



Pakistan Petroleum Limited

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NATION



Nine Months Report March 2017

DIRECTORS' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the nine months period ended March 31, 2017 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, 2017 are as follows:

Discoveries

One discovery has been made, during the period under review, in PPL operated Hala Block (Bashar X-1 ST), as compared to six discoveries in the corresponding period.

Seismic Activities

In PPL Operated blocks, 2D and 3D seismic data acquisitions of 497 Line Km and 1,525 Sq. Km, respectively, were carried out during the period, as compared to 2D and 3D seismic data acquisitions of 1,122 Line Km and 853 Sq. Km, respectively in the corresponding period.

Drilling Activities

In PPL operated blocks, sixteen wells (six exploratory and ten development wells) were spudded during the current period, as compared to fifteen wells (seven exploratory and eight development wells) during the corresponding period.

Financial Highlights

The key financial results of the Company for the nine months period ended March 31, 2017 are as follows:

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	Rs Million	
Sales revenue (net)	63,973	59,540
Profit before taxation	26,608	21,871
Taxation	(7,538)	(6,088)
Profit after taxation	19,070	15,783
Basic and Diluted Earnings Per Share (Rs)	9.67	8.00

Sales revenue

Sales revenue increased by Rs 4,433 million during the current period as compared to the corresponding period. Positive variances on account of volume and exchange rate amounting to Rs 6,103 million and Rs 541 million, respectively, were partially offset by negative price variance amounting to Rs 2,211 million.

Positive volume variance is attributable to the combined effect of increase in oil, gas and LPG sales volumes, partially offset by decrease in barytes sales volumes. Surge in oil sales

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

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

	Unit	Nine months ended March 31, 2017	Nine months ended March 31, 2016
Natural Gas	MMCF	219,967	203,431
Crude Oil / Natural Gas Liquids (NGL) / Condensate	BBL	4,458,328	3,790,665
Liquefied Petroleum Gas (LPG)	Tonnes	58,838	48,826
Barytes	Tonnes	21,768	40,304

Profitability

Profitability of the Company increased by 21% mainly due to higher sales revenue and lower other operating expenses. Major reason for reduction in other operating expenses is impairment loss recorded on investment in PPL Europe in the corresponding period.

CORPORATE STRATEGY AND FOCUS AREAS

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

Exploration

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

Exploration South Assets

In Hala block, preparations are underway to spud in 6th exploratory well Zarbab X-1.

3D seismic survey has been completed in Kotri block, whereas, the survey is in progress in Sirani block.

In Gambat South block, 14th exploratory well Zafir X-1 was spudded in March 2017 and currently drilling is in progress.

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

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

Exploration North Assets

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

In Dhok Sultan block, 2D and 3D seismic surveys are in progress. Further, Dhok Sultan X-1 well, which is the deepest discovery in Pakistan, is currently suspended. The well encountered unexpected higher temperatures which resulted in mechanical problems. International experts on high temperature have been engaged to understand how to best develop this discovery and others like it in the block.

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

Exploration Frontier Assets

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

Exploratory well Mazarani Deep-1 has been plugged and abandoned as a dry hole.

Preparations are underway to spud in exploratory wells in Kalat (Kalat X-1), Hub (Hub X-1), Bela West (Bela West X-1) and Nausherwani (Nausherwani X-1) blocks.

Partner-Operated Areas

In Tal block, appraisal well Mardan Khel-3 has been completed as an oil /condensate and gas producer, whereas, drilling of appraisal well Mardan Khel-2 is in progress. Further, Manzalai West gravity survey processing and interpretation is in progress.

In Nashpa block, 4th exploratory well Kacha Khel-1 was spudded in March 2017 and currently drilling is in progress.

In Latif block, exploratory well Khanan-1 was spudded in February 2017 and currently well testing is in progress.

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

In Kirthar block, processing of 511 Sq. Km 3D seismic data is in progress.

Producing Fields and Development

Sui Asset

Development well Sui-101(U) was commissioned into production network in March 2017 adding approximately 6 MMscfd gas in the system, whereas, development well Sui-100(U) was spudded in March 2017 and currently drilling is in progress. Further, in order to enhance production, workover of three wells Sui-36(M), Sui-40(M) and Sui-64(M) are planned after completion of Sui-100(U). In addition, upgrading and enhancement of plant reliability activities were undertaken at both the Purification Plant and Sui Field Gas Compressor Station.

Furthermore, the process of grant of Development and Production Lease (D&PL) is in progress. The Company has submitted final documents of Petroleum Concession Agreement (PCA), D&PL and Field Development Plan (FDP) to Directorate General of Petroleum Concessions in March 2017.

Kandhkot Asset

Development well KDT-40(H) was spudded in February 2017 and was tested at ~28 MMscfd post completion, whereas, well KDT-42(M) was spudded in March 2017 and currently drilling

is in progress. Further, rigs are being mobilised for drilling of KDT-43(M) and workover of KDT-21(H). Furthermore, reservoir surveillance campaign was conducted at Kandhkot wells during January 2017.

Contract has been awarded for relocating of HRL Compressors from Sui to Kandhkot and work at site has commenced.

Adhi Asset

Production from Adhi Field has reached an all time high i.e. 74MMScfd Gas, 260 MT/d LPG and 8,500 bbl/d oil.

Development well Adhi-26 was commissioned in February 2017, resulting in additional production of around 1 MMscfd gas and 1,200 BBLs of oil per day. Well Adhi-28 was drilled to target depth and its completion is in progress, whereas, Adhi-29 was spudded in March 2017 and currently drilling is in progress.

Plant-III Turbo expander has been commissioned and is in operation since February 16, 2017. As a result, Plant-III has commenced operation at full capacity with current production of about 30 MMscfd gas, 120 MT/d LPG and 3,000 bbl/d oil. Performance Test & full load operation is expected shortly.

Furthermore, technical evaluation of bids for supply of five reciprocating gas compressors is in progress.

Gambat South / Hala / Mazarani Assets

In Gambat South Asset, 72 hours Performance Test of Gas Processing Facility (GPF)-II has been successfully completed and 90 days Reliability Guarantee Test has commenced on January 29, 2017. GPF-III project is currently in procurement and construction phase.

Further, reserves certification of Kabir, Hatim, Faiz and Shahdadpur East have been completed. GoP has granted D&PLs for Shahdadpur, Shahdadpur East and Shahdadpur West.

In Hala Asset, reserves certification of Adam X-1 and Fazl X-1 has been completed, whereas, GoP has granted D&PL for Adam West X-1.

PPL was declared as successful bidder in the sale of 70 MMscfd Rehmat Gas Processing Plant carried out by Government Holdings (Pvt) Limited on behalf of GoP. The plant would add value to Hala and Gambat South Assets.

In Mazarani Asset, development well Maz-5 started production in March 2017 with initial increase in field deliverability by 1.5 MMscfd, which will be further optimised.

Partner-Operated Assets

In Kirthar block, testing of development well Rehman-3 is in progress.

In Tal block, drilling of development well Makori East-6, spudded in January 2017, is in progress.

In Nashpa block, drilling of development wells Mela-5 and Nashpa-8 is in progress. EPCC project for installation of LPG / NGL plant is in progress.

In Qadirpur Field, development well Qadirpur-57 (SUL) was successfully completed as a gas producer, whereas, development well Qadirpur HRL-12 was spudded in March 2017 and currently drilling is in progress.

Bolan Mining Enterprises

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

As part of preparation of bankable Feasibility Report for Exploration of Baryte-Lead-Zinc at Gunga Khuzdar, resource drilling of approximately 10,000 meters spanned over 27 holes is planned to establish commercial viability of the project. Drilling activity is in progress and currently drilling of eleven holes covering total depth of about 4,400 meters completed with satisfactory cores recovery.

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

Corporate Social Responsibility

PPL, as a responsible corporate organisation, continued to play its ethical role to bring relief and comfort in the lives of communities residing at the surroundings of its exploratory and producing areas by undertaking social development schemes of mass benefit. PPL's initiatives during the period under review focused on promotion of education, provision of health care, infrastructure development, water resource development and alternate energy.

Education

PPL continued to support four PPL-TCF schools at Kandhkot and two Government schools near Mazarani Gas Field. At Sui, Taleem Foundation (TF) enhanced its efforts to establish Virtual University (VU) Campus for the benefits of local students. Efforts were focused to complete infrastructure and to enroll students by March 2017 and commence classes in April 2017. PPL provided financial assistance for installation of 55 KW (80 KVA) solar system to provide uninterrupted electricity to school, staff hostel, family residences, VU campus and Vocational Training Institute at Sui. Furthermore, under various scholarships schemes, eligible candidates were awarded Scholarships.

Healthcare

PPL Public Welfare Hospital, Sui, was granted status of "Autonomous Body" by Government of Balochistan along with annual grant of Rs 100 million to meet its operational costs. All the Mobile Medical Dispensaries continued to operate satisfactorily in surrounding communities of Kandhkot and Mazarani, benefitting approximately 8,500 patients. At the request of the local public representatives and the district Government, PPL initiated operations of mobile dispensary in the areas surrounding Gambat South and Hala Fields. In addition, free surgical eye camps were held at Shahdadpur, Sui, Dera Bugti, Kandhkot and Mazarani benefitting more than 9,000 patients.

Water Supply

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

Technical & Skill Development

Women Vocational Training Centre, Mastala near Adhi Field operated satisfactorily. Over 350 females were trained, which will provide them with an opportunity to generate their livelihood. Vocational Training Institute, Sui stitching unit operated satisfactorily. Twenty three students of District Dera Bugti, Matiari and Sanghar were awarded scholarship to pursue one year City & Guilds, UK recognised diploma course at The Hunnar Foundation.

Impact Assessment Study

As advised by the Board, Impact Assessment of social welfare initiatives undertaken by PPL in the past, at three of its producing fields i.e. Sui, Kandhkot and Adhi was conducted and initial report on the findings of the study was submitted by end March 2017.

Human Resources

PPL continues to provide employees with good opportunities for professional and personal development, by keeping its focus on skills and competencies development of staff, through leadership programs, technical trainings and awareness sessions.

The Company believes in providing equal opportunity in recruitment, promotion, rewards, training and career development to all employees. IHRDC's e-Learning portal is available to staff for the second year in 2017 after its successful launch last year.

Quality, Health, Safety and Environment (QHSE)

PPL is strongly committed to recognise QHSE as a core value for sustainable business growth and profitability. Audits by Senior Management continued to serve as a key tool for fostering QHSE culture in the company through staff engagement on QHSE issues and demonstration of leadership commitment.

Automation of QHSE Process on incident investigation and risk management was successfully carried out for recording of information as per international best practices, facilitating swift movement of information, promoting paperless environment and facilitating data analysis etc.

Regulatory inspection of Mazarani Gas Field and well Mazarani Deep-1 was carried out by Inspectorate of Mines. Action plan against the findings has been developed and implementation is in progress.

Based on the recommendations of Process Safety Management (PSM) System Evaluation Study undertaken through DuPont Sustainable Solutions (DSS) during last year, Sub Committee meetings on Process Safety Information / Process Hazard Analysis, PSM Competence and Leadership were held for closing out identified gaps through systematic approach.

An unfortunate incident occurred during 3D seismic operations at Kotri North on January 30, 2017, where a crew helper drowned in fish pond while trying to save a co-worker who had called for help.

Industrial Relations

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

ACKNOWLEDGEMENT

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



DIRECTOR
Dr. Ibne Hassan
Karachi
April 27, 2017

مزرانی گیس فیلڈ اور مزرانی ڈیپ۔ 1 کنوئیں کی باقاعدہ معائنہ مہم کے تحت انسپکٹوریٹ برائے مائنز نے ان سہولیات کا جائزہ لیا۔ اس تجزیے سے حاصل ہونے والی معلومات کی روشنی میں ایکشن پلان ترتیب دیا گیا ہے جس پر عمل درآمد جاری ہے۔

پچھلے سال ڈیو پونٹ سسٹم ایبل سلوشنز کے تحت کام کے دوران تحفظ کے انتظام (پی ایس ایم) کی تجزیاتی تحقیق کے نتیجے میں سامنے آنے والی تجاویز کی روشنی میں طریقہ کار میں تحفظ سے متعلق معلومات، طریقہ کار کے دوران خطرات کا تجزیہ، پی ایس ایم کی صلاحیت اور قیادت کے لئے ذیلی کمیٹیوں کی نشستیں ہونیں تاکہ شناخت شدہ کمی کو مربوط نظام کے ذریعے پورا کیا جاسکے۔

30 جنوری 2017 کو کوٹری نارتھ میں 3D سائز مک آپریشنز کے دوران ایک افسوس ناک حادثہ پیش آیا جس میں سائز مک عملے کا ایک رکن اپنے ساتھی ورکر کو بچاتے ہوئے تالاب میں ڈوب گیا۔

انڈسٹریل ریلیشنز

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

اعتراف

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



ڈاکٹر اکبر احسن

کراچی

27 اپریل 2017

پی پی ایل پبلک ویلفیئر ہسپتال، سوئی کوآپریٹیشنل اخراجات کے لئے 100 ملین روپے کی سالانہ گرانٹ کے ساتھ ساتھ حکومت بلوچستان کی طرف سے اسے ایک خود مختار ادارے کی حیثیت دے دی گئی ہے۔ کندھ کوٹ ورمزرائی گیس فیلڈ کے گرد و نواح کی مقامی آبادیوں کے علاج و معالجے کیلئے موبائل میڈیکل ڈسپنسریاں تسلی بخش خدمات انجام دے رہی ہیں جن سے تقریباً 8,500 مریض استفادہ حاصل کر رہے ہیں۔ مقامی عوامی نمائندوں اور ضلعی حکومت کی درخواست پر پی پی ایل نے گمبٹ ساؤتھ اور ہالہ بلاک کی پیداواری فیلڈز سے ملحقہ علاقوں کی مقامی آبادیوں کے لئے بھی موبائل ڈسپنسری آپریشنز شروع کر دیئے ہیں۔ اس کے ساتھ ساتھ شہداد پور، سوئی، ڈیرہ بگٹی، کندھ کوٹ اور مزرائی میں مفت سرجیکل آئی کمپس بھی منعقد کئے گئے جن سے 9,000 سے زائد مریض مستفید ہوئے ہیں۔

پانی کی فراہمی

لسبیلہ، آواران، خاران، واشوک، لکی مروت، قلات، ڈیرہ اسماعیل خان اور کشمور اضلاع میں 28 پانی کی سپلائی اسکیموں کا تعمیراتی کام جاری ہے۔

تکنیکی مہارت میں اضافہ

متبادلہ زرد آدھی فیلڈ میں خواتین کا وکیشنل تربیتی سینٹر تسلی بخش طریقے سے کام کر رہا ہے۔ 350 سے زائد خواتین نے سینٹر سے تربیت مکمل کی جس سے انہیں روزگار حاصل کرنے کے مواقع میسر آئیں گے۔ سوئی میں وکیشنل تربیتی انسٹیٹیوٹ (سلائی کامرکز) تسلی بخش طریقے سے کام انجام دے رہے ہیں۔ ڈیرہ بگٹی، ٹیاری اور ساٹھڑ اضلاع کے 23 طالب علموں کو برطانیہ کے معروف تربیتی ادارے سٹی وگلڈز سے سند یافتہ ہنر فائونڈیشن سے ایک سالہ ڈپلومہ مکمل کرنے کے لئے وظائف دیئے گئے ہیں۔

کمپنی کے سماجی بھلائی اقدامات کی اثر پذیری کی تحقیق

بورڈ کی ہدایت پر پی پی ایل کی جانب سے تین پیداواری فیلڈز سوئی، کندھ کوٹ اور آدھی میں سماجی بھلائی کے لئے کئے جانے والے اقدامات کے اثرات کا جائزہ لیا گیا اور ابتدائی رپورٹ سے حاصل ہونے والے نکات مارچ 2017 تک جمع کرادیئے گئے ہیں۔

انسانی وسائل

پی پی ایل اپنے عملے کی پیشہ وارانہ اور ذاتی ترقی کے ضمن میں تکنیکی اور قائدانہ دیگر صلاحیتوں میں اضافے کے لئے تکنیکی تربیت اور آگاہی کی نشستیں جاری رکھتی ہے۔

کمپنی بھرتیوں، پیشہ وارانہ تربیت و ترقی اور اجر کے لئے مساوی مواقع فراہم کرنے پر یقین رکھتی ہے۔ گزشتہ سال کامیابی سے شروع ہونے والا آئی ایچ آر ڈی سی کا ای۔ لرننگ پورٹل 2017 میں دوسرے سال بھی عملے کے لئے دستیاب ہے۔

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

پی پی ایل کیو ایچ ایس ای کو کاروبار کی پائیدار ترقی اور منفعت کے لئے کلیدی اہمیت دینے کے عہد کی سختی سے پاسدار ہے۔ کیو ایچ ایس ای کلچر کو فروغ دینے اور اس ضمن میں قیادت کے عزم کا اظہار کرنے کے لئے کیو ایچ ایس ای کے معاملات میں عملے کو شامل کرتے ہوئے سینئر انتظامیہ نے آڈٹ جاری رکھا۔

حادثے کی تحقیقات اور خطرات کی انتظام کاری کے لئے کیو ایچ ایس ای کے عمل کو بین الاقوامی معیار کے مطابق مروجہ طریقے سے معلومات ریکارڈ کرنے، بہم پہنچانے، کام کے دوران کاغذ کے استعمال کو کم کرنے کے ماحول کو فروغ دینے اور ڈیٹا کے تجزیے وغیرہ میں مدد کے ذریعے کامیابی سے خود کار بنایا گیا۔

مزرانی اثاثے میں، پیداواری کنوئیں مزرانی-5 سے مارچ 2017 میں پیداوار کا آغاز ہوا جس سے فیلڈ کی مجموعی پیداوار میں ابتدائی طور پر یومیہ 1.5 ایم ایم ایس سی ایف کا اضافہ ہوا۔ مستقبل میں کنوئیں سے ہونے والی پیداوار میں اضافے کی توقع ہے۔

پارنٹر- آپریٹڈ اثاثے

کیرتھر بلاک میں پیداواری کنوئیں رحمان-3 کی جانچ جاری ہے۔

ٹل بلاک میں پیداواری کنوئیں ماکوڑی ایسٹ-6 کی کھدائی کا آغاز جنوری 2017 میں ہوا جس پر کام جاری ہے۔

تھپا بلاک میں پیداواری کنوئیں میلہ-15 اور تھپا-8 کی کھدائی جاری ہے۔ مزید یہ کہ ایل پی جی/این جی ایل پلانٹ کی تنصیب کے لئے ای پی سی سی منصوبہ جاری ہے۔

قادر پور فیلڈ میں پیداواری کنوئیں قادر پور-57 (ایس یو ایل) کوگیس کی پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے۔ قادر پور ایچ آر ایل-12 کی کھدائی کا آغاز مارچ 2017 میں ہوا، جس پر کام ابھی جاری ہے۔

بولان مائننگ انٹرپرائزز

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

گڑگا، خضدار میں بیر ایسٹ۔ لیڈ اور زنک کی تلاش و دریافت کے لئے ایک جامع امکان پذیری کی رپورٹ، جس کی بنیاد پر سرمایہ کاری کی جاسکے، کی تیاری کے حوالے سے 10,000 میٹر کے احاطے میں 27 ہول کی کھدائی کی منصوبہ بندی کی گئی ہے تاکہ منصوبے کے تجارتی طور پر قابل عمل ہونے کا تجزیہ کیا جاسکے۔ کھدائی کی سرگرمیاں جاری ہیں اور اب تک 4,400 میٹر کے 11 ہولز کی کھدائی مکمل ہو چکی ہے جس سے اطمینان بخش cores حاصل ہوئی ہیں۔

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

کاروباری سماجی ذمہ داری (سی ایس آر)

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

تعلیم

پی پی ایل نے کندھ کوٹ میں چار پی پی ایل۔ ٹی سی ایف اسکولوں اور مزرانی گیس فیلڈ کے نزدیک دوسرے اسکولوں کی اعانت جاری رکھی ہے۔ سوئی میں، تعلیم فاؤنڈیشن نے پی پی ایل کے تعاون سے اپنی کاوشوں کو آگے بڑھاتے ہوئے مقامی طلباء کے لئے ورچول یونیورسٹی (وی یو) کا کیمپس قائم کیا۔ تعمیراتی کام مکمل کرنے کی کوششیں جاری ہیں تاکہ مارچ 2017 تک طلباء کو داخلے دے کر اپریل 2017 سے کلاسوں کا آغاز کیا جاسکے۔ پی پی ایل نے تعلیم فاؤنڈیشن گرامر اسکول سسٹم کے احاطے میں موجود تمام سہولتوں جس میں اسکول، اسٹاف ہوسٹل، رہائش، وی یو کیمپس اور ووکیشنل ٹریننگ انسٹیٹیوٹ کو بلا تعطل بجلی فراہم کرنے کے لئے 55 KW (80 KVA) کے شمسی نظام کی تنصیب کے لئے مالی اعانت کی ہے۔ مزید یہ کہ، پی پی ایل کی جانب سے اعلان شدہ مختلف وظائف اسکیموں کے تحت اہل امیدواروں کو وظائف دے دیئے گئے ہیں۔

ساتھ ہی پیداوار میں اضافے کی خاطر تین کنوؤں سوئی-36 (M)، سوئی-40 (M) اور سوئی-64 (M) کے ورک اور کی منصوبہ بندی کی گئی ہے جس پر کام سوئی-100 (U) کی تکمیل کے بعد شروع کیا جائے گا۔ علاوہ ازیں، پورٹفیکیشن پلانٹ اور سوئی فیلڈ گیس کپریسٹیشن کی تجدید اور پلانٹس کی کارکردگی میں بہتری لانے کے حوالے سے مختلف سرگرمیاں انجام دیں گئیں۔

مزید برآں یہ کہ سوئی گیس فیلڈ کے لئے ڈیولپمنٹ اور پروڈکشن لیز فراہم کرنے کا سلسلہ جاری ہے۔ کمپنی نے پٹرولیم کنسیشن معاہدے، ڈیولپمنٹ اور پروڈکشن لیز اور فیلڈ ڈیولپمنٹ منصوبے کے حتمی دستاویزات ڈائریکٹر جنرل برائے پٹرولیم کنسیشنز کو مارچ 2017 میں جمع کرا دیئے ہیں۔

کندھکوٹ اثاثہ

پیداواری کنوئیں KDT-40 (H) کی کھدائی کا آغاز فروری 2017 میں ہوا جسکی تکمیل کے بعد اس سے یومیہ تقریباً 28 ایم ایم ایس سی ایف گیس کی جانچ کی گئی ہے۔ KDT-42 (M) کی کھدائی کا آغاز مارچ 2017 میں ہوا جو اس وقت جاری ہے۔ ساتھ ہی KDT-43 (M) کی کھدائی اور KDT-21 (H) کے ورک اور کے لئے رگز کو متحرک کیا جا رہا ہے۔ ساتھ ہی کنوؤں کی کارکردگی کی جانچ اور ان سے مستقبل میں گیس کی ممکنہ حد تک فراہمی کو یقینی بنانے کیلئے جنوری 2017 کے دوران ذخائر کی جانچ کی تحقیق (reservoir surveillance campaign) بھی کی گئی۔

HRL کپریسٹر کی سوئی سے کندھکوٹ فیلڈ میں منتقلی کیلئے کنٹرکٹ ایوارڈ کیا جا چکا ہے اور منصوبے پر کام بھی شروع ہو گیا ہے۔

آدہی اثاثہ

زیر نظر حصے کے دوران آدہی فیلڈ سے کسی بھی وقت میں سب سے زیادہ پیداوار: یومیہ 74 ایم ایم ایس سی ایف گیس، 260 میٹرک ٹن ایل پی جی اور 8,500 بیرل تیل کا حصول ہوا۔

پیداواری کنوئیں آدہی-26 سے پیداوار کا آغاز فروری 2017 میں کر دیا گیا جس سے یومیہ 1 ایم ایم ایس سی ایف گیس اور 1,200 بیرل تیل حاصل ہوا۔ آدہی-28 کی حتمی گہرائی تک کھدائی ہو چکی ہے جبکہ کنوئیں کی تکمیل جاری ہے۔ اس کے علاوہ آدہی-29 کی کھدائی کا آغاز مارچ 2017 میں ہوا جو ابھی جاری ہے۔

آدہی ایل پی جی/این جی ایل پلانٹ III کے ٹربو ایکسپنڈر کی تنصیب کے بعد اس نے 16 فروری 2017 سے کام شروع کر دیا ہے جس کے نتیجے میں پلانٹ نے اپنی مکمل صلاحیت پر کام شروع کر دیا ہے۔ اس وقت پلانٹ سے یومیہ تقریباً 30 ایم ایم ایس سی ایف گیس، 120 میٹرک ٹن ایل پی جی اور 3,000 بیرل تیل کی پیداوار ہو رہی ہے۔ مزید یہ کہ آدہی میں پانچ ریسپر و کیٹنگ گیس کپریسٹر کی فراہمی کے حوالے سے آنے والی بولیوں کی تکنیکی جانچ جاری ہے۔

گمبٹ ساؤتھ/ہالہ/مزرانی اثاثے

گمبٹ ساؤتھ اثاثے میں جی پی ایف-II کی کارکردگی کی 72 گھنٹوں کی جانچ کو کامیابی کے ساتھ مکمل کیا گیا۔ ساتھ ہی اسکی وثوق پذیری کی گارنٹی کی جانچ کا 90 دن کے ٹیسٹ کا آغاز 29 جنوری 2017 کو ہوا۔ جی پی ایف-III منصوبے پر کام جاری ہے اور فی الحال سامان کی خریداری اور تعمیراتی کام چل رہا ہے۔

مزید یہ کہ گمبٹ ساؤتھ میں کبیر، حاتم، فیض اور شہداد پور ایسٹ فیلڈز کے ذخائر کی اسناد کا حصول مکمل کر لیا گیا ہے۔ حکومت پاکستان نے شہداد پور، شہداد پور ایسٹ اور شہداد پور ویسٹ کے لئے ڈیولپمنٹ اور پروڈکشن لیز جاری کر دی ہے۔

ہالہ اثاثے میں، آدم X-1 اور فضل X-1 کے ذخائر کی اسناد حاصل کرنے کا عمل مکمل ہو چکا ہے۔ حکومت پاکستان نے آدم ویسٹ X-1 کے لئے ڈیولپمنٹ اور پروڈکشن لیز جاری کر دی ہے۔

پی پی ایل کو، گورنمنٹ ہولڈنگز پرائیویٹ لمیٹڈ کی جانب سے یومیہ 70 ایم ایم ایس سی ایف گیس کی پروسسنگ صلاحیت کے حامل رحمت گیس پروسسنگ پلانٹ کی فروخت کے لئے لگائی جانے والی بولی کے مرحلے میں کامیاب قرار دیا گیا۔ اس پلانٹ کے اضافے سے ہالہ اور گمبٹ ساؤتھ اثاثوں کو خاطر خواہ فوائد حاصل ہوں گے۔

ایکسپلوریشن کے جنوبی اثاثے

ہالہ بلاک میں چھپے دریافتی کنوئیں زرباب X-1 کی کھدائی کی تیاریاں جاری ہے۔
کوٹری بلاک میں 3D سائز مک سروے مکمل ہو چکا ہے جبکہ سیرانی بلاک میں یہ سروے ابھی جاری ہے۔
گمبٹ ساؤتھ بلاک میں چودھویں دریافتی کنوئیں زافرا X-1 کی کھدائی مارچ 2017 میں شروع ہوئی جو ابھی جاری ہے۔
زمرہ ساؤتھ بلاک میں پہلے دریافتی کنوئیں منجھر X-1 کی کھدائی کی تیاریاں جاری ہے۔
نوشہرو فیروز بلاک میں تجزیاتی کنوئیں این ایف-1 (دوبارہ داخل کئے گئے) کی کھدائی کی تیاریاں جاری ہے تاکہ نوشہرو فیروز X-1 سے ہونے والی ٹائٹ گیس کی دریافت کی جانچ کی جاسکے۔

ایکسپلوریشن کے شمالی اثاثے

کرسل بلاک میں پہلے دریافتی کنوئیں تالہ گنگ X-1 کی کھدائی کے آغاز کی تیاریاں جاری ہیں۔
ڈھوک سلطان بلاک میں 2D اور 3D سائز مک سروے جاری ہیں۔ مزید برآں یہ کہ ڈھوک سلطان X-1 جو کہ پاکستان کی گہری ترین دریافت ہے، اس وقت عارضی طور پر بند ہے۔ کنوئیں کو غیر متوقع طور پر زیادہ درجہ حرارت کی وجہ سے میکینیکل دشواریوں کا سامنا کرنا پڑا ہے۔ زیادہ درجہ حرارت کے حوالے سے کام کرنے والے غیر ملکی ماہرین کی خدمات حاصل کی گئی ہیں تاکہ اس دریافت اور بلاک میں اس جیسی دوسری دریافتوں کو بہتر طور پر مکمل کیا جاسکے۔
صادق آباد اور حصال بلاکس میں ارضیاتی وارضی طبعیاتی تحقیق (G&G) جاری ہے تاکہ کھدائی کے ممکنہ مقام کو پختہ کیا جاسکے۔

ایکسپلوریشن کے سرحدی اثاثے

خاران بلاک میں پہلے دریافتی کنوئیں خاران X-1 کی کھدائی کا آغاز فروری 2017 میں ہوا جو اس وقت جاری ہے۔
دریافتی کنوئیں مزرانی ڈیپ-1 کو ڈرائی ہول ہونے کی وجہ سے بند کر کے ترک کر دیا گیا۔
قلات، نوشہروانی، حب اور بیلا ویسٹ بلاکس میں بالترتیب قلات X-1، نوشہروانی X-1، حب X-1 اور بیلا ویسٹ X-1 کی کھدائی کی تیاریاں جاری ہیں۔

پارٹنر آپریٹڈ اثاثے

ٹل بلاک میں تجزیاتی کنوئیں مردان خیل-3 کو تیل/کنڈنسیٹ کے پیداوار کنندہ کے طور پر مکمل کر لیا گیا ہے جبکہ مردان خیل-2 کی کھدائی ہو رہی ہے۔ ساتھ ہی منزلی ویسٹ کے گریوٹی سروے کی پروسیسنگ اور تشریح جاری ہے۔
نچا بلاک میں چوتھے دریافتی کنوئیں کچا خیل-1 کی کھدائی کا آغاز مارچ 2017 میں ہوا جو ابھی جاری ہے۔
لطیف بلاک میں دریافتی کنوئیں خانان-1 کی کھدائی کا آغاز فروری 2017 میں ہوا۔ تاحال کنوئیں کی جانچ جاری ہے۔
ڈگری بلاک میں تیسرے دریافتی کنوئیں صدر-1 کی کھدائی کا آغاز جنوری 2017 میں ہوا۔ فی حال کنوئیں کو عارضی طور پر بند کر دیا گیا ہے تاکہ مزید جانچ کی جاسکے۔
کیہر بلاک میں 511 مربع کلومیٹر کے 3D سائز مک سروے کا حصول جاری ہے۔

پیداواری فیلڈز اور ان پر جاری کام

سوئی اثاثہ

پیداواری کنوئیں سوئی (U) 101 کو نیٹ ورک سے منسلک کر کے مارچ 2017 میں اس سے پیداوار کا آغاز کر دیا گیا ہے جو کہ سسٹم میں یومیہ تقریباً 6 ایم ایم ایس سی ایف گیس کا اضافہ کر رہا ہے۔ جبکہ سوئی (U) 100 کی کھدائی کا آغاز مارچ 2017 میں ہوا جو ابھی جاری ہے۔

فروخت آمدن

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 4,433 ملین روپے کا اضافہ ہوا ہے۔ حجم اور شرح تبدیلی میں بالترتیب 6,103 ملین روپے اور 541 ملین روپے کے مثبت تغیر نے قیمت میں 2,211 ملین روپے کے منفی تغیر کو جزوی طور پر زائل کر دیا ہے۔

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

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

یونٹ	نومہ کا اختتام 31 مارچ 2017	نومہ کا اختتام 31 مارچ 2016
قدرتی گیس	ایم ایم سی ایف	219,967
خام تیل/قدرتی گیس مائع (این جی ایل)/کنڈنسیٹ	بی بی ایل	4,458,328
مائع پٹرولیم گیس (ایل پی جی)	ٹن	58,838
پیرائٹس	ٹن	21,768

منفعت

فروخت آمدن میں اضافے اور دیگر آپریٹنگ اخراجات میں ہونے والی کمی کی بناء پر کمپنی کے منافع میں 21 فیصد اضافہ ہوا ہے۔ دیگر آپریٹنگ اخراجات میں ہونے والی کمی دراصل تقابلی عرصے کے دوران کمپنی کی آمدنی کی مد میں غیر نقدی خرچ کے طور پر پیش کئے گئے، پی پی ایل یورپ ای اینڈ پی کمپنی لمیٹڈ میں اسکی سرمایہ کاری سے ہونے والے خسارے، کی وجہ سے ہوا ہے جو اس اثاثے کی مروجہ قیمت میں ہونے والی مسلسل کمی کی بناء پر ہے۔

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

دریافتی سرگرمیاں

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

موجودہ عرصے میں اہم اقدامات کی تفصیل حسب ذیل ہے:

ڈائریکٹران کا عبوری جائزہ

آپ کے ڈائریکٹران 31 مارچ 2017 کو ختم ہونے والے نو ماہ کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آپریٹنل و مالیاتی جھلکیاں / اہم نکات

آپریٹنل جھلکیاں / آپریٹنل کے اہم نکات

31 مارچ 2017 کو ختم ہونے والے نو ماہ کے دوران اہم کاروباری آپریٹنل حسب ذیل ہیں:

دریافتیں:

زیر جائزہ عرصے میں ایک دریافت پی پی ایل آپریٹڈ ہالہ بلاک میں بشر 1-X (سائڈ ٹریک) سے ہوئی ہے جبکہ تقابلی عرصے میں چھ دریافتیں ہوئیں تھیں۔

سائز مک سرگرمیاں

پی پی ایل آپریٹڈ بلاکس میں 497 لائن کلومیٹر اور 1,525 مربع کلومیٹر پر بالترتیب 2D اور 3D سائز مک سروے کئے گئے جبکہ تقابلی عرصے میں 1,122 لائن کلومیٹر پر 2D اور 853 مربع کلومیٹر پر 3D سروے کیا گیا تھا۔

کھدائی کی سرگرمیاں

موجودہ مدت میں پی پی ایل آپریٹڈ بلاکس میں 16 کنوئیں (چھ دریافتی اور دس پیداواری کنوئیں) کھودے گئے جبکہ پچھلے سال اسی عرصے کے دوران 15 کنوئیں (سات دریافتی اور آٹھ پیداواری کنوئیں) کھودے گئے تھے۔

مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

31 مارچ 2017 کو ختم ہونے والے نو ماہ پر کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

نوماہ کا اختتام 31 مارچ 2016 (اعادہ شدہ)	نوماہ کا اختتام 31 مارچ 2017	
ملین روپے		
59,540	63,973	فروخت آمدن (خالص)
21,871	26,608	قبل از ٹیکس منافع
(6,088)	(7,538)	ٹیکس
15,783	19,070	بعد از ٹیکس منافع
8.00	9.67	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017

	Note	March 31, 2017 Unaudited	June 30, 2016 Audited
----- Rs '000 -----			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	132,994,738	127,920,186
Intangible assets		353,601	414,876
		133,348,339	128,335,062
Long-term investments	6	35,392,889	50,978,610
Long-term loans		1,198,697	1,203,901
Long-term deposits		7,676	7,676
Long-term receivables		261,119	333,000
		170,208,720	180,858,249
CURRENT ASSETS			
Stores and spares		4,090,288	4,140,258
Trade debts	7	60,434,460	57,835,214
Loans and advances		3,711,746	1,328,228
Trade deposits and short-term prepayments		342,785	572,510
Interest accrued		869,386	1,459,316
Current maturity of long-term investments	6	21,985,317	66,493
Current maturity of long-term receivables		144,044	81,978
Current maturity of long-term deposits		787,500	787,500
Other receivables		3,101,767	2,978,845
Short-term investments		19,394,614	19,012,500
Taxation - net		-	68,206
Cash and bank balances		5,607,285	3,273,024
		120,469,192	91,604,072
TOTAL ASSETS		290,677,912	272,462,321
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		179,185,656	172,931,642
		198,902,951	192,648,937
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		20,519,105	20,201,454
Liabilities against assets subject to finance lease		178,760	238,385
Deferred liabilities		2,455,427	2,366,677
Deferred taxation	8	30,306,393	25,211,616
		53,459,685	48,018,132
CURRENT LIABILITIES			
Trade and other payables	9	36,499,236	31,669,572
Current maturity of liabilities against assets subject to finance lease		120,781	125,680
Taxation - net		1,695,259	-
		38,315,276	31,795,252
TOTAL LIABILITIES		91,774,961	79,813,384
TOTAL EQUITY AND LIABILITIES		290,677,912	272,462,321
CONTINGENCIES AND COMMITMENTS			

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE


CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Note	Quarter ended March 31, 2017	Quarter ended March 31, 2016 (Restated)	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
		----- Rs '000 -----		----- Rs '000 -----	
Sales - net	11	23,948,176	18,228,039	63,973,279	59,540,008
Field expenditures	12	(11,450,821)	(11,147,448)	(31,553,928)	(31,189,905)
Royalties		(2,778,660)	(2,043,264)	(7,476,088)	(6,835,373)
		<u>(14,229,481)</u>	<u>(13,190,712)</u>	<u>(39,030,016)</u>	<u>(38,025,278)</u>
		9,718,695	5,037,327	24,943,263	21,514,730
Other income	13	1,196,791	1,169,119	3,432,120	4,211,743
Other operating expenses	14	(551,690)	(303,068)	(1,419,726)	(3,361,527)
Finance costs	15	<u>(114,812)</u>	<u>(165,035)</u>	<u>(347,137)</u>	<u>(493,276)</u>
Profit before taxation		10,248,984	5,738,343	26,608,520	21,871,670
Taxation	16	<u>(2,975,744)</u>	<u>(1,851,301)</u>	<u>(7,538,298)</u>	<u>(6,088,183)</u>
Profit after taxation		<u><u>7,273,240</u></u>	<u><u>3,887,042</u></u>	<u><u>19,070,222</u></u>	<u><u>15,783,487</u></u>
Basic and diluted earnings per share (Rs)	19	<u>3.69</u>	<u>1.97</u>	<u>9.67</u>	<u>8.00</u>

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE


CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Quarter ended March 31, 2017	Quarter ended March 31, 2016 (Restated)	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----		----- Rs '000 -----	
Profit after taxation	7,273,240	3,887,042	19,070,222	15,783,487
Other comprehensive income				
Items not to be reclassified to profit and loss account in subsequent periods				
Remeasurement losses on defined benefit plans - net	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-
Total comprehensive income	<u>7,273,240</u>	<u>3,887,042</u>	<u>19,070,222</u>	<u>15,783,487</u>

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE


CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)****FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017**

Note	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	84,994,994	80,323,761
Receipts of other income	82,920	488,791
Cash paid to suppliers / service providers and employees (net)	(25,113,526)	(19,184,305)
Payment of indirect taxes and Government levies including royalties	(27,543,190)	(25,088,625)
Income tax paid	(680,056)	(1,735,057)
Finance costs paid	(29,485)	(29,809)
Long-term loans (net)	4,077	3,951
Net cash generated from operating activities	31,715,734	34,778,707

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (net)	(20,308,091)	(20,395,678)
Proceeds from sale of property, plant and equipment	20,434	23,645
Purchase of long-term investments	(10,967,888)	(15,420,394)
Disposal / redemption of long-term investments	4,569,148	3,138,054
Long-term deposits	-	(30,000)
Long-term receivables	-	60,632
Financial income received	3,978,502	4,121,964
Net cash used in investing activities	(22,707,895)	(28,501,777)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance lease	(76,100)	(88,109)
Dividends paid	(6,215,364)	(10,874,960)
Net cash used in financing activities	(6,291,464)	(10,963,069)
Net increase / (decrease) in cash and cash equivalents	2,716,375	(4,686,139)
Cash and cash equivalents at the beginning of the period	22,285,524	23,568,971
Cash and cash equivalents at the end of the period	17 <u>25,001,899</u>	<u>18,882,832</u>

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


CHIEF FINANCIAL OFFICER

DIRECTOR

CHIEF EXECUTIVE

CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED

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

Comprehensive income for the period

Profit after taxation - Restated

Other comprehensive income for the nine months period ended March 31, 2016, net of tax

Total comprehensive income for the nine months period ended March 31, 2016 - Restated

Conversion of preference shares into ordinary shares

Transactions with owners

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

Interim dividend for the year ended June 30, 2016

- Ordinary shares - 22.5%

- Ordinary shares = 22.5%
- Convertible preference shares = 10%

- Convergence preferences suggest that...

Balance as at March 31, 2016 - Restated

Balance as at June 30, 2016 (Audited)

Comprehensive income for the period

comprehensive measure for an

Flottant after taxation

Other comprehensive income for the nine months period ended March 31, 2017, net of tax

Total comprehensive income for the nine months period ended March 31, 2017

Conversion of preference shares into ordinary shares

Transactions with owners

Final dividend for the year ended June 30 2016

Ordinary: choros ~50%

- Ordinary shares - 33%

- Convertible preference shares - 1.5%

Interim dividend for the year ended 31 March 2008

- Ordinary shares - 30%

- Convertible preference shares

Balance as at March 31, 2017

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

CHIEF FINANCIAL OFFICER

DIRECTOR

CHIEF EXECUTIVE

CHIEF EXECUTIVE

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

For the nine months period ended March 31, 2017

1. LEGAL STATUS AND OPERATIONS

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

1.2 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

Wholly-owned subsidiaries as of the balance sheet date:

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

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

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

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

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

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

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

For the nine months period ended March 31, 2017

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – ‘Interim Financial Reporting’ and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 These unconsolidated condensed interim financial statements are unaudited and do not include all of the information and disclosures required in the audited unconsolidated financial statements and should be read in conjunction with the audited unconsolidated financial statements for the year ended June 30, 2016. Further, comparative unconsolidated condensed interim balance sheet is extracted from the audited unconsolidated annual financial statements as of June 30, 2016, whereas comparative unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity are stated from unaudited unconsolidated condensed interim financial statements for the nine months period ended March 31, 2016.

2.3 Amendments to approved accounting standards which became effective during the nine months period ended March 31, 2017

There were certain amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore, not disclosed in these unconsolidated condensed interim financial statements.

2.4 New standards and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Company

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements. Further, the new standards are yet to be adopted by the SECP.

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

For the nine months period ended March 31, 2017

3. ACCOUNTING POLICIES

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

Further, certain comparative information disclosed in the profit and loss accounts for the quarter and the nine months period ended March 31, 2017, have been restated due to the change in accounting policy in respect of determination of Company's joint interest in Bolan Mining Enterprises (BME) as joint operation, as more fully explained in note 2.3(c)(i) to the unconsolidated financial statements for the year ended June 30, 2016. However, the impact of the above is not significant.

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

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

4.1 Implications of revised IFRS 2 (Share-based Payment) on Benazir Employees' Stock Option Scheme (BESOS)

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

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

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	93,267,558	58,893,563
Additions to:		
- owned assets	9,185,197	39,015,865
- assets subject to finance lease	21,323	175,876
	9,206,520	39,191,741
	102,474,078	98,085,304
Disposals / adjustments during the period / year (NBV)	(217,226)	5,859,409
Depreciation / amortisation charged during the period / year	(11,288,423)	(10,677,155)
	90,968,429	93,267,558
Capital work-in-progress - note 5.1	42,026,309	34,652,628
	132,994,738	127,920,186
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	9,727,420	5,834,602
Exploration and evaluation (E&E) assets - note 5.1.1	11,405,243	8,835,450
Development and production assets	6,399,816	6,413,387
Lands, buildings and civil constructions	148,107	119,896
Capital stores for drilling and development	14,345,723	13,449,293
	42,026,309	34,652,628

5.1.1 Amounts under E&E assets are netted off by cost of dry wells charged to profit and loss account during the period / year, amounting to Rs 3,912 million (June 30, 2016: Rs 4,994 million).

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC	1	1
- PPLE	3,324,076	3,324,076
- PPLA	7,870,946	7,870,946
	11,195,023	11,195,023
Other investments		
- Held-to-maturity		
- Term Finance Certificates (TFCs)	66,493	99,740
- Pakistan Investment Bonds (PIBs)	21,918,824	22,122,574
- Local currency term deposits with bank	2,000,000	2,000,000
- Foreign currency term deposits with banks	18,846,053	15,627,766
	42,831,370	39,850,080
- Designated at fair value through profit or loss		
- Mutual Funds - note 6.1	3,351,813	-
Less: Current maturities		
- TFCs	(66,493)	(66,493)
- PIBs	(21,918,824)	-
	(21,985,317)	(66,493)
	35,392,889	50,978,610

6.1 These investments have been categorised under Level 1 of the fair value hierarchy. IFRS - 7, 'Financial Instruments: Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs '000 -----	
7. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	10,893,585	7,881,749
Sui Northern Gas Pipelines Limited (SNGPL)	19,587,434	22,173,798
Sui Southern Gas Company Limited (SSGCL)	21,996,831	21,634,616
Pak-Arab Refinery Limited (PARCO)	1,491,411	784,867
Oil & Gas Development Company Limited (OGDCL)	34,480	20,328
	54,003,741	52,495,358
Non-related parties		
Attock Refinery Limited (ARL)	5,292,037	4,451,970
National Refinery Limited (NRL)	488,992	274,111
Others	649,690	613,775
	6,430,719	5,339,856
	60,434,460	57,835,214
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 7.3	(1,156,220)	(1,156,220)
	-	-
	60,434,460	57,835,214
7.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	17,486,296	16,307,527
Past due but not impaired:		
Related parties		
- within 90 days	15,025,741	12,304,046
- 91 to 180 days	13,667,948	13,364,024
- over 180 days	12,736,661	14,601,392
	41,430,350	40,269,462
Non-related parties		
- within 90 days	1,340,018	1,135,090
- 91 to 180 days	70,654	7,046
- over 180 days	107,142	116,089
	1,517,814	1,258,225
	60,434,460	57,835,214

- 7.2** Trade debts include overdue amount of Rs 41,146 million (June 30, 2016: Rs 40,263 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 2,958 million (June 30, 2016: Rs 2,421 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

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

For the nine months period ended March 31, 2017

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

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

March 31, 2017 Unaudited	June 30, 2016 Audited
----- Rs '000 -----	

8. DEFERRED TAXATION

(Deductible) / taxable temporary differences on:

Exploration expenditure	(2,738,000)	(2,866,000)
Provision for staff retirement and other benefits	(736,628)	(976,450)
Provision for obsolete / slow moving stores	(40,067)	(41,403)
Provision for doubtful debts	(462,488)	(462,488)
Unused tax losses - note 8.1	(3,096,099)	(5,315,277)
Provision for decommissioning obligation	1,012,654	1,200,946
Accelerated tax depreciation allowances	7,487,472	8,182,286
Exploratory wells cost	11,969,952	10,573,198
Development and production assets	16,883,073	14,897,151
Amortisation of intangible assets	14,439	14,218
Others	12,085	5,435
	30,306,393	25,211,616

- 8.1** Deferred tax asset of Rs 3,096 million (June 30, 2016: Rs 5,315 million) represents the impact of unadjusted losses against the aggregate tax liability computed on the profits and gains of the relevant Concession Agreements.

March 31, 2017 Unaudited	June 30, 2016 Audited
----- Rs '000 -----	

9. TRADE AND OTHER PAYABLES

Creditors	412,502	498,975
Accrued liabilities	4,691,499	5,743,024
Security deposits from LPG distributors	581,710	515,450
Retention money	89,409	40,795
Unpaid and unclaimed dividends	6,848,023	247,179
Gas development surcharge (GDS)	8,568,054	5,804,283
Gas infrastructure development cess (GIDC)	1,965,809	1,541,186
Royalties	3,015,079	4,036,741
Current accounts with joint operation partners	8,414,468	12,124,811
Liabilities for staff retirement benefit plans	534,569	962,756
Workers' Profits Participation Fund (WPPF)	1,223,155	-
Others	154,959	154,372
	36,499,236	31,669,572

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

For the nine months period ended March 31, 2017

10. CONTINGENCIES AND COMMITMENTS

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

11. SALES - net

Gross sales

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	
Natural gas	61,398,369	58,834,375
Gas supplied to Sui villages	137,384	161,455
Internal consumption of gas	76,163	94,720
Crude oil / Condensate / Natural Gas Liquids	22,480,423	16,525,023
LPG	3,280,761	2,629,225
Barytes	240,552	367,535
	87,613,652	78,612,333

Government levies / discounts

Federal excise duty	(1,595,159)	(1,416,435)
Sales tax	(9,519,893)	(9,077,686)
GDS	(10,299,301)	(6,847,662)
GIDC	(2,206,608)	(1,704,125)
Discounts (Barytes)	(19,412)	(26,417)
	(23,640,373)	(19,072,325)
	63,973,279	59,540,008

12. FIELD EXPENDITURES

Development and drilling	6,321,307	5,132,035
Exploration	7,143,333	10,455,223
Depreciation	4,601,946	3,210,308
Amortisation of intangible assets	105,956	84,756
Amortisation of decommissioning cost	1,270,656	426,936
Amortisation of development and production assets	5,415,821	3,487,622
Salaries, wages, welfare and other benefits	6,973,049	6,896,067
Employees' medical benefits	310,247	347,232
Manpower development	75,140	55,858
Travelling and conveyance	385,038	441,594
Communication	36,356	26,700
Stores and spares consumed	623,910	1,051,833
Fuel and power	147,686	172,510
Rent, rates and taxes	125,937	96,727
Insurance	396,526	393,915
Repairs and maintenance	387,774	413,776
Professional services	70,082	61,287
Auditors' remuneration	17,158	14,996
Free supply of gas to Sui villages	137,384	161,455
Donations	62,964	21,642
Social welfare / community development	134,600	50,180
Other expenses	178,899	188,468
	34,921,769	33,191,120
Recoveries	(3,367,841)	(2,001,215)
	31,553,928	31,189,905

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

For the nine months period ended March 31, 2017

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	
13. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	214,821	224,597
Income on term deposits	891,441	926,192
Income on long-term held-to-maturity investments	2,021,405	2,046,132
Income from investment in treasury bills	57,154	94,423
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	141,736	217,791
	<u>3,326,557</u>	<u>3,509,135</u>
Income from assets other than financial assets		
Rental income on assets	940	174,726
Profit on sale of property, plant and equipment (net)	9,019	14,247
Exchange gain on foreign currency (net)	-	367,466
Share of profit on sale of LPG	93,872	129,493
Others	1,732	16,676
	<u>105,563</u>	<u>702,608</u>
	<u>3,432,120</u>	<u>4,211,743</u>
14. OTHER OPERATING EXPENSES		
WPPF	1,402,481	1,154,032
Exchange loss on foreign currency (net)	17,245	-
Impairment loss	-	2,207,495
	<u>1,419,726</u>	<u>3,361,527</u>
15. FINANCE COSTS		
Financial charges for liabilities against assets subject to finance lease	29,048	29,809
Unwinding of discount on decommissioning obligation	317,651	463,123
Others	438	344
	<u>347,137</u>	<u>493,276</u>
16. TAXATION		
Current		
- For the nine months period	2,443,521	2,187,381
- For the prior year	-	(472,943)
	<u>2,443,521</u>	<u>1,714,438</u>
Deferred	5,094,777	4,373,745
	<u>7,538,298</u>	<u>6,088,183</u>

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

For the nine months period ended March 31, 2017

17. CASH AND CASH EQUIVALENTS

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	
Cash and bank balances	5,607,285	4,334,332
Short-term highly liquid investments	19,394,614	14,548,500
	25,001,899	18,882,832

18. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	
Sales of gas / barytes to State controlled entities (including Government levies)		
- GENCO-II	18,407,745	13,328,953
- SSGCL	11,890,761	11,636,179
- SNGPL	31,099,863	33,869,242
- OGDCL	106,065	123,386
	61,504,434	58,957,760
Long-term receivables, trade debts and other receivables from State controlled entities as at March 31	52,941,851	50,982,902
Transactions with subsidiaries		
Receivable from PPLA as at March 31	820	264
Receivable from PPLA, Iraq Branch as at March 31	22,425	24,298
Receivable from PPLE as at March 31	15,785	6,284
Interest income on long-term loan to PPLE	34,912	30,658
Loan receivable from PPLE as at March 31	1,178,224	1,175,967
Payment of employees cost on secondment	31,762	43,139
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	787,500	787,500

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

For the nine months period ended March 31, 2017

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	
Transactions with Associated Companies		
Sales of crude oil / condensate	4,221,641	3,636,024
Expenses incurred	6,922	6,355
Transactions with Joint Operations		
Payments of cash calls to joint operations	32,252,530	32,331,565
Expenditures incurred by the joint operations	26,376,980	33,844,232
Under advance balances relating to joint operations as at March 31	4,765,018	3,816,534
Current account receivables relating to joint operations as at March 31	1,450,339	966,207
Current account payables relating to joint operations as at March 31	82,798	157,695
Income from rental of assets to joint operations	940	174,726
Purchase of goods from BME (net)	225,952	179,808
Reimbursement of employee cost on secondment to BME	15,013	19,476
Other related parties		
Dividend to GoP	4,658,712	8,319,129
Dividend to Trust under BESOS	507,392	579,876
Transactions with retirement benefit funds	691,397	620,951
Remuneration to key management personnel	1,891,202	1,654,847
Payment of rental to Pakistan Industrial Development Corporation	73,919	59,367
Payment to National Insurance Company Limited (NICL)	534,127	700,876
Insurance claim received from NICL	-	1,016,812
Payment to Pakistan State Oil Company Limited	376,031	302,329
18.1	Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to six non-executive directors was Rs 4.675 million (March 2016: Rs 10 million to seven non-executive directors).	
18.2	The Company has provided parent company guarantee to Midland Oil Company, Iraq in respect of performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 10,470 million), out of which US\$ 71.512 million (Rs 7,487 million) is outstanding. The 3D seismic survey has been completed and the results are in the process of being evaluated for planning drilling activity.	

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

For the nine months period ended March 31, 2017

18.3 The Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 556 million) to Directorate General of Petroleum Concessions (DGPC) in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

18.4 Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs'000)	19,070,222	15,783,487
Dividend on convertible preference shares (Rs'000)	(36)	(37)
Profit attributable to ordinary shareholders (Rs'000)	<u>19,070,186</u>	<u>15,783,450</u>
Weighted average number of ordinary shares in issue	<u>1,971,717,366</u>	<u>1,971,717,120</u>
Basic earnings per share (Rs)	<u>9.67</u>	<u>8.00</u>

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

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
19.2 Diluted earnings per share		
Profit after taxation (Rs'000)	<u>19,070,222</u>	<u>15,783,487</u>
Weighted average number of ordinary shares in issue	1,971,717,366	1,971,717,120
Adjustment for convertible preference shares	12,089	12,335
Weighted average number of ordinary shares for diluted earnings per share	<u>1,971,729,455</u>	<u>1,971,729,455</u>
Diluted earnings per share (Rs)	<u>9.67</u>	<u>8.00</u>

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 27, 2017 by the Board of Directors of the Company.

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

For the nine months period ended March 31, 2017

21. GENERAL

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



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE



CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017

		March 31, 2017 Unaudited	June 30, 2016 Audited
	Note	----- Rs '000 -----	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	138,167,644	132,462,661
Intangible assets		353,601	414,876
		138,521,245	132,877,537
Long-term investments	7	24,197,867	39,783,588
Long-term loans		20,473	24,549
Long-term deposits		7,676	7,676
Long-term receivables		261,119	333,000
		163,008,380	173,026,350
CURRENT ASSETS			
Stores and spares		4,090,288	4,140,258
Trade debts	8	60,520,986	57,954,553
Loans and advances		3,711,746	1,328,228
Trade deposits and short-term prepayments		354,716	575,052
Interest accrued		884,304	1,465,949
Current maturity of long-term investments	7	21,985,317	66,493
Current maturity of long-term receivables		144,044	81,978
Current maturity of long-term deposits		787,500	787,500
Other receivables		3,390,919	3,359,096
Short-term investments	9	26,908,896	28,056,720
Cash and bank balances		5,996,026	3,918,383
		128,774,742	101,734,210
TOTAL ASSETS		291,783,122	274,760,560
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		178,239,028	172,929,206
		197,956,323	192,646,501
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		20,804,727	20,482,574
Liabilities against assets subject to finance lease		178,760	238,385
Deferred liabilities		2,455,427	2,366,677
Deferred taxation	10	30,306,393	25,211,616
		53,745,307	48,299,252
CURRENT LIABILITIES			
Trade and other payables	11	37,896,772	33,385,389
Current maturity of liabilities against assets subject to finance lease		120,781	125,680
Taxation - net		2,063,939	303,738
		40,081,492	33,814,807
TOTAL LIABILITIES		93,826,799	82,114,059
TOTAL EQUITY AND LIABILITIES		291,783,122	274,760,560
CONTINGENCIES AND COMMITMENTS			
	12		

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE


CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Note	Quarter ended March 31, 2017	Quarter ended March 31, 2016 (Restated)	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
		----- Rs '000 -----		----- Rs '000 -----	
Sales - net	13	24,058,403	18,388,709	64,314,529	60,056,208
Field expenditures	14	(11,728,048)	(11,395,769)	(32,844,659)	(32,208,493)
Royalties		(2,790,124)	(2,060,018)	(7,508,934)	(6,887,016)
		<u>(14,518,172)</u>	<u>(13,455,787)</u>	<u>(40,353,593)</u>	<u>(39,095,509)</u>
		9,540,231	4,932,922	23,960,936	20,960,699
Other income	15	1,213,500	1,179,492	3,478,654	4,224,376
Other operating expenses	16	(549,890)	(303,068)	(1,417,926)	(3,742,720)
Finance costs	17	(116,291)	(204,293)	(351,884)	(537,515)
Profit before taxation		<u>10,087,550</u>	<u>5,605,053</u>	<u>25,669,780</u>	<u>20,904,840</u>
Taxation	18	(2,977,894)	(1,820,019)	(7,548,711)	(5,054,244)
Profit after taxation		<u><u>7,109,656</u></u>	<u><u>3,785,034</u></u>	<u><u>18,121,069</u></u>	<u><u>15,850,596</u></u>
Basic and diluted earnings per share (Rs)	21	<u><u>3.61</u></u>	<u><u>1.92</u></u>	<u><u>9.19</u></u>	<u><u>8.04</u></u>

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


CHIEF FINANCIAL OFFICER

DIRECTOR


CHIEF EXECUTIVE

CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Quarter ended March 31, 2017	Quarter ended March 31, 2016 (Restated)	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	Rs '000		Rs '000	
Profit after taxation	7,109,656	3,785,034	18,121,069	15,850,596
Other comprehensive income				
Items not to be reclassified to profit and loss account in subsequent periods				
Remeasurement losses on defined benefit plans - net	-	-	-	-
Deferred taxation	-	-	-	-
Items potentially reclassifiable to profit and loss account in subsequent periods				
Foreign exchange differences on translation of subsidiaries	(7,675)	493	4,961	566,137
Other comprehensive income, net of tax	(7,675)	493	4,961	566,137
Total comprehensive income	7,101,981	3,785,527	18,126,030	16,416,733

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



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE



CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

Note	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs '000 -----	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	85,428,141	81,044,222
Receipts of other income	82,920	488,791
Cash paid to suppliers / service providers and employees	(25,274,711)	(19,275,397)
Payment of indirect taxes and Government levies including royalties	(27,624,346)	(25,304,218)
Income tax paid	(690,381)	(1,744,078)
Finance costs paid	(29,485)	(66,696)
Long-term loans (net)	4,077	3,951
Net cash generated from operating activities	31,896,215	35,146,575

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (net)	(22,308,176)	(21,149,705)
Proceeds from sale of property, plant and equipment	20,434	23,645
Purchase of long-term investments	(10,967,888)	(15,420,394)
Disposal / redemption of long-term investments	4,569,148	3,138,054
Long-term deposits	-	(30,000)
Long-term receivables	-	60,632
Financial income received	4,005,389	4,126,850
Net cash used in investing activities	(24,681,093)	(29,250,918)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance lease	(76,100)	(88,109)
Dividends paid	(6,215,364)	(10,874,960)
Net cash used in financing activities	(6,291,464)	(10,963,069)
Net increase / (decrease) in cash and cash equivalents	923,658	(5,067,412)
Cash and cash equivalents at the beginning of the period	31,975,103	33,635,580
Net foreign exchange differences	6,161	306,930
Cash and cash equivalents at the end of the period	32,904,922	28,875,098

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


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE


CHIEF EXECUTIVE

PAKISTAN PETROLEUM LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

Subscribed and paid-up share capital		Capital reserve	Revenue reserves					Translation reserve	Total reserves	Total
			General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Unappropriated profit			
Ordinary	Convertible preference									
Rs '000										
19,717,171	124	1,428	69,761	34,021,894	23,751,980	5,000,000	105,404,225	71,496	168,319,356	188,038,079
-	-	-	-	-	-	-	15,850,596	-	15,850,596	15,850,596
-	-	-	-	-	-	-	566,137	566,137	566,137	566,137
2	(2)	-	-	-	-	-	15,850,596	566,137	16,416,733	16,416,733
-	-	-	-	-	-	-	(7,886,868)	-	(7,886,868)	(7,886,868)
-	-	-	-	-	-	-	(4,436,364)	-	(4,436,364)	(4,436,364)
-	-	-	-	-	-	-	(28)	-	(28)	(28)
19,717,173	122	1,428	69,761	34,021,894	23,751,980	5,000,000	108,931,561	637,633	172,412,829	192,131,552
19,717,173	122	1,428	69,761	34,021,894	23,751,980	5,000,000	108,605,964	1,478,179	172,927,778	192,646,501
-	-	-	-	-	-	-	18,121,069	-	18,121,069	18,121,069
-	-	-	-	-	-	-	4,961	4,961	4,961	4,961
2	(2)	-	-	-	-	-	18,121,069	4,961	18,126,030	18,126,030
-	-	-	-	-	-	-	(2,464,646)	-	(2,464,646)	(2,464,646)
-	-	-	-	-	-	-	(9)	-	(9)	(9)
-	-	-	-	-	-	-	(5,915,153)	-	(5,915,153)	(5,915,153)
-	-	-	-	-	-	-	(36)	-	(36)	(36)
19,717,175	120	1,428	69,761	34,021,894	23,751,980	2,535,354	116,375,471	1,483,140	178,237,600	197,956,323

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

Comprehensive income for the period

Profit after taxation - Restated
Other comprehensive income for the nine months period ended March 31, 2016, net of tax
Total comprehensive income for the nine months period ended March 31, 2016 - Restated
Conversion of preference shares into ordinary shares

Transactions with owners

Final dividend on ordinary shares @ 40% for the year ended June 30, 2015
Interim dividend for the year ended June 30, 2016
- Ordinary shares - 22.5%
- Convertible preference shares - 22.5%

Balance as at March 31, 2016 - Restated

Balance as at June 30, 2016 (Audited)

Comprehensive income for the period

Profit after taxation
Other comprehensive income for the nine months period ended March 31, 2017, net of tax
Total comprehensive income for the nine months period ended March 31, 2017
Conversion of preference shares into ordinary shares

Transactions with owners

Final dividend for the year ended June 30, 2016
- Ordinary shares - 35%
- Convertible preference shares - 7.5%
Interim dividend for the year ending June 30, 2017
- Ordinary shares - 30%
- Convertible preference shares - 30%

Balance as at March 31, 2017

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CHIEF EXECUTIVE

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

For the nine months period ended March 31, 2017

1. LEGAL STATUS AND OPERATIONS

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

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

1.1 Pakistan Petroleum Limited

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

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

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

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

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

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

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

For the nine months period ended March 31, 2017

1.2 PPL Europe E&P Limited

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

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

1.3 PPL Asia E&P B.V.

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

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

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

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

2. BASIS OF CONSOLIDATION

The consolidated condensed interim financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 3.2 to these consolidated financial statements.

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

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

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

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

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

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

For the nine months period ended March 31, 2017

3. BASIS OF PREPARATION

- 3.1** These consolidated condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard – 34, ‘Interim Financial Reporting’ and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

These consolidated condensed interim financial statements are unaudited and do not include all of the information and disclosures required in the audited consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2016. Further, comparative consolidated condensed interim balance sheet is extracted from the audited consolidated annual financial statements as of June 30, 2016, whereas comparative consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity are stated from unaudited consolidated condensed interim financial statements for the nine months period ended March 31, 2016.

- 3.2** The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC, a wholly owned subsidiary under section 237 of the Companies Ordinance, 1984. Accordingly, the Group has not consolidated the subsidiary in its consolidated condensed interim financial statements for the nine months period ended March 31, 2017.

3.3 Amendments to approved accounting standards which became effective during the nine months period ended March 31, 2017

There were certain amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Group’s financial reporting and are, therefore, not disclosed in these consolidated condensed interim financial statements.

3.4 New standards and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Group

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements. Further, the new standards are yet to be adopted by the SECP.

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

For the nine months period ended March 31, 2017

4. ACCOUNTING POLICIES

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

Further, certain comparative information disclosed in the profit and loss accounts for the quarter and the nine months period ended March 31, 2017, have been restated due to the change in accounting policy in respect of determination of the Holding Company's joint interest in Bolan Mining Enterprises (BME) as joint operation, as more fully explained in note 3.3(c)(i) to the consolidated financial statements for the year ended June 30, 2016. However, the impact of the above is not significant.

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

5. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Estimates, assumptions and judgments made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2016.

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

5.1 Implications of revised IFRS 2 (Share-based Payment) on Benazir Employees' Stock Option Scheme (BESOS)

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

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

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs'000 -----	
6. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	94,279,729	60,568,313
Additions to:		
- owned assets	9,186,690	39,078,983
- assets subject to finance lease	21,323	175,876
	9,208,013	39,254,859
	103,487,742	99,823,172
Disposals / adjustments during the period / year (NBV)	(223,203)	5,904,390
Depreciation / amortisation charged during the period / year	(11,667,706)	(11,390,296)
Impairment loss	-	(57,537)
	91,596,833	94,279,729
Capital work-in-progress - note 6.1	46,570,811	38,182,932
	138,167,644	132,462,661

6.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	9,727,420	5,834,602
Exploration and evaluation (E&E) assets - note 6.1.1	15,949,745	12,365,754
Development and production assets	6,399,816	6,413,387
Lands, buildings and civil constructions	148,107	119,896
Capital stores for drilling and development	14,345,723	13,449,293
	46,570,811	38,182,932

- 6.1.1** Amounts under E&E assets are netted off by cost of dry wells charged to profit and loss account during the period / year, amounting to Rs 4,594 million (June 30, 2016: Rs 4,994 million).

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs'000 -----	
7. LONG-TERM INVESTMENTS		
Investment in related party		
- Wholly owned subsidiary		
- PPPFTC - note 3.3	1	1
Other investments		
- Held-to-maturity		
- Term Finance Certificates (TFCs)	66,493	99,740
- Pakistan Investment Bonds (PIBs)	21,918,824	22,122,574
- Local currency term deposits with bank	2,000,000	2,000,000
- Foreign currency term deposits with banks	18,846,053	15,627,766
	42,831,370	39,850,080
- Designated at fair value through profit or loss		
- Mutual Funds - note 7.1	3,351,813	-
Less: Current maturities		
- TFCs	(66,493)	(66,493)
- PIBs	(21,918,824)	-
	(21,985,317)	(66,493)
	24,197,867	39,783,588

7.1 These investments have been categorised under Level 1 of the fair value hierarchy. IFRS - 7, 'Financial Instruments: Disclosure' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs'000 -----	
8. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	10,893,585	7,881,749
Sui Northern Gas Pipelines Limited (SNGPL)	19,621,482	22,227,581
Sui Southern Gas Company Limited (SSGCL)	22,049,309	21,700,172
Pak-Arab Refinery Limited (PARCO)	1,491,411	784,867
Oil & Gas Development Company Limited (OGDCL)	34,480	20,328
	54,090,267	52,614,697
Non-related parties		
Attock Refinery Limited (ARL)	5,292,037	4,451,970
National Refinery Limited (NRL)	488,992	274,111
Others	649,690	613,775
	6,430,719	5,339,856
	60,520,986	57,954,553
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 8.3	(1,156,220)	(1,156,220)
	-	-
	60,520,986	57,954,553
8.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	17,572,822	16,426,866
Past due but not impaired:		
Related parties		
- within 90 days	15,025,741	12,304,046
- 91 to 180 days	13,667,948	13,364,024
- over 180 days	12,736,661	14,601,392
	41,430,350	40,269,462
Non-related parties		
- within 90 days	1,340,018	1,135,090
- 91 to 180 days	70,654	7,046
- over 180 days	107,142	116,089
	1,517,814	1,258,225
	60,520,986	57,954,553

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

For the nine months period ended March 31, 2017

- 8.2** Trade debts include overdue amount of Rs 41,146 million (June 30, 2016: Rs 40,263 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 2,958 million (June 30, 2016: Rs 2,421 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

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

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

March 31, 2017 Unaudited	June 30, 2016 Audited
----- Rs'000 -----	

9. SHORT-TERM INVESTMENTS

Held-to-maturity

Local currency term deposits with banks	12,517,500	19,012,500
Foreign currency term deposits with banks	7,514,282	9,044,220
Investment in treasury bills	6,877,114	-
	26,908,896	28,056,720

10. DEFERRED TAXATION

(Deductible) / taxable temporary differences on:

Exploration expenditure	(2,738,000)	(2,866,000)
Provision for staff retirement and other benefits	(736,628)	(976,450)
Provision for obsolete / slow moving stores	(40,067)	(41,403)
Provision for doubtful debts	(462,488)	(462,488)
Unused tax losses - note 10.1	(3,096,099)	(5,315,277)
Provision for decommissioning obligation	1,012,654	1,200,946
Accelerated tax depreciation allowances	7,487,472	8,182,286
Exploratory wells cost	11,969,952	10,573,198
Development and production assets	16,883,073	14,897,151
Amortisation of intangible assets	14,439	14,218
Others	12,085	5,435
	30,306,393	25,211,616

- 10.1** Deferred tax asset of Rs 3,096 million (June 30, 2016: Rs 5,315 million) represents the impact of unadjusted losses against the aggregate tax liability computed on the profits and gains of the relevant Concession Agreements.

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

For the nine months period ended March 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	----- Rs'000 -----	
11. TRADE AND OTHER PAYABLES		
Creditors	427,134	508,016
Accrued liabilities	4,764,582	6,443,609
Security deposits from LPG distributors	581,710	515,450
Retention money	89,409	40,795
Unpaid and unclaimed dividends	6,848,023	247,179
Gas development surcharge (GDS)	8,568,054	5,804,283
Gas infrastructure development cess (GIDC)	1,965,809	1,541,186
Sales tax (net)	7,519	8,167
Royalties	3,019,724	4,041,453
Current accounts with joint operation partners	8,708,980	12,285,840
Liabilities for staff retirement benefit plans	534,569	962,756
Workers' Profits Participation Fund (WPPF)	1,223,155	-
Contractual obligations for Iraq EDPSC	1,003,145	832,179
Others	154,959	154,476
	37,896,772	33,385,389

12. CONTINGENCIES AND COMMITMENTS

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

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs'000 -----	
13. SALES - net		
Gross sales		
Natural gas	61,798,631	59,441,008
Gas supplied to Sui villages	137,384	161,455
Internal consumption of gas	76,163	94,720
Crude oil / Condensate / Natural Gas Liquids	22,480,423	16,525,023
LPG	3,280,761	2,629,225
Barytes	240,552	367,535
	88,013,914	79,218,966
Government levies / discounts		
Federal excise duty	(1,595,159)	(1,416,435)
Sales tax	(9,578,905)	(9,168,119)
GDS	(10,299,301)	(6,847,662)
GIDC	(2,206,608)	(1,704,125)
Discounts (Barytes)	(19,412)	(26,417)
	(23,699,385)	(19,162,758)
	64,314,529	60,056,208

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

For the nine months period ended March 31, 2017

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs'000 -----	
14. FIELD EXPENDITURES		
Development and drilling	6,365,957	5,456,212
Exploration	7,961,822	10,506,696
Depreciation	4,602,159	3,211,079
Amortisation of intangible assets	105,956	84,756
Amortisation of decommissioning cost	1,278,947	442,177
Amortisation of development and production assets	5,786,600	4,054,460
Salaries, wages, welfare and other benefits	6,973,049	6,901,357
Employees' medical benefits	310,247	347,232
Manpower development	75,140	59,025
Travelling and conveyance	385,595	442,383
Communication	36,356	26,759
Stores and spares consumed	623,910	1,051,833
Fuel and power	147,686	172,550
Rent, rates and taxes	127,792	99,546
Insurance	397,080	394,725
Repairs and maintenance	387,824	415,032
Professional services	110,382	85,573
Auditors' remuneration	24,125	21,443
Free supply of gas to Sui villages	137,384	161,455
Donations	62,964	21,642
Social welfare / community development	134,600	50,180
Other expenses	176,925	203,593
	36,212,500	34,209,708
Recoveries	(3,367,841)	(2,001,215)
	32,844,659	32,208,493
15. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	214,606	193,939
Income on term deposits	938,190	969,483
Income on long-term held-to-maturity investments	2,021,405	2,046,132
Income from investment in treasury bills	57,154	94,423
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	141,736	217,791
	3,373,091	3,521,768
Income from assets other than financial assets		
Rental income on assets	940	174,726
Profit on sale of property, plant and equipment (net)	9,019	14,247
Exchange gain on foreign currency (net)	-	367,466
Share of profit on sale of LPG	93,872	129,493
Others	1,732	16,676
	105,563	702,608
	3,478,654	4,224,376

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

For the nine months period ended March 31, 2017

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs'000 -----	
16. OTHER OPERATING EXPENSES		
WPPF	1,402,481	1,154,032
Exchange loss on foreign exchange (net)	15,445	-
Impairment loss	-	2,588,688
	1,417,926	3,742,720
17. FINANCE COSTS		
Financial charges for liabilities against assets subject to finance lease	29,048	66,557
Unwinding of discount on decommissioning obligation	322,087	470,614
Others	749	344
	351,884	537,515
18. TAXATION		
Current		
- For the nine months period	2,453,934	2,258,950
- For the prior year	-	(349,610)
	2,453,934	1,909,340
Deferred	5,094,777	3,144,904
	7,548,711	5,054,244
19. CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,996,026	5,058,156
Short-term highly liquid investments	26,908,896	23,816,942
	32,904,922	28,875,098

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

For the nine months period ended March 31, 2017

20. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs'000 -----	
Sales of gas / barytes to State controlled entities (including Government levies)		
- GENCO-II	18,407,745	13,328,953
- SSGCL	12,116,040	11,906,787
- SNGPL	31,274,845	34,205,267
- OGDCL	106,065	123,386
	61,904,695	59,564,393
Long-term receivables, trade debts and other receivables from State controlled entities as at March 31	53,028,377	51,095,025
Transactions with Associated Companies		
Sales of crude oil / condensate	4,221,641	3,636,024
Expenses incurred	6,922	6,355
Transactions with Joint Operations:		
Payments of cash calls to joint operations	33,029,567	33,703,651
Expenditures incurred by the joint operations	27,196,967	34,195,641
Under advance balances relating to joint operations as at March 31	5,051,252	3,903,219
Current account receivables relating to joint operations as at March 31	1,450,339	966,207
Current account payables relating to joint operations as at March 31	82,798	157,695
Income from rental of assets to joint operations	940	174,726
Purchase of goods from BME - net	225,952	179,808
Reimbursement of employee cost on secondment to BME	15,013	19,476

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

For the nine months period ended March 31, 2017

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
	----- Rs'000 -----	
Other related parties		
Dividend to GoP	4,658,712	8,319,129
Dividend to Trust under BESOS	507,392	579,876
Transactions with retirement benefit funds	691,397	620,951
Remuneration to key management personnel	1,891,202	1,660,167
Payment of rental to Pakistan Industrial Development Corporation	73,919	59,367
Payment to National Insurance Company Limited (NICL)	534,127	700,876
Insurance claim received from NICL	-	1,016,812
Payment to Pakistan State Oil Company Limited	376,031	302,329

- 20.1** Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to six non-executive directors of the Holding Company was Rs 4.675 million (March 2016: Rs 10 million to seven non-executive directors).
- 20.2** The Holding Company has provided parent company guarantee to Midland Oil Company, Iraq in respect of performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 10,470 million), out of which US\$ 71.512 million (Rs 7,487 million) is outstanding. The 3D seismic survey has been completed and the results are in the process of being evaluated for planning drilling activity.
- 20.3** The Holding Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 556 million) to Directorate General of Petroleum Concessions (DGPC) in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.
- 20.4** Gas sales are made to various State controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

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

For the nine months period ended March 31, 2017

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
21. EARNINGS PER SHARE		
21.1 Basic earnings per share		
Profit after taxation (Rs'000)	18,121,069	15,850,596
Dividend on convertible preference shares (Rs'000)	(36)	(37)
Profit attributable to ordinary shareholders (Rs'000)	18,121,033	15,850,559
Weighted average number of ordinary shares in issue	1,971,717,366	1,971,717,120
Basic earnings per share (Rs)	9.19	8.04

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

	Nine months ended March 31, 2017	Nine months ended March 31, 2016 (Restated)
21.2 Diluted earnings per share		
Profit after taxation (Rs'000)	18,121,069	15,850,596
Weighted average number of ordinary shares in issue	1,971,717,366	1,971,717,120
Adjustment for convertible preference shares	12,089	12,335
Weighted average number of ordinary shares for diluted earnings per share	1,971,729,455	1,971,729,455
Diluted earnings per share (Rs)	9.19	8.04

22. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 27, 2017 by the Board of Directors 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, 2017

23. GENERAL

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



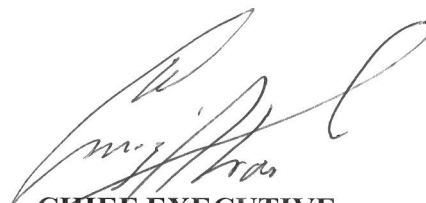
CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



CHIEF EXECUTIVE