rs)	20	3.96	5.36	15.45	18.86

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



Director



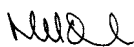
Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended March 31, 2015

	Quarter ended March 31, 2015	Quarter ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
	Rs '000		Rs '000	
Profit after taxation	7,808,425	10,576,402	30,454,965	37,193,593
Other comprehensive income potentially reclassifiable to profit and loss account in subsequent years				
Foreign exchange differences on translation of subsidiaries	257,984	(1,401,252)	686,392	(441,530)
Total comprehensive income	8,066,409	9,175,150	31,141,357	36,752,063

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



Director



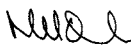
Chief Executive

Consolidated Condensed Interim Cash Flow Statement (Unaudited) for the nine months period ended March 31, 2015

Note	Nine months ended March 31, 2015 Rs '000	Nine months ended March 31, 2014 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	98,462,408	97,809,012
Receipts of other income	332,624	236,495
Cash paid to suppliers / service providers and employees	(23,060,369)	(21,614,435)
Payment of indirect taxes and Government levies including royalty	(28,910,334)	(41,462,005)
Income tax paid	(10,711,945)	(12,733,863)
Finance costs paid	(52,025)	(31,552)
Long-term loans - staff (net)	(1,843)	(9,529)
Net cash generated from operating activities	36,058,516	22,194,123
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure (net)	(18,595,901)	(16,684,693)
Purchase of long-term investments	(4,540,537)	(7,378,397)
Disposal / redemption of long-term investments	2,930,020	1,570,350
Long-term deposits	-	(60,000)
Long-term receivables	-	(124,239)
Financial income received	5,111,983	4,737,742
Proceeds on sale of property, plant and equipment	19,466	28,977
Net cash used in investing activities	(15,074,969)	(17,910,260)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of liabilities against assets subject to finance leases	(82,303)	(99,943)
Dividends paid	(20,757,169)	(18,895,657)
Net cash used in financing activities	(20,839,472)	(18,995,600)
Net increase / (decrease) in cash and cash equivalents	144,075	(14,711,737)
Net foreign exchange differences	251,269	(685,103)
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	31,367,135	22,000,938

18

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



Director



Chief Executive

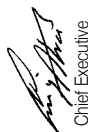
Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months period ended March 31, 2015

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves						Total reserves			
	Ordinary	Convertible preference		General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit	Translation reserve	Total	Total		
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	133,540,743	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)	(3,286,193)	-	
- First dividend on ordinary shares @ 55% for the year ended June 30, 2013	-	-	-	-	-	-	-	(9,037,037)	-	(9,037,037)	(9,037,037)	(9,037,037)	
- Interim dividend for the year ended June 30, 2014	-	-	-	-	-	-	-	(9,858,578)	-	(9,858,578)	(9,858,578)	(9,858,578)	
- Ordinary shares - 50%	-	-	-	-	-	-	-	(9,858,578)	-	(9,858,578)	(9,858,578)	(9,858,578)	
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(42)	-	(42)	(42)	(42)	
Profit after taxation	-	-	-	-	-	-	-	37,193,593	-	37,193,593	37,193,593	37,193,593	
Other comprehensive income for the nine months period ended March 31, 2014, net of tax	-	-	-	-	-	-	-	-	(441,530)	(441,530)	(441,530)	(441,530)	
Total comprehensive income for the nine months period ended March 31, 2014	-	-	-	-	-	-	-	37,193,593	(441,530)	36,752,063	36,752,063	36,752,063	
Balance as at March 31, 2014	19,717,157	138	1,428	69,761	29,021,894	18,751,980	5,000,000	95,652,117	(386,224)	148,109,528	148,110,956	167,828,251	
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	(383,603)	161,847,138	161,846,566	181,566,661	
- 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)	-	-	-	-	-	-	-	-	-	-	
- First dividend on ordinary shares @ 75% for the year ended June 30, 2014	-	-	-	-	-	-	-	(14,787,878)	-	(14,787,878)	(14,787,878)	(14,787,878)	
- Interim dividend for the year ending June 30, 2015	-	-	-	-	-	-	-	(8,872,727)	-	(8,872,727)	(8,872,727)	(8,872,727)	
- Ordinary shares - 45%	-	-	-	-	-	-	-	(8,872,727)	-	(8,872,727)	(8,872,727)	(8,872,727)	
- Convertible preference shares - 30%	-	-	-	-	-	-	-	(37)	-	(37)	(37)	(37)	
Profit after taxation	-	-	-	-	-	-	-	30,454,965	-	30,454,965	30,454,965	30,454,965	
Other comprehensive income for the nine months period ended March 31, 2015, net of tax	-	-	-	-	-	-	-	-	686,392	686,392	686,392	686,392	
Total comprehensive income for the nine months period ended March 31, 2015	-	-	-	-	-	-	-	30,454,965	686,392	31,141,357	31,141,357	31,141,357	
Balance as at March 31, 2015	19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	106,151,429	(382,789)	169,327,853	169,329,281	189,046,576	

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, 2015

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.

The Sui Mining Lease is expiring in May 2015. Accordingly, application for extension / renewal has been filed by the Holding Company with the Government of Pakistan (GoP). Based on discussions with the GoP, the management of the Holding Company is confident that the extension / renewal will be granted.

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.

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

For the nine months period ended March 31, 2015

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”.

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 nine months period ended March 31, 2015, have been prepared in accordance with the requirements of

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

For the nine months period ended March 31, 2015

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.

- 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 nine months period ended March 31, 2015.

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 nine months period ended March 31, 2015 and March 31, 2014 would have been as follows:

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
	Rs '000	
Staff costs of the Group for the period would have been higher by:	3,812,576	2,377,959
Profit after taxation would have been lower by:	3,812,576	2,377,959
Earnings per share would have been lower by (Rs):	1.93	1.21

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

For the nine months period ended March 31, 2015

	March 31, 2015 Unaudited	June 30, 2014 Audited
	Rs '000	
Retained earnings would have been lower by:	22,272,323	18,459,747
Reserves would have been higher by:	22,272,323	18,459,747
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	61,507,149	54,639,005
Additions to:		
- owned assets	8,763,352	17,928,963
- assets subject to finance leases	65,255	142,038
	8,828,607	18,071,001
	70,335,756	72,710,006
Disposals / adjustments during the period / year (NBV)	(21,497)	(1,895,392)
Depreciation / amortisation charged during the period / year	(8,047,676)	(9,307,465)
	62,266,583	61,507,149
Capital work-in-progress – note 5.1	45,771,561	35,636,797
	108,038,144	97,143,946
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	8,134,574	4,546,134
Prospecting and development expenditures	24,676,434	20,824,596
Lands, buildings and civil constructions	241,138	137,845
Capital stores for drilling and development	12,719,415	10,128,222
	45,771,561	35,636,797
6. INTANGIBLE ASSETS		
Goodwill – note 6.1	1,328,137	3,222,832
Computer software including ERP System	165,348	265,721
Intangible assets under development	105,184	12,252
	1,598,669	3,500,805
6.1	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 nine months period ended March 31, 2015

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:

	March 31, 2015 Unaudited	June 30, 2014 Audited
	Rs '000	
Goodwill	3,297,775	3,222,832
Less: Provision for impairment loss	(1,969,638)	-
	<u>1,328,137</u>	<u>3,222,832</u>
7. LONG-TERM INVESTMENTS		
<i>Investment in related party</i>		
<i>– wholly owned subsidiary</i>		
Fully paid shares in PPPFTC – note 3.3	1	1
<i>Other investments</i>		
Held-to-maturity		
- Term Finance Certificates	99,800	99,820
- Pakistan Investment Bonds	22,581,820	22,749,408
- GoP Ijara Sukuk	500,014	500,139
- Local currency term deposits with banks	2,000,000	2,000,000
- Foreign currency term deposits with banks	10,931,652	9,113,904
	36,113,286	34,463,271
Designated at fair value through profit or loss		
- Mutual Funds	12,150,814	11,039,071
Less: Current maturities		
- Term Finance Certificates	(40)	(40)
- GoP Ijara Sukuk	(500,014)	(500,139)
	(500,054)	(500,179)
	<u>47,764,047</u>	<u>45,002,164</u>

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

For the nine months period ended March 31, 2015

March 31, 2015 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)

7,694,630	6,435,882
17,561,453	12,127,303
21,974,939	20,774,049
47,231,022	39,337,234

Non-related parties

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

4,517,208	7,172,493
735,088	1,343,948
759,678	1,765,080
617,825	607,109
6,629,799	10,888,630
53,860,821	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)
-	-
53,860,821	50,225,864

8.1 The ageing of trade debts is as follows:

Neither past due nor impaired

Past due but not impaired:

Related parties

- within 90 days
- 91 to 180 days
- over 180 days

Non-related parties

- within 90 days
- 91 to 180 days
- over 180 days

17,697,723	21,903,695
12,193,292	10,285,108
9,329,201	5,867,604
13,242,206	10,401,911
34,764,699	26,554,623
957,750	1,594,055
281,177	39,090
159,472	134,401
1,398,399	1,767,546
53,860,821	50,225,864

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

For the nine months period ended March 31, 2015

- 8.2 Trade debts include overdue amount of Rs 34,765 million (June 30, 2014: Rs 26,555 million) receivable from the State controlled utility companies (GENCO-II, SNGPL and SSGCL) and Rs 2,555 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.

March 31, 2015 Unaudited	June 30, 2014 Audited
--------------------------------	-----------------------------

Rs '000

9. SHORT-TERM INVESTMENTS

Held-to-maturity

Local currency term deposits with banks	15,580,000	19,350,000
Foreign currency term deposits with banks	8,143,761	7,893,478
	<u>23,723,761</u>	<u>27,243,478</u>

10. DEFERRED TAXATION

Credit / (debit) balances arising on account of:

Exploration expenditure	(3,369,000)	(3,478,000)
Amortisation of intangible assets	3,162	(4,422)
Provision for staff retirement and other benefits	(735,151)	(698,271)
Provision for obsolete / slow moving stores	(39,428)	(40,623)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	59,797	71,206
Accelerated tax depreciation allowances	5,783,764	6,066,714
Exploratory wells cost	6,999,352	4,444,242
Prospecting and development expenditure	13,166,878	12,216,403
Tax losses and credits	(67,612)	(231,835)
Others	(3,039)	9,870
	<u>21,336,235</u>	<u>17,892,796</u>

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

For the nine months period ended March 31, 2015

March 31, 2015 Unaudited	June 30, 2014 Audited
Rs '000	

11. TRADE AND OTHER PAYABLES

Creditors	507,045	288,512
Accrued liabilities	2,938,413	3,237,535
Security deposits from LPG distributors	602,618	625,069
Retention money	56,800	43,100
Unpaid and unclaimed dividends	3,095,990	192,517
Gas development surcharge	4,661,232	3,805,195
Gas infrastructure development cess	1,750,664	1,479,926
Federal excise duty (net)	169,973	-
Sales tax (net)	361,534	18,522
Royalties	3,887,228	6,007,351
Current accounts with joint venture partners	3,476,883	2,437,837
Liabilities for staff retirement benefit plans	-	85,395
Workers' Profits Participation Fund (WPPF)	2,294,104	-
Contractual obligations for Iraq EDPSC	691,796	517,819
Others	100,423	98,220
	<u>24,594,703</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.

Nine months ended March 31, 2015	Nine months ended March 31, 2014
Rs '000	

13. SALES - net

Natural gas	46,962,522	52,243,425
Gas supplied to Sui villages	231,757	263,542
Internal consumption of gas	115,502	150,081
Crude oil / Condensate / NGL	31,464,165	36,216,889
LPG	2,684,479	1,201,069
	<u>81,458,425</u>	<u>90,075,006</u>

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

For the nine months period ended March 31, 2015

Nine months ended March 31, 2015	Nine months ended March 31, 2014
Rs '000	

14. FIELD EXPENDITURES

Development and drilling - note 14.1	5,163,931	4,339,675
Exploration	7,906,059	6,236,534
Depreciation	3,129,214	2,427,622
Amortisation of intangible assets	136,774	159,903
Amortisation of decommissioning cost	932,834	1,076,712
Amortisation of prospecting and development expenditure	3,985,628	3,588,760
Salaries, wages, welfare and other benefits	6,191,660	5,337,258
Employees' medical benefits	327,399	269,053
Manpower development	36,303	25,790
Travelling and conveyance	431,556	408,161
Communication	24,052	32,768
Stores and spares consumed	1,123,259	1,205,366
Fuel and power	216,707	249,772
Rent, rates and taxes	85,919	79,760
Insurance	424,825	490,246
Repairs and maintenance	321,974	268,153
Professional services	46,844	88,878
Auditors' remuneration	3,876	1,846
Free supply of gas to Sui villages	284,033	322,527
Donations	82,501	86,033
Social welfare / community development	47,466	31,866
Other expenses	144,259	161,310
	<u>31,047,073</u>	<u>26,887,993</u>
Recoveries	(1,554,117)	(1,097,673)
	<u>29,492,956</u>	<u>25,790,320</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 nine months period ended March 31, 2015

Nine months ended March 31, 2015	Nine months ended March 31, 2014
Rs '000	

15. OTHER INCOME

Income from financial assets

Income on loans and bank deposits	369,688	318,339
Income on term deposits	1,485,983	980,384
Income on long-term held-to-maturity investments	2,269,864	2,215,582
Income from investment in treasury bills	293,360	348,018
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	812,042	618,249
	5,230,937	4,480,572

Income from assets other than financial assets

Rental income on assets	62,166	84,322
Profit on sale of property, plant and equipment (net)	8,440	19,276
Profit on sale of stores and spares (net)	12,164	14,837
Exchange gain on foreign currency	507,211	73,747
Share of profit on sale of LPG	246,508	77,183
Others	13,394	66,131
	849,883	335,496
	6,080,820	4,816,068

16. OTHER OPERATING EXPENSES

WPPF	2,294,104	2,967,698
Impairment loss – note 6.1	1,969,638	-
	4,263,742	2,967,698

17. TAXATION

Current

- For the nine months period	10,116,867	13,203,408
- For the prior year	97,146	(358,794)

Deferred

	10,214,013	12,844,614
	3,359,275	5,139,461
	13,573,288	17,984,075

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

For the nine months period ended March 31, 2015

Nine months ended March 31, 2015	Nine months ended March 31, 2014
Rs '000	

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	7,643,374	3,232,915
Short-term highly liquid investments	23,723,761	18,768,023
	<u>31,367,135</u>	<u>22,000,938</u>

19. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are as follows:

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

GENCO-II	15,777,455	11,965,308
SSGCL	12,093,631	13,785,657
SNGPL	39,385,976	43,950,551
	<u>67,257,062</u>	<u>69,701,516</u>

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

47,683,270	41,430,246
------------	------------

Transactions with Bolan Mining Enterprises:

Purchase of goods	60,825	30,474
Reimbursement of employee cost on secondment	15,397	13,492

Transactions with Joint Ventures:

Payments of cash calls to joint ventures	27,738,784	22,146,355
Expenditures incurred by the joint ventures	28,082,008	22,884,711
Current account receivables relating to joint ventures as at March 31	2,960,900	1,778,322
Current account payables relating to joint ventures as at March 31	255,454	1,188,959
Under advance balances relating to joint ventures as at March 31	779,441	2,259,275
Income from rental of assets to joint ventures	62,166	84,322

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

For the nine months period ended March 31, 2015

	Nine months ended March 31, 2015 Rs '000	Nine months ended March 31, 2014
Other related parties:		
Dividends to GoP	15,972,728	15,762,550
Dividends to Trust under BESOS	1,087,268	1,630,902
Transactions with retirement benefit funds	563,694	665,044
Remuneration to key management personnel	1,259,307	1,106,439
Payment of rental to Pakistan Industrial Development Corporation	49,881	44,617
Payment to National Insurance Company Limited	429,937	950,958
Payment to Pakistan State Oil Company Limited	369,534	351,203

- 19.1 Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to thirteen non-executive directors of the Holding Company was Rs 11 million.

	Nine months ended March 31, 2015	Nine months ended March 31, 2014
20. EARNINGS PER SHARE		
20.1 Basic earnings per share		
Profit after taxation (Rs'000)	30,454,965	37,193,593
Dividend on convertible preference shares (Rs'000)	(37)	(41)
Profit attributable to ordinary shareholders (Rs'000)	30,454,928	37,193,552
Weighted average number of ordinary shares in issue	1,971,716,748	1,971,715,615
Basic earnings per share (Rs)	15.45	18.86

20.2 Diluted earnings per share

Profit after taxation (Rs'000)	30,454,965	37,193,593
Weighted average number of ordinary shares in issue	1,971,716,748	1,971,715,615
Adjustment for convertible preference shares	12,707	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)	15.45	18.86

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

For the nine months period ended March 31, 2015

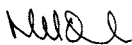
21. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 24, 2015 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: +92 (21) 111 568 568
Fax: +92 (21) 35680005, 35682125
Email: info@ppl.com.pk
Website: www.ppl.com.pk