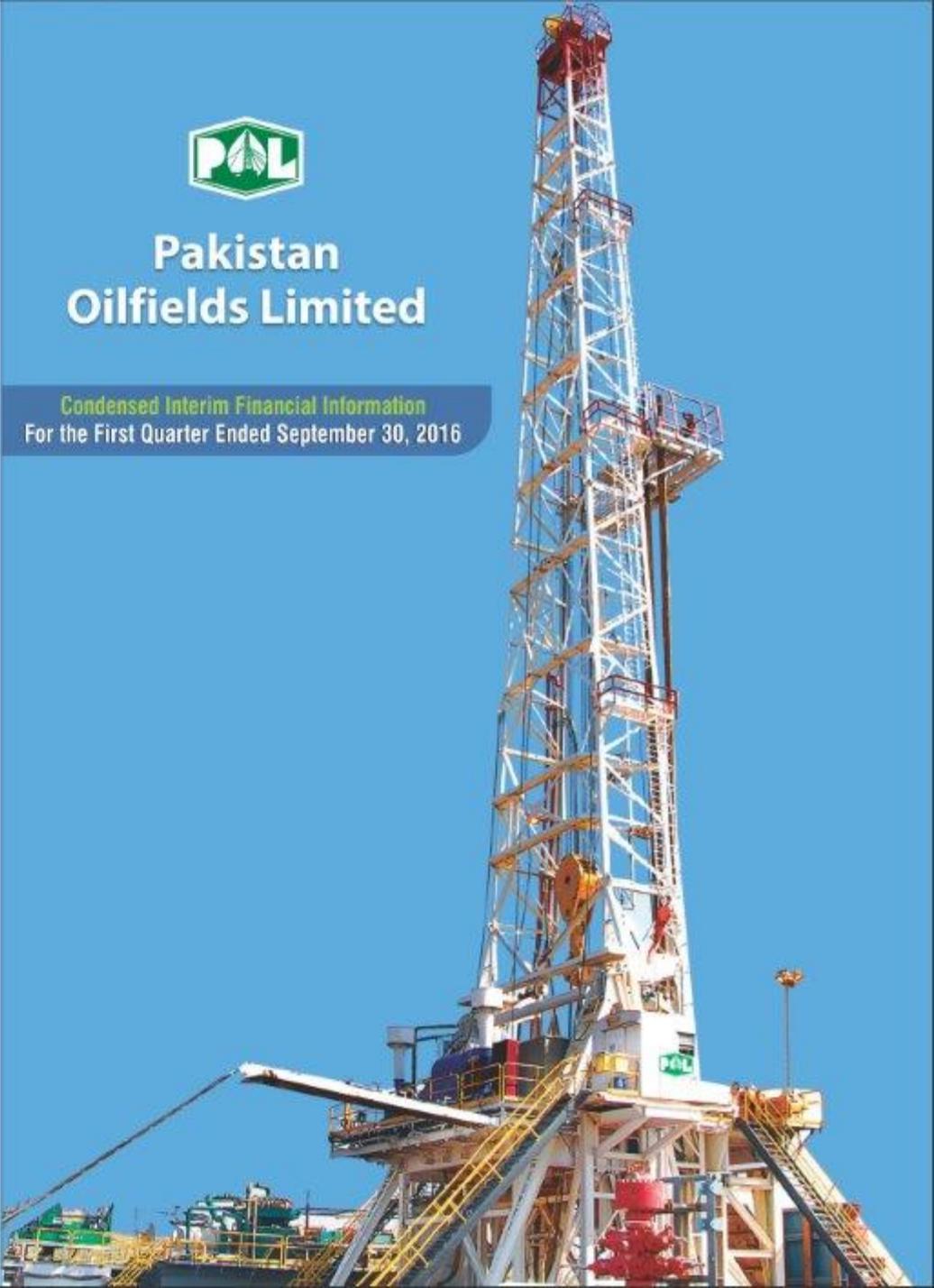




Pakistan Oilfields Limited

Condensed Interim Financial Information

For the First Quarter Ended September 30, 2016





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Vision

To be the leading oil and gas exploration and production Company of Pakistan with the highest proven hydrocarbon reserves and production, and which provides optimum value to all stakeholders.

Mission

We aim to discover and develop new hydrocarbon reserves and enhance production from existing reserves through the application of the best available technologies and expertise.

In achieving our aim, we will maximize the return to our shareholders, fully protect the environment, enhance the wellbeing of our employees and contribute to the national economy.



Corporate Information

Directors

Dr. Ghaith R. Pharaon

Alternate Director - **Mr. Bilal Ahmad Khan**

Mr. Laith G. Pharaon

Alternate Director - **Mr. Sajid Nawaz**

Mr. M. Morfarrih Saeed H. Alghamdi

Alternate Director - **Mr. Babar Bashir Nawaz**

Mr. Abdus Sattar

Mr. Nihal Cassim

Mr. Tariq Iqbal Khan

Mr. Shuaib A. Malik

Chairman & Chief Executive

Audit Committee

Mr. Abdus Sattar

Chairman

Mr. Babar Bashir Nawaz

Member

Mr. Nihal Cassim

Member

Mr. Tariq Iqbal Khan

Member

Mr. Bilal Ahmad Khan

Member

Human Resource and Remuneration (HR &R) Committee

Mr. Babar Bashir Nawaz

Chairman

Mr. Shuaib A. Malik

Member

Mr. Abdus Sattar

Member

Mr. Bilal Ahmad Khan

Member

Company Secretary / CFO

Syed Khalid Nafees

Auditors & Tax Advisors

A.F. Ferguson & Co.

Chartered Accountants

Legal Advisors

Khan & Piracha

Ali Sibtain Fazli & Associates

Registered Office

Pakistan Oilfields Limited

P.O.L. House, Morgah, Rawalpindi

Telephone: +92 51 5487589-97

Fax: + 92 51 5487598-99

E-mail: polcms@pakoil.com.pk

Website: www.pakoil.com.pk

Shareholder Enquiries

For enquiries about your shareholding, including information relating to dividends or share certificates, please:

E-mail to: cs@pakoil.com.pk or

Write to: The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi,
Pakistan.

Quarterly Report

The quarterly report can be downloaded from the Company's website:

www.pakoil.com.pk

printed copies can be obtained by writing to:

The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi,
Pakistan.





DIRECTORS' REVIEW

In the name of ALLAH, The Most Gracious, The Most Merciful

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the quarter ended September 30, 2016.

Financial results

During the period, the Company has made a profit after tax of Rs. 2,317.5 million (September 30, 2015: Rs. 1,407.9 million), which is higher by 64.6% as compared to the corresponding period last year. The profit translate into earning per share of Rs. 9.80 (September 30, 2015: Rs. 5.95 per share). Increase in profit is mainly because of lower exploration cost as last year one well cost was charged to expense due to negative results. Average crude oil price declined by 13.7% and average gas price increased by around 8.1% in comparison to corresponding period last year. The decrease in average crude oil price is compensated by an increase in sales volume of crude oil by 10.9% and sales volume of LPG also increased by 12.3% in comparison to corresponding period last year.

Production

The following is a comparison of production from the Company's fields, including proportionate share from all operated and non-operated joint ventures:

		Three months period ended	
		Sep 30, 2016	Sep 30, 2015
Crude Oil/Condensate	(US Barrels)	562,635	520,811
Gas	(Million Cubic Feet)	6,619	6,619
LPG	(Metric Tonnes)	13,566	10,734
Sulphur	(Metric Tonnes)	167	91
Solvent Oil	(US Barrels)	4,691	7,238

The Company's share in production, including that from joint ventures, for the period under review averaged 6,116 barrels per day (bpd) of crude, 71.94 million standard cubic feet per day (mmscfd) of gas, 51 bpd of solvent oil, 147.46 metric tonnes per day (MTD) of LPG and 1.82 MTD of sulphur.

Exploration and development activities

Producing Fields

At Balkassar field (100% owned by POL), work on 3D seismic data acquisition design is in progress.

At Pariwali field (operated by POL with 82.5% share), reservoir simulation study is in progress.

At Pindori field (operated by POL with a 35% share), working on different drilling options is under review to explore un-drained area.



Directors' Review

At TAL block (operated by MOL, where POL has a pre-commerciality share of 25%),

Mardankhel-1 well connection to the production facility work was stopped due to security problems and operator is pursuing to resolve this issue on priority.

Mardankhel-2 well was spudded on September 09, 2016. Drilling down to 6,575 ft is in progress. Prognosed target depth of the well is $\pm 15,774$ ft.

Mardankhel-3 well was spudded on June 02, 2016. Drilling down to 13,074 ft is in progress. Prognosed target depth of the well is $\pm 15,814$ ft.

Maramzai-4 well was spudded on August 21, 2016 and drilling down to 7,953 ft is in progress. Prognosed target depth is $\pm 10,400$ ft.

Well location of Makori East-06 (Development Well) has also been approved.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share),

Adhi-26: The well was spudded on July 04, 2016 and drilling down to 8,421 ft is in progress. Proposed target depth of the well is $\pm 11,404$ ft.

Adhi-27: The well tested and produced 684 barrels of oil per day and 5.72 mmscf of gas per day at choke size of 32/64" at well head flowing pressure of 1,060 psi, prior to frac job

Well Workover at Adhi-15 and Adhi-17 are in progress.

The new Adhi gas processing Plant-3, having a capacity of 30 mmscfd of gas has been commissioned but due to a mechanical problem it is not running on full potential.

At Ratana Field (Operated by Ocean Pakistan Limited, where POL has 4.545% share), 3D seismic data acquisition of 377 sq.kms to explore full potential of the field is in progress.

Exploration blocks

At Ikhlas block (operated by POL with 80% share), an exploratory well Jhandial -1 was spudded on August 22, 2016 and drilling down to 6,079 ft is in progress. Prognosed target depth is around 17,988 ft. Reprocessing of ~400 line kilometers of 2D seismic data is in progress to identify more drillable prospects.

At DG Khan block (operated by POL with a 70% share), last acquired 2D seismic data identified new leads, about 264 line kilometers additional 2D seismic data acquisition has been planned to firm up the identified leads.



Directors' Review

At Margala block (operated by MOL where POL has a 30% share), 2D seismic data acquisition of ~ 70 line kilometers in Margala block has been planned to evaluate the potential in the exploration license.

At TAL block (operated by MOL where POL has a pre-commerciality share of 25%), 2D/3D Seismic data interpretation is in progress to explore the possible deeper plays in TAL block. Processing of acquired data of around 70% of 870 sq.km of gravity survey over western part of Manzalai is in progress. Rest of acquisition of gravity survey data will be resumed after security clearance.

At Gurgalot block (operated by OGDCL where POL has a 20% share), Surqamar-1 was spudded on March 07, 2015 after conducting several side tracks due to fishing and mud loss problems, drilling at 14,167 ft is in progress. Revised prognosed target depth of the well is $\pm 16,847$ ft. Acquisition of 3D seismic data in Gurgalot block to cover all the mapped leads has been planned.

Acknowledgment

The Board would like to extend its gratitude to all its stakeholders for their continuous support, which they have extended to Pakistan Oilfields Limited

On behalf of the Board

Shuaib A. Malik
Chairman & Chief Executive

Rawalpindi
October 19, 2016

ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم والا ہے۔
السلام علیکم!

ڈائریکٹرز کو ستمبر ۳۰، ۲۰۱۶ء کو اختتام پذیر سہ ماہی مالیاتی نتائج اور کمپنی کے امور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

مالیاتی نتائج:

اس عرصہ میں کمپنی نے بعد از ٹیکس ۲،۳۱۷.۵ ملین کا منافع حاصل کیا جو کہ الحمد للہ گزشتہ برس اسی دورانیے (ستمبر ۳۰، ۲۰۱۵ء: ۹: ۱۴۰۷ ملین روپے) کے مقابلے میں ۶۲۶.۶ فی صدزائد ہے۔ یہ منافع ظاہر کرتا ہے کہ فی حصص آمدنی ۹.۸۰ روپے رہی (ستمبر ۳۰، ۲۰۱۵ء: ۵.۹۵ روپے فی حصص)۔ منافع میں اضافے کی اہم وجہ کم در یافتی اخراجات ہیں کیونکہ گزشتہ برس ایک کنویں کے منفی نتائج آنے کی بناء پر اس کی لاگت اخراجات میں شامل کر دی گئی تھی۔ خام تیل کی قیمت اوسطاً ۱۳.۷۷ فی صد کم ہوئی جب کہ گیس کی قیمت میں گزشتہ برس کی اسی مدت کے مقابلے میں اوسطاً ۸.۱ فی صد کا اضافہ ہوا۔ خام تیل کی قیمت میں تنزیل کا اس کی فروخت میں ۱۰.۹ فی صد اضافہ سے ازالہ ہو گیا جب کہ مائع پٹرولیم گیس (LPG) کی فروخت بھی گزشتہ برس کی اسی مدت کے مقابلے میں ۱۲.۳ فی صدزائد رہی۔

پیداوار:

کمپنی کی اپنی اور دیگر انتظامی و غیر انتظامی مشترکہ منصوبوں سے حاصل شدہ متناسب پیداوار کا موازنہ درج ذیل ہے:

۳۰، ستمبر ۲۰۱۵ء	۳۰، ستمبر ۲۰۱۶ء		
۵۲۰،۸۱۱	۵۶۲،۶۳۵	(یو ایل بی بیرل)	خام تیل / انجماد
۶،۶۱۹	۶،۶۱۹	(ملین کیوبک فٹ)	گیس
۱۰،۷۳۴	۱۳،۵۶۶	(میٹرک ٹن) LPG	مائع پٹرولیم گیس
۹۱	۱۶۷	(میٹرک ٹن)	سلفر
۷۰،۲۳۸	۴،۶۹۱	(یو ایل بی بیرل)	سالونٹ آئل

زیر جائزہ مدت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۶،۱۱۶ بیرل، گیس ۱.۹۴ ملین سٹینڈرڈ کیوبک فٹ، مائع پٹرولیم گیس ۱۳۷.۴۶ میٹرک ٹن، سلفر ۱.۸۲ میٹرک ٹن اور سالونٹ آئل ۵۱ بیرل۔

دریافتی اور ترقیاتی سرگرمیاں:

پیداواری فیلڈز:

بلکسر (۱۰۰ فی صد پی او ایل کی ملکیت) میں 3D ارضیاتی اعداد و شمار کے ڈیزائن پر کام جاری ہے۔

احمدال (۸۲.۵ فی صد حصہ کے ساتھ پی او ایل کے زیر انتظام) میں ذخائر کا تخمینہ مطالعہ (Reservoir simulation study) جاری ہے۔



ڈائریکٹرز رپورٹ

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) میں نئے ذخائر تلاش کرنے کے لئے کھدائی کے مختلف آپشن زیر غور ہیں۔

تل بلاک (زیر انتظام مول، جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے)

مردان خیل-۱ امن امان کے مسائل کی وجہ سے اس کنویں کو پیداواری عمل سے منسلک کرنے کا کام روک دیا گیا تھا اور انتظامی کمپنی معاملات درست کرنے کے لئے کوشاں ہے۔

مردان خیل-۲ ستمبر ۲۰۱۶ء کو کنویں کی کھدائی کا آغاز ہو گیا تھا۔ ۶،۵۷۵ فٹ پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف اندازاً ۱۵،۷۷۷ فٹ مقرر کیا گیا ہے۔

مردان خیل-۳ جون ۲۰۱۶ء کو کنویں کی کھدائی کا آغاز ہو گیا تھا۔ ۱۳،۰۷۷ فٹ پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف اندازاً ۱۵،۸۱۳ فٹ تجویز کیا گیا ہے۔

مارم زئی-۴ اگست ۲۰۱۶ء کو کنویں کی کھدائی کا آغاز ہو گیا تھا اور ۹،۹۵۳ فٹ پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف اندازاً ۱۰،۴۰۰ فٹ تجویز کیا گیا ہے۔

مکوڑی شرقی-۶ (ترقیاتی کنواں) کنویں کی جگہ کی منظوری دی جا چکی ہے۔

آہدی (زیر انتظام پاکستان پٹرولیم لمیٹڈ، جہاں پی او ایل کا حصہ ۱۱ فی صد ہے)

آہدی-۲۶ جولائی ۲۰۱۶ء کو کنویں کی کھدائی کا آغاز ہو گیا تھا اور ۸،۴۲۱ فٹ پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف اندازاً ۱۱،۴۰۰ فٹ تجویز کیا گیا ہے۔

آہدی-۲۷ کنویں کو جانچا گیا اور یہاں سے پومیر ۶۸۴ بیرل تیل اور ۲۷.۷ ملین کیوبک فٹ گیس چوک سائز ۳۲/۶۴ پر کنویں کے بہاؤ کے دباؤ psi ۱۰۶۰ پر قبل از فیرک جاب (Frac job) حاصل ہوئی۔

آہدی-۱۵ اور آہدی-۱۷ پراضافی کام (workover) جاری ہے۔

آہدی میں ۳۰ ملین کیوبک فٹ گیس کی گنجائش کے حامل نئے گیس پروسسنگ پلانٹ-۳ کی تنصیب مکمل ہو چکی ہے مگر بعض تکنیکی وجوہات کی بناء پر یہ اپنی پوری صلاحیت کے مطابق کام نہیں کر رہا۔

رتانہ (زیر انتظام اوٹن پاکستان لمیٹڈ، جہاں پی او ایل کا حصہ ۵۴.۵ فی صد ہے) میں ۳۷ مربع کلومیٹر میں ۳D ارضیاتی اعداد و شمار پر کام جاری ہے تاکہ یہاں موجود مکمل ذخائر دریافت کیا جاسکیں۔

دریافتی قطعات (فیلڈز):

اخلاص (۸۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) میں اگست ۲۰۱۶ء کو دریافتی کنواں جنڈیل-۱ کی کھدائی کا آغاز ہو گیا تھا اور ۶،۰۷۵ فٹ پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف اندازاً ۹،۸۸۸ فٹ تجویز کیا گیا ہے۔ قابل کھدائی عوامل کا جائزہ لینے کے لئے ۴۰۰ لائن کلومیٹر پر 2D ارضیاتی اعداد و شمار پر کام جاری ہے۔

ڈائریکٹرز رپورٹ

ڈی جی خان (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) گذشتہ 2D ارضیاتی اعداد و شمار نے نئی سمت میں نشاندہی کی ہے تقریباً ۲۶۴ لائن کلومیٹر پر 2D ارضیاتی اعداد و شمار (Acquisition) حاصل کرنے کا منصوبہ بنایا گیا ہے۔

مارگلہ بلاک (زیر انتظام مول، جہاں پی او ایل کا حصہ ۳۰ فی صد ہے) میں ۷۰ لائن کلومیٹر (2D Acquisition) کے ارضیاتی اعداد و شمار کے حصول کی منصوبہ بندی کی گئی ہے تاکہ دریافتی لائسنس میں موجود امکانات کا جائزہ لیا جاسکے۔

تل بلاک (زیر انتظام مول، جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) میں ممکنہ گہرائیوں کے جائزے کے لئے 2D/3D ارضیاتی اعداد و شمار کی تشریح ہو رہی ہے۔ منزالاتی کے مغربی حصے میں ۸۷۰ مربع کلومیٹر کے تقریباً سترونی صد حصے کے Gravity Survey سے حاصل شدہ اعداد و شمار پر کام جاری ہے باقی ماندہ حصے پر کام سکیورٹی کی صورت حال بہتر ہونے پر شروع کیا جائے گا۔

گرگلوٹ بلاک (زیر انتظام اوجی ڈی سی ایل، جہاں پی او ایل کا حصہ ۲۰ فی صد ہے) میں مارچ ۷، ۲۰۱۵ء کو سرفہرہ ۱ کنویں کی کھدائی کا آغاز ہوا تھا۔ فٹنگ اور Mud Loss جیسے مسائل کی وجہ سے متعدد ضمنی ٹریک کرنے پڑے اب کھدائی ۱۶۱۶ فٹ پر جاری ہے۔ نظر ثانی شدہ اندازے کے مطابق اس کنویں کی گہرائی کا ہدف ۸۴۷، ۱۶ فٹ ہے۔

اس نچلے میں 3D ارضیاتی اعداد و شمار حاصل کئے جا رہے ہیں تاکہ وہ تمام مطلوبہ مقاصد حاصل کئے جاسکیں جن کی منصوبہ بندی کی گئی تھی۔

اظہار تشکر :

پی او ایل بورڈ تمام سٹیک ہولڈرز کے تعاون کرنے پران کا شکر گزار ہے۔

منجانب بورڈ :



شعبہ اے ملک

چیرمین و چیف ایگزیکٹو

راولپنڈی،

۱۹، اکتوبر ۲۰۱۶ء



Condensed Interim Balance Sheet (Unaudited)

As at September 30, 2016

	Note	Sep 30, 2016	June 30, 2016
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
500,000,000 (June 30, 2016: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital 236,545,920 (June 30, 2016: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459
Revenue reserves	4	25,372,829	27,786,277
Fair value gain on available-for-sale investments		1,995	1,995
		27,740,283	30,153,731
NON CURRENT LIABILITIES			
Long term deposits		835,606	831,115
Deferred liabilities	5	15,983,910	15,636,642
		16,819,516	16,467,757
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	10,823,750	5,550,547
Provision for income tax		3,666,050	3,545,221
		14,489,800	9,095,768
CONTINGENCIES AND COMMITMENTS			
	7		
		59,049,599	55,717,256



	Note	Sep 30, 2016	June 30, 2016
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	8	10,216,588	10,421,400
Development and decommissioning costs	9	14,485,449	14,584,913
Exploration and evaluation assets	10	1,606,071	900,813
		26,338,108	25,907,126
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES			
	11	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS			
	12	5,975	5,975
LONG TERM LOANS AND ADVANCES			
		14,110	12,852
CURRENT ASSETS			
Stores and spares		4,214,574	4,236,485
Stock in trade		431,585	375,521
Trade debts	13	3,131,548	3,335,961
Advances, deposits, prepayments and other receivables	14	1,738,963	1,463,932
Cash and bank balances	15	13,559,133	10,763,801
		23,075,803	20,175,700
		59,049,599	55,717,256

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Profit and Loss Account (Unaudited)

For the 1st quarter ended September 30, 2016

	Note	Three months period ended	
		Sep 30, 2016	Sep 30, 2015
—Rupees ('000)—			
SALES		6,293,436	6,303,540
Sales tax		(569,246)	(551,652)
NET SALES	16	5,724,190	5,751,888
Operating costs	17	(2,024,699)	(2,144,251)
Excise duty and development surcharge		(62,012)	(64,406)
Royalty		(497,680)	(477,012)
Amortisation of development and decommissioning costs		(560,714)	(762,109)
		(3,145,105)	(3,447,778)
GROSS PROFIT		2,579,085	2,304,110
Exploration costs	18	(64,497)	(1,135,385)
		2,514,588	1,168,725
Administration expenses		(37,680)	(38,575)
Finance costs	19	(194,820)	(416,483)
Other charges	20	(171,670)	(93,215)
		(404,170)	(548,273)
Other income	21	2,110,418	620,452
		716,607	838,271
PROFIT BEFORE TAXATION		2,827,025	1,458,723
Provision for taxation	22	(509,555)	(50,855)
PROFIT FOR THE PERIOD		2,317,470	1,407,868
Earnings per share - Basic and diluted (Rs)		9.80	5.95

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)**

For the 1st quarter ended September 30, 2016

	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
	Rupees ('000)	
Other Comprehensive Income		
Profit for the period	2,317,470	1,407,868
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,317,470	1,407,868

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Cash Flow Statement (Unaudited)

For the 1st quarter ended September 30, 2016

Note	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
Rupees ('000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
	6,048,569	6,244,036
Cash receipts from customers	(1,464,962)	(3,153,152)
Operating and exploration costs paid	(469,734)	(461,087)
Royalty paid	(235,729)	(184,701)
Taxes paid	3,878,144	2,445,096
Cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
	(1,383,486)	(539,628)
Fixed assets additions	8,352	431
Proceeds from disposal of property, plant and equipment	79,785	114,761
Income on bank deposits and held-to-maturity investments	227,706	12,910
Dividend income received	(1,067,643)	(411,526)
Cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
	(2,135)	(3,127,641)
Dividend paid	(2,135)	(3,127,641)
Cash used in financing activities		
EFFECT OF EXCHANGE RATE CHANGES		
	(13,034)	248,150
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	2,795,332	(845,921)
CASH AND CASH EQUIVALENTS AT JULY 01,		
	10,763,801	10,613,993
CASH AND CASH EQUIVALENTS AT SEP 30,		
	13,559,133	9,768,072

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Statement of Changes in Equity (Unaudited) For the 1st quarter ended September 30, 2016

	Share Capital	Revenue reserves			Fair value gain/ (loss) on available-for-sale investments	Total
		Insurance Reserve	Investment Reserve	Unappropriated profit		
Rupees ('000)						
Balance at June 30, 2015	2,365,459	200,000	1,557,794	28,239,206	2,059	32,364,518
Total comprehensive income for the period:						
Profit for the period	-	-	-	1,407,868	-	1,407,868
Other comprehensive income	-	-	-	-	-	-
	-	-	-	1,407,868	-	1,407,868
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2015	-	-	-	5,913,648	-	(5,913,648)
Total transaction with owners	-	-	-	(5,913,648)	-	(5,913,648)
Balance at September 30, 2015	2,365,459	200,000	1,557,794	23,733,426	2,059	27,858,738
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,825,947	-	5,825,947
Other comprehensive income	-	-	-	17,299	(64)	17,235
	-	-	-	5,843,246	(64)	5,843,182
Transaction with owners:						
Interim dividend @ Rs 15 per share - Year ended June 30, 2016	-	-	-	(3,548,189)	-	(3,548,189)
Total transaction with owners	-	-	-	(3,548,189)	-	(3,548,189)
Balance at June 30, 2016	2,365,459	200,000	1,557,794	26,028,483	1,995	30,153,731
Total comprehensive income for the period:						
Profit for the period	-	-	-	2,317,470	-	2,317,470
Other comprehensive income	-	-	-	-	-	-
	-	-	-	2,317,470	-	2,317,470
Transaction with owners:						
Final dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	(4,730,918)	-	(4,730,918)
Total transaction with owners	-	-	-	(4,730,918)	-	(4,730,918)
Balance at September 30, 2016	2,365,459	200,000	1,557,794	23,615,035	1,995	27,740,283

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

1. Legal status and operations

The Company is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas. Its activities also include marketing of Liquefied Petroleum Gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

2. Statement of compliance

This condensed interim financial information of the Company for the 1st quarter ended September 30, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 shall prevail.

3. Accounting policies

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

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	

4. Revenue reserves

Insurance reserve - note 4.1	200,000	200,000
Investment reserve - note 4.2	1,557,794	1,557,794
Unappropriated profit	23,615,035	26,028,483
	25,372,829	27,786,277

4.1 The Company has set aside an insurance reserve for self insurance of assets which have not been insured and deductibles against insurance claims.

4.2 The Company has set aside gain on sale of investments as investment reserve to meet any future losses / impairment on investments.



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	
5. Deferred liabilities		
Provision for deferred income tax	5,957,846	5,804,849
Provision for decommissioning cost	10,015,512	9,821,240
Provision for staff compensated absences	10,552	10,553
	15,983,910	15,636,642

6. Trade and other payables

These include balance due to joint venture partners amounting to Rs 1,757,050 thousand (June 30, 2016: Rs 1,456,356 thousand) and balances due to related parties amounting to Rs 299,966 thousand (June 30, 2016: Rs 57,039 thousand).

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	

7. Contingencies and commitments

Contingencies:

a) Guarantee issued by banks on behalf of the company 28,755 28,755

b) The Company is currently contesting applicability of super tax @ 3% of taxable profits from oil and gas operations under Petroleum Concession Agreements (PCAs) and has filed a writ petition in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petition will be decided in favour of the company, accordingly no provision has been made in this respect in the financial statements for the years ended June 30, 2015 and June 30, 2016.

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	

Commitments:

- Share in joint ventures	7,848,312	9,828,653
- Own fields	1,977,925	2,081,931
- Letter of credit issued by banks on behalf of the company	107,270	157,138

8. Property, plant and equipment

Opening net book value	9,629,028	8,275,395
Additions during the period / year	132,603	2,783,492
Depreciation for the period / year	(389,585)	(1,423,822)
Disposals during the period / year	(993)	(6,037)
Operating assets - written down value	9,371,053	9,629,028
Capital work in progress	875,535	792,372
	10,246,588	10,421,400



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

Sep 30, 2016 June 30, 2016
Rupees ('000)

9. Development and decommissioning costs

Development cost

Opening net book value	12,649,020	10,790,695
Additions during the period / year	461,250	1,564,472
Well cost transferred from exploration and evaluation assets	-	2,696,587
Amortisation for the period / year	(517,836)	(2,402,734)
Closing book value	12,592,434	12,649,020

Decommissioning cost

Opening net book value	1,935,893	1,621,746
Additions during the period / year	-	248,290
Revision due to change in estimates	-	110,825
Amortisation for the period / year	(42,878)	(44,968)
Closing book value	1,893,015	1,935,893

14,485,449 14,584,913

10. Exploration and evaluation assets

Balance brought forward	900,813	2,661,303
Additions during the period/ year	705,258	2,821,339
	1,606,071	5,482,642
Wells cost transferred to development costs	-	(2,696,587)
Dry and abandoned wells cost charged to the profit & loss account	-	(1,885,242)
	1,606,071	900,813



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

	September 30, 2016		June 30, 2016	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
11. Long term investments in subsidiary and associated companies -at cost				
Subsidiary company				
Unquoted				
Capgas (Private) Limited	51	1,530	51	1,530
Associated companies				
Quoted				
National Refinery Limited - note 11.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		9,615,603		9,615,603

11.1 Based on valuation analysis carried out at June 30, 2016, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated on a value in use calculation.

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	
12. Other long term investments		
Available-for-sale investments - at market price	5,975	5,975

13. Trade debts

These include Rs 1,549,134 thousand (June 30, 2016: Rs 1,186,086 thousand) receivable from related parties.

14. Advances , deposits, prepayments and other receivables

These include balances with joint venture partners amounting to Rs 363,969 thousand (June 30, 2016 : Rs 348,901 thousand) and balances with related parties amounting to Rs 120,655 thousand (June 30, 2016 : Rs 98,066 thousand).



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	
15. Cash and bank balances		
Bank balance on:		
Short term deposits	3,998,652	9,082,080
Interest/ mark-up bearing saving accounts	9,513,498	1,551,667
Current account	44,689	127,124
	13,556,839	10,760,871
Cash in hand	2,294	2,930
	13,559,133	10,763,801

Balance with banks include foreign currency balances of US \$ 68,231 thousand (June 30, 2016: US \$ 67,174 thousand).

	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
	Rupees ('000)	
16. Net sales		
Crude oil	2,419,160	2,517,424
Gas	2,090,904	1,954,103
POLGAS -Refill of cylinders	1,181,559	1,223,404
Solvent oil	32,567	52,096
Sulphur	-	4,861
	5,724,190	5,751,888

16.1 The Company has signed the Supplemental Agreements with the Government of Pakistan (the Government) for conversion of Petroleum Concession Agreements (PCA) to Petroleum Exploration & Production Policy 2012 in respect of Ikhlas, DG Khan, Kirthar South, Margala, Margala North, Gurgalot and Tal Block. Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned blocks.

In terms of supplemental agreements, draft statements specifying sums aggregating US \$ 34.39 million till June 30, 2015 due to the Company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block and Domial discovery in Ikhlas block have been submitted to the Government. The Government shall facilitate issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
	Rupees ('000)	
17. Operating costs		
Operating Cost - Own fields	293,605	229,873
- Share in joint ventures	658,997	700,945
Well workover	46,313	152,360
POLGAS-Cost of gas /LPG, Carriage etc.	693,430	774,837
Pumping and transportation cost	6,424	11,632
Depreciation	381,994	330,994
	2,080,763	2,200,641
Opening stock of crude oil and other products	375,521	147,929
Closing stock of crude oil and other products	(431,585)	(204,319)
	2,024,699	2,144,251
18. Exploration costs		
Geological & geophysical cost	64,497	9,464
Dry and abandoned wells cost charged to the exploration costs	-	1,125,921
	64,497	1,135,385
19. Finance cost		
Provision for decommissioning cost-		
- Unwinding of discount	189,604	192,921
- Exchange loss	4,669	222,971
Banks' commission and charges	547	591
	194,820	416,483
20. Other charges		
Workers' profit participation fund	149,517	77,607
Workers' welfare fund	22,153	15,608
	171,670	93,215



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

	<u>Three months period ended</u>	
	<u>Sep 30, 2016</u>	<u>Sep 30, 2015</u>
	Rupees ('000)	
21. Other income		
Income from financial assets		
Income on bank deposits	82,273	113,732
Exchange gain/(loss) on financial assets	(13,034)	248,150
Dividend from investment in associated/ subsidiary companies	555,675	340,879
Other income		
Rental income - net of related expenses	25,304	27,798
Rig income - net of related expenses	-	21,462
Crude oil transportation income - net of related expenses	34,820	41,964
Gas processing fee	22,312	43,708
Profit on sale of property, plant and equipment	8,352	431
Sale of stores and scrap	7	147
Others	898	-
	716,607	838,271
22. Provision for taxation		
Current	356,559	158,425
Deferred	152,996	(107,570)
	509,555	50,855



Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

Three months period ended

Sep 30, 2016 Sep 30, 2015
—Rupees ('000)—

23. Transaction with related parties

Aggregate transactions with related parties of the Company were as follows:

Sales of goods and services to:

Associated companies	2,045,519	2,182,215
Subsidiary company	5,272	5,194

Purchase of goods and services from:

Associated companies	204,655	230,671
Subsidiary company	1,583	1,260
Parent company	12,875	16,039

Other related parties:

Remuneration of Chief Executive and key management personnel including benefits and perquisites	28,122	33,156
Contribution to staff retirement benefits plans		
Management Staff Pension Fund and Gratuity Fund	17,591	17,759
Approved Contributory Provident Funds	6,723	6,621
Contribution to Workers' Profit Participation Fund	149,517	77,607

24. Operating Segments

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 16.

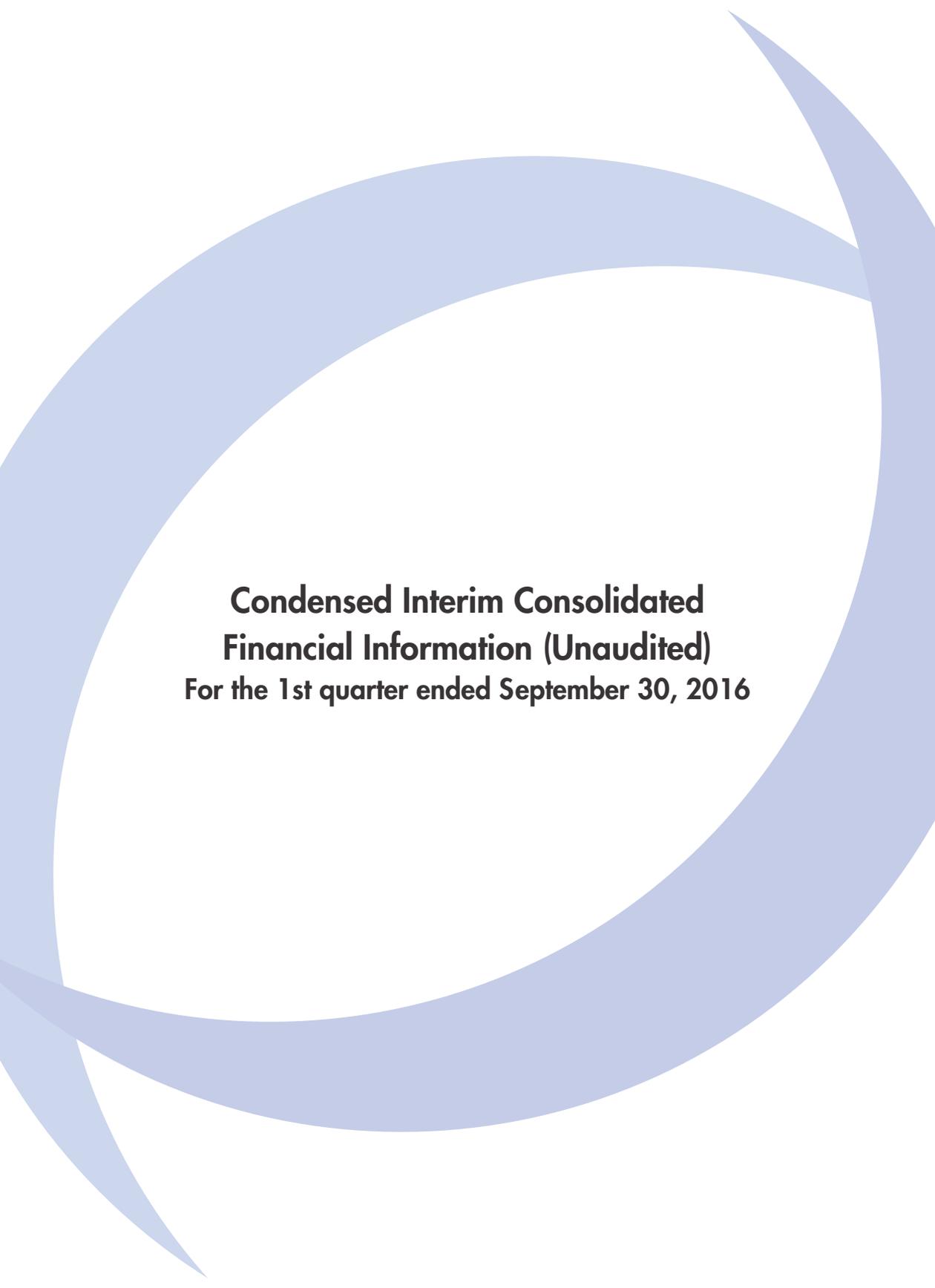
Revenue from two major customers of the Company constitutes 63% of the total revenue during the period ended September 30, 2016 (September 30, 2015: 61%).

25. Date of authorization

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on October 19, 2016.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

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**Condensed Interim Consolidated
Financial Information (Unaudited)**
For the 1st quarter ended September 30, 2016



Condensed Interim Consolidated Balance Sheet (Unaudited)

As at September 30, 2016

	Note	Sep 30, 2016	June 30, 2016
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,365,459	2,365,459
Capital reserves	5	1,121,897	1,022,499
Revenue reserves	6	28,720,912	31,270,183
Fair value gain on available-for-sale investments		1,995	1,995
		32,210,264	34,660,136
NON - CONTROLLING INTEREST		99,093	100,216
		32,309,357	34,760,352
NON CURRENT LIABILITIES			
Long term deposits		993,662	988,377
Deferred liabilities	7	15,996,961	15,649,693
		16,990,623	16,638,070
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	10,849,058	5,584,931
Provision for income tax		3,674,436	3,553,392
		14,523,494	9,138,323
CONTINGENCIES AND COMMITMENTS	9		
		63,823,474	60,536,745

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.



	Note	Sep 30, 2016	June 30, 2016
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	10	10,337,736	10,516,786
Development and decommissioning costs	11	14,485,449	14,584,913
Exploration and evaluation assets	12	1,606,071	900,813
Other Intangible assets		66,575	71,941
		26,495,831	26,074,453
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES			
	13	13,982,449	14,017,705
OTHER LONG TERM INVESTMENTS			
	14	5,975	5,975
LONG TERM LOANS AND ADVANCES			
		14,110	12,852
CURRENT ASSETS			
Stores and spares		4,214,959	4,236,489
Stock in trade		436,264	380,087
Trade debts	15	3,132,316	3,336,440
Advances, deposits, prepayments and other receivables	16	1,746,217	1,477,912
Short term investments		129,751	130,139
Cash and bank balances	17	13,665,602	10,864,693
		23,325,109	20,425,760
		63,823,474	60,536,745

The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the 1st quarter ended September 30, 2016

	Note	Three months period ended	
		Sep 30, 2016	Sep 30, 2015
Rupees ('000)			
SALES		6,464,766	6,517,601
Sales tax		(595,366)	(584,023)
NET SALES	18	5,869,400	5,933,578
Operating costs	19	(2,138,277)	(2,301,475)
Excise duty and development surcharge		(62,012)	(64,406)
Royalty		(497,680)	(477,012)
Amortisation of development and decommissioning costs		(560,714)	(762,109)
		(3,258,683)	(3,605,002)
GROSS PROFIT		2,610,717	2,328,576
Exploration costs	20	(64,497)	(1,135,385)
		2,546,220	1,193,191
Administration expenses		(44,182)	(45,783)
Finance costs	21	(194,929)	(416,633)
Other charges	22	(173,599)	(94,618)
		(412,710)	(557,034)
Other income	23	2,133,510	636,157
		163,868	500,616
		2,297,378	1,136,773
Share in profits of associated companies - net of impairment loss		510,329	150,745
PROFIT BEFORE TAXATION		2,807,707	1,287,518
Provision for taxation	24	(517,624)	(56,913)
PROFIT FOR THE PERIOD		2,290,083	1,230,605
Attributable to:			
Owners of Pakistan Oilfields Limited (POL)		2,281,283	1,224,298
Non - controlling interests		8,800	6,307
		2,290,083	1,230,605
Earnings per share - Basic and diluted (Rupees)		9.64	5.18

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

**Condensed Interim Consolidated Statement
of Comprehensive Income (Unaudited)**

For the 1st quarter ended September 30, 2016

Three months period endedSep 30, 2016 Sep 30, 2015
Rupees ('000)

PROFIT FOR THE PERIOD	2,290,083	1,230,605
OTHER COMPREHENSIVE INCOME		
Items that will not reclassified to profit & loss		
Acturial Loss on staff retirement benefit plan by associated companies - net of tax	(237)	(4,747)
TOTAL COMPREHENSIVE INCOME	2,289,846	1,225,858
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	2,281,046	1,219,551
Non - controlling interests	8,800	6,307
	2,289,846	1,225,858

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

Shuaib A. Malik
Chief ExecutiveAbdus Sattar
Director



Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the 1st quarter ended September 30, 2016

Three months period ended

Sep 30, 2016 Sep 30, 2015
Rupees ('000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	6,191,182	6,427,178
Operating and exploration costs paid	(1,580,868)	(3,333,632)
Royalty paid	(469,734)	(461,087)
Taxes paid	(243,583)	(189,189)
Cash provided by operating activities	3,896,997	2,443,270

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets additions	(1,383,486)	(541,717)
Proceeds from disposal of property, plant and equipment	8,928	515
Purchase of LPG quota	-	(31,000)
Income on bank deposits and held-to-maturity investments	85,796	118,861
Dividend received from associated companies	217,378	-
Cash used in investing activities	(1,071,384)	(453,341)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(2,135)	(3,127,641)
Dividend paid to non - controlling interest holders	(9,923)	(12,403)
Cash used in financing activities	(12,058)	(3,140,044)

EFFECT OF EXCHANGE RATE CHANGES	(13,034)	248,150
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INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	2,800,521	(901,965)
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CASH AND CASH EQUIVALENTS AT JULY 01,	10,994,832	10,895,430
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CASH AND CASH EQUIVALENTS AT SEP. 30,	13,795,353	9,993,465
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The annexed notes 1 to 27 form an integral part of this condensed interim consolidated financial information.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the 1st quarter ended September 30, 2016

Attributable to owners of Pakistan Oilfields Limited

	Capital Reserves			Revenue Reserves			Fair value gain/ (loss) on available-for-sale investments	Total	Non-controlling interest	Total
	Share Capital	Bonus shares issued by subsidiary/ associated companies	Special reserve	Insurance reserve	General reserve	Unappropriated profit				
	Rupees ('000)									
Balance at June 30, 2015	2,365,459	59,754	476,539	200,000	4,352,325	26,610,422	2,059	34,066,558	94,870	34,161,428
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	1,224,298	-	1,224,298	6,307	1,230,605
Other comprehensive income	-	-	-	-	-	(4,747)	(4,747)	-	(4,747)	-
	-	-	-	-	1,219,551	-	1,219,551	-	6,307	1,225,858
Transfer from special reserve by associated companies	-	-	-	-	-	-	-	-	-	-
Transactions with owners:										
POL dividends:										
Final dividend @ Rs 25 per share - Year ended June 30, 2015	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Dividend to CAPGAS non-controlling interest holders: Final cash dividend @ Rs 37.5 per share - Year ended June 30, 2015	-	-	-	-	-	-	-	-	(12,403)	(12,403)
Total transactions with owners	-	-	-	-	-	(5,913,648)	-	(5,913,648)	(12,403)	(5,926,051)
Balance at September 30, 2015	2,365,459	59,754	476,539	200,000	4,352,325	21,916,325	2,059	29,372,461	88,774	29,461,235
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	8,863,948	8,863,948	26,973	8,890,921
Other comprehensive income	-	-	-	-	-	(28,020)	(64)	(28,084)	14	(28,070)
	-	-	-	-	-	8,835,928	(64)	8,835,864	26,987	8,862,851
Transfer to general reserve by an associated company	-	-	-	-	-	750,000	(750,000)	-	-	-
Transfer to special reserve by associated companies	-	-	486,206	-	-	(486,206)	-	-	-	-
Transactions with owners:										
POL dividends:										
Interim dividend @ Rs 15 per share - Year ended June 30, 2015	-	-	-	-	-	(3,548,189)	-	(3,548,189)	-	(3,548,189)
Dividend to CAPGAS non-controlling interest holders: Interim dividend @ Rs 47 per share - Year ended June 30, 2016	-	-	-	-	-	-	-	-	(15,545)	(15,545)
Total transactions with owners	-	-	-	-	-	(3,548,189)	-	(3,548,189)	(15,545)	(3,563,734)
Balance at June 30, 2016	2,365,459	59,754	962,745	200,000	5,102,325	25,967,858	1,995	34,660,136	100,216	34,760,352
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	2,281,283	2,281,283	8,800	2,290,083
Other comprehensive income	-	-	-	-	-	(237)	-	(237)	-	(237)
	-	-	-	-	-	2,281,046	-	2,281,046	8,800	2,289,846
Transfer to special reserve by an associated company	-	-	99,398	-	-	(99,398)	-	-	-	-
Transfer to general reserve by an associated companies	-	-	-	-	1,000,000	(1,000,000)	-	-	-	-
Transactions with owners:										
POL dividends:										
Final dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,918)
Dividend to CAPGAS non-controlling interest holders: Final cash dividend @ Rs 30 per share - Year ended June 30, 2016	-	-	-	-	-	-	-	-	(9,923)	(9,923)
Total transactions with owners	-	-	-	-	-	(4,730,918)	-	(4,730,918)	(9,923)	(4,740,841)
Balance at September 30, 2016	2,365,459	59,754	1,062,144	200,000	6,102,325	22,418,587	1,995	32,210,264	99,093	32,309,357

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited) For the 1st quarter ended September 30, 2016

1. Legal status and operations

Pakistan Oilfields Limited (POL), the holding company is incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

Caggas (Private) Limited, the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 and is principally engaged in buying, filling, distribution and dealing in Liquefied Petroleum Gas (LPG).

For the purpose of these accounts, POL and its consolidated subsidiary are referred as the Company.

2. Basis of consolidation

The consolidated financial information include the financial statements of POL and its subsidiary Caggas (Private) Limited with 51% holding (June 30, 2016: 51%).

Subsidiaries are those enterprises in which parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non-controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interest are presented as a separate item in the consolidated financial statements. presented as a separate item in the consolidated financial statements.

3. Statement of compliance

This condensed interim financial information of the Company for the 1st. quarter ended September 30, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

4. Accounting policies

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



**Selected notes to and forming part of the condensed interim
Consolidated Financial Information (Unaudited)**
For the 1st quarter ended September 30, 2016

Sep 30, 2016 June 30, 2016
Rupees ('000)

5. Capital reserves

Bonus shares issued by subsidiary/associated companies	59,754	59,754
Special reserve	1,062,144	962,745
	1,121,898	1,022,499

6. Revenue reserves

Insurance reserve	200,000	200,000
General reserve	6,102,325	5,102,325
Unappropriated profit	22,418,587	25,967,858
	28,720,912	31,270,183

7. Deferred liabilities

Provision for deferred income tax	5,965,634	5,812,637
Provision for decommissioning cost	10,015,512	9,821,240
Provision for Gratuity	5,263	5,263
Provision for staff compensated absences	10,552	10,553
	15,996,961	15,649,693

8. Trade and other payables

These include balances due to joint venture partners amount to Rs 1,757,050 thousand (June 30, 2016: Rs 1,456,356 thousand) and balances due to related parties amounting to Rs 151,434 thousand (June 30, 2016: Rs 35,988 thousand).

Sep 30, 2016 June 30, 2016
Rupees ('000)

9. Contingencies and commitments

Contingencies:

a) Guarantee issued by banks on behalf of the company **28,755** 28,755

b) The Company is currently contesting applicability of super tax @ 3% of taxable profits from oil and gas operations under Petroleum Concession Agreements (PCAs) and has filed a writ petition in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petition will be decided in favour of the company, accordingly no provision has been made in this respect in the financial statements for the years ended June 30, 2015 and June 30, 2016.



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited)
For the 1st quarter ended September 30, 2016

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	
Commitments:		
- Share in Joint Ventures	7,848,312	9,691,246
- Own fields	1,977,925	1,647,832
- Letter of credit issued by banks on behalf of the company	107,270	157,138
10. Property, plant and equipment Cost		
Opening net book value	9,724,414	8,363,419
Additions during the period / year	132,603	2,805,069
Depreciation for the period / year	(393,823)	(1,438,037)
Disposals during the period / year	(993)	(6,037)
Operating assets - written down value	9,462,201	9,724,414
Capital work in progress	875,535	792,372
	10,337,736	10,516,786
11. Development and decommissioning costs		
Development cost		
Opening net book value	12,649,020	10,790,695
Additions during the period / year	461,250	1,564,472
Well cost transferred from exploration and evaluation assets	-	2,696,587
Amortisation for the period / year	(517,836)	(2,402,734)
Closing book value	12,592,434	12,649,020
Decommissioning cost		
Opening net book value	1,935,893	1,621,746
Additions during the period / year	-	248,290
Revision due to change in estimates	-	110,825
Amortisation for the period / year	(42,878)	(44,968)
Closing book value	1,893,015	1,935,893
	14,485,449	14,584,913



**Selected notes to and forming part of the condensed interim
Consolidated Financial Information (Unaudited)**
For the 1st quarter ended September 30, 2016

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	
12. Exploration and evaluation assets		
Balance brought forward	900,813	2,661,303
Additions during the period/year	705,258	2,821,339
	1,606,071	5,482,642
Transfer to development costs - note 11	-	(2,696,587)
Dry and abandoned wells cost charged to the profit & loss account	-	(1,885,242)
	1,606,071	900,813
13. Long term investments in associated companies - equity method		
Beginning of the year	14,017,705	11,218,906
Share in profits of associated companies - net of impairment loss	510,329	3,264,159
Actuarial loss on staff retirement benefit plan	(237)	(50,081)
Dividend received during the period / year	(545,348)	(415,279)
End of the period /year	13,982,449	14,017,705
14. Other long term investments		
Available-for-sale investments - at market price	5,975	5,975

15. Trade debts

These include Rs 1,549,134 thousand (June 30, 2016: Rs 1,186,086 thousand) receivable from related parties.

16. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amount to Rs 363,969 thousand (June 30, 2016: Rs 348,901 thousand) and balances due from related parties amounting to Rs 118,562 thousand (June 30, 2016: Rs 118,464 thousand).



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited)
For the 1st quarter ended September 30, 2016

	Sep 30, 2016	June 30, 2016
	Rupees ('000)	
17. Cash and bank balances		
Bank balance on:		
Interest/mark-up bearing saving accounts	4,104,772	1,617,146
Short term deposits	9,513,498	9,117,080
Current accounts	44,986	127,505
	13,663,256	10,861,731
Cash in hand	2,346	2,962
	13,665,602	10,864,693

Balance with banks include foreign currency balances of US \$ 68,231 thousand (June 30, 2016: US \$ 67,174 thousand).

	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
	Rupees ('000)	
18. Net sales		
Crude oil	2,419,160	2,517,424
Gas	2,090,904	1,954,103
POLGAS/CAPGAS - Refill of cylinders	1,326,769	1,405,094
Solvent oil	32,567	52,096
Sulphur	-	4,861
	5,869,400	5,933,578

18.1 The Company has signed the Supplemental Agreements with the Government of Pakistan (the Government) for conversion of Petroleum Concession Agreements (PCA) to Petroleum Exploration & Production Policy 2012 in respect of Ikhlas, DG Khan, Kirthar South, Margala, Margala North, Gurgalot and Tal Block. Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned blocks.

In terms of supplemental agreements, draft statements specifying sums aggregating US \$ 34.39 million till June 30, 2015 due to the Company in respect of Mamikhel, Maramzai & Makori East discoveries in TAL block and Domial discovery in Ikhlas block have been submitted to the Government. The Government shall facilitate issuance of necessary gas price notifications and payments to be made to the parties within twelve months of the statements being finalized. Effect of adjustment arising from revision in sale price will be recognised upon finalization of the statements and issuance of gas price notifications by the Government.

**Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited)**

For the 1st quarter ended September 30, 2016

Three months period ended**Sep 30, 2016** **Sep 30, 2015**
—Rupees ('000)—**19. Operating costs**

Operating cost - Own fields	300,315	234,434
- Share in joint ventures	658,997	700,945
Well workover	46,313	152,360
POLGAS/CAPGAS -Cost of gas/LPG, carriage etc.	789,815	916,168
Head office and insurance charges	362	361
Pumping and transportation cost	6,424	11,632
Depreciation	392,228	336,123
	2,194,454	2,352,023
Opening stock of crude oil and other products	380,087	166,109
Closing stock of crude oil and other products	(436,264)	(216,657)
	2,138,277	2,301,475

20. Exploration costs

Geological & geophysical cost	64,497	9,464
Dry and abandoned wells cost charged to exploration cost	-	1,125,921
	64,497	1,135,385

21. Finance costs

Provision for decommissioning costs		
- unwinding of discount	189,604	192,921
- exchange loss	4,669	222,971
Banks' commission and charges	656	74
	194,929	416,633

22. Other charges

Workers' profit participation fund	150,915	78,624
Workers' welfare fund	22,684	15,994
	173,599	94,618



Selected notes to and forming part of the condensed interim Consolidated Financial Information (Unaudited)

For the 1st quarter ended September 30, 2016

	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
	Rupees ('000)	
23. Other income		
Income from financial assets		
Income on bank deposits	83,461	115,592
Income on held-to-maturity investments	1,961	2,163
Exchange gain on financial assets	(13,034)	248,150
Other income		
Rental income -net of related expenses	24,953	27,447
Rig income -net of related expenses	-	21,462
Crude oil / gas transportation income -net of related expenses	34,820	41,964
Gas processing fee	22,312	43,998
Profit on sale of property, plant and equipment	8,928	514
Sale of stores and scrap	7	147
Others	460	(821)
	163,868	500,616
24. Provision for taxation		
Current	364,62	164,483
Deferred	152,996	(107,570)
	517,624	56,913

25. Transaction with related parties

Aggregate transactions with related parties of the Company were as follows:

	Three months period ended	
	Sep 30, 2016	Sep 30, 2015
	Rupees ('000)	
Sales of goods and services to:		
Associated companies	2,045,519	2,182,215
Purchase of goods and services from:		
Parent company	12,875	16,039
Associated companies	204,655	230,671
Other related Parties:		
Remuneration of Chief Executive and key management personnel including benefits and perquisites	32,864	37,530
Contribution to staff retirement benefits plans		
Management Staff Pension Fund and Gratuity Fund	18,083	18,033
Approved Contributory Provident Funds	6,969	6,621
Contribution to Workers' profit participation fund	150,915	78,624



**Selected notes to and forming part of the condensed interim
Consolidated Financial Information (Unaudited)**
For the 1st quarter ended September 30, 2016

26. Operating Segments

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 18.

Revenue from two major customers of the Company constitutes 61% of the total revenue during the period ended September 30, 2016 (September 30, 2015: 61%).

27. Date of authorisation

This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on October 19, 2016.

A handwritten signature in black ink, appearing to read 'Shuaib A. Malik'.

Shuaib A. Malik
Chief Executive

A handwritten signature in black ink, appearing to read 'Abdus Sattar'.

Abdus Sattar
Director



Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Operator	Interest %
Ikhlas	Pakistan Oilfields Limited	80.00
Kirthar South	Pakistan Oilfields Limited	85.00
D.G. Khan	Pakistan Oilfields Limited	70.00
Gurgalot	Oil & Gas Development Company Limited	20.00
Tal Block	MOL Pakistan Oil and Gas Co. B.V	25.00
Margala	MOL Pakistan Oil and Gas Co. B.V	30.00

D&P / Mining Lease

Balkassar	Pakistan Oilfields Limited	100.00
Dhulian	Pakistan Oilfields Limited	100.00
Joyamair	Pakistan Oilfields Limited	100.00
Khaur	Pakistan Oilfields Limited	100.00
Meyal / Uchri	Pakistan Oilfields Limited	100.00
Minwal	Pakistan Oilfields Limited	82.50
Pariwali	Pakistan Oilfields Limited	82.50
Pindori	Pakistan Oilfields Limited	35.00
Turkwal	Pakistan Oilfields Limited	67.37
Adhi	Pakistan Petroleum Limited	11.00
Chaknaurang	Oil & Gas Development Company Limited	15.00
Jhal Magsi	Oil & Gas Development Company Limited	24.00
Bhangali	Ocean Pakistan Limited	7.00
Dhurnal	Ocean Pakistan Limited	5.00
Ratana	Ocean Pakistan Limited	4.5450
Manzalai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori East	MOL Pakistan Oil and Gas Co. B.V	25.00*
Mamikhel	MOL Pakistan Oil and Gas Co. B.V	25.00*
Maramzai	MOL Pakistan Oil and Gas Co. B.V	25.00*

* Pre-Commerciality interest



Pakistan Oilfields Limited

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