



Pakistan Oilfields Limited



## Condensed Interim Financial Statements

Six Months Period Ended  
December 31, 2019

## **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.

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## Corporate Information

### Directors

**Mr. Laith G. Pharaon**

Chairman Attock Group of Companies  
Alternate Director - **Mr. Shuaib A. Malik**

**Mr. Wael G. Pharaon**

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

**Mr. Sajid Nawaz**

**Mr. Abdus Sattar**

**Mr. Tariq Iqbal Khan**

**Mr. Nihal Cassim**

**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

### Human Resource and Remuneration (HR &R) Committee

**Mr. Babar Bashir Nawaz**

Chairman

**Mr. Shuaib A. Malik**

Member

**Mr. Abdus Sattar**

Member

### Company Secretary / CFO

**Mr. 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](mailto:polcms@pakoil.com.pk)

Website: [www.pakoil.com.pk](http://www.pakoil.com.pk)

### Shareholder's Enquiries

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

E-mail to: [cs@pakoil.com.pk](mailto:cs@pakoil.com.pk) or

Write to: The Company Secretary,

Pakistan Oilfields Limited

P.O.L. House, Morgah, Rawalpindi,

Pakistan.

### Share Registrar

CDC Share Registrar Services Limited

CDC House 99-B, Block 'B' S.M.C.H.S, Main

Shahra-e-Faisal, Karachi.

Toll Free: 0800-23275 (CDCPL)

Fax: +92 21 34326040

### Quarterly Report

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

[www.pakoil.com.pk](http://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' Report

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 half year ended December 31, 2019.

## Financial results

During the period, the Company has made a profit after tax of Rs. 8,568 million (December 31, 2018: Rs. 7,889 million), which is higher by 8.6% as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 30.19 (December 31, 2018: Rs. 27.79). Increase in profit is mainly attributable to reduced operating costs, amortization of development and decommissioning costs, exchange gain on decommissioning cost & taxation. Production volumes of crude oil, gas and LPG reduced by 8.9%, 3.6 and 3.3% respectively in comparison to corresponding period last year. The average prices of crude oil and LPG reduced by 13.89% and 8.06% while gas prices increased by 16.10% in comparison to corresponding period last year, compensated to some extent by favorable US\$/Rupee parity. During the period the Company made a Consolidated profit after tax of Rs. 8,732 million (December 31, 2018: Rs. 7,904 million) which translate into consolidated earnings per share of Rs. 30.73 (December 31, 2018: Rs. 27.83).

## Production

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

		Six months period ended	
		Dec. 31, 2019	Dec. 31, 2018
Crude Oil/Condensate	US Barrels	1,207,763	1,326,246
Gas	Million Cubic Feet	15,616	16,198
LPG	Metric Tonnes	29,405	30,406
Sulphur	Metric Tonnes	226	357
Solvent Oil	US Barrels	10,738	12,528

The Company's share in production, including that from joint ventures, for the period under review averaged 6,562 barrels per day (bpd) of crude, 84.87 million standard cubic feet per day (mmscfd) of gas, 159.81 metric tonnes per day (MTD) of LPG, 1.23 MTD of sulphur and 58 bpd of solvent oil.

## Exploration and development activities

### Producing Fields

At Balkassar Lease (100% owned by POL), Balkassar Deep-1 an exploratory well has been spudded and drilling down to 8,100 ft is in progress. Target depth of the well is 14,410 ft.

At Turkwal Lease (operated by POL with 67.37% share), planning has been completed to acquire 3D Seismic Data.

At Pindori Lease (operated by POL with a 35% share), Pindori-10 a development well is drilling down to 12,900ft is in progress. Target depth of the well is 13,525 ft.

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

Adhi-33: After fracturing job, well is producing 200 barrels of oil and 3.15 million cubic feet of gas per day at plant.

Adhi-34: Drilling of Well has been completed and testing and completion is in progress.

Adhi South-4: Well tested and is currently producing 1,160 barrels of oil and 1.12 cubic feet of gas per day at plant.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori Deep-2 well was connected to the production line as on Nov. 19, 2019. Currently well is producing 2,076 barrels of oil per day and 20.45 million cubic feet of gas per day.

At Ratana Field (operated by Orient Petroleum Inc., where POL has 4.545% share), on the basis of 3D seismic data processing and interpretation, Ratana-5 Well will be drilled to explore un-drained compartment.

Chak Naurang (operated by OGDCL, where POL has 15% share), Chak Naurang South-1 well tested 900 Barrels of oil per day at Well Head Flowing Pressure of 150 psi at choke size of 32/64". Production from the well is not yet started.

### Exploration blocks

At Ikhlas block (operated by POL with an 80% share), 3D Seismic Acquisition of 213 square kilometers over Langrial prospect is in progress and so far acquisition of 36 square kilometers has been completed. Jhandial – 2 well is under drilling at the depth of 1,262 ft. Target depth of the Well is 18,385 ft.

At DG Khan block (operated by POL with a 70% share), DGK-1, an exploratory well, has been approved. Presently construction of access road and well site is in progress.

At Margala Block (operated by MOL where POL has a 30% share), 2D Seismic Acquisition of 203 line kilometers has been completed and data processing is going on.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), 152.93 square kilometers Seismic data acquisition over KOT area was completed and data processing work is going on. 3D Seismic acquisition of 591 square kilometers has been started to explore multiple leads in Tal West area. So far acquisition of 231 square kilometers has been completed. Mamikhel South-1 an exploratory well is under drilling at the depth of 14,124ft. Target depth of the Well is 18,550 ft.

At Gurgalot block (operated by OGDCL where POL has a 20% share), 320 square kilometers 3D seismic data acquisition has been completed and data processing /interpretation is in progress.

Kirthar South (operated by POL with an 85% share), security clearance has been granted by the Government to drill two commitment wells. Environmental study planning is in progress.

### Acknowledgement

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

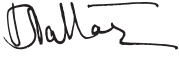


**Abdus Sattar**  
Director

Dubai, UAE  
January 21, 2020

## اعتراف

بورڈ تمام سٹیک ہولڈرز کا پاکستان آئل فیلڈز لمیٹڈ کے ساتھ مسلسل تعاون کرنے پر ان کا شکر گزار ہے۔



عبدالستار

ڈائریکٹرز



شعیب اے ملک

چئیرمین و چیف ایگزیکٹو

دہلی، یو اے ای

۲۱ جنوری ۲۰۲۰ء

چک نورنگ (زیر انتظام اوجی ڈی سی ایل جہاں پی اوایل کا حصہ ۱۵ فی صد ہے) چک نورنگ جنوبی۔ ۱ ویل ہیڈ پر بہاؤ کے دباؤ ۱۵۰ پی ایس آئی چوک سائز ۶۳/۳۲ پر کنویں کی جانچ کی گئی اور ۹۰۰ پیرز تیل روزانہ کے حساب سے حاصل ہوا۔ کنویں سے فی الحال پیداوار کا آغاز نہیں ہوا۔

## دریافتی قطععات

إخلاص بلاک (۸۰ فی صد حصص کے ساتھ پی اوایل کے زیر انتظام) لنگڑیال میں ۲۱۳ مربع کلومیٹرز کے علاقے میں 3D ارضیاتی اعداد و شمار پر کام جاری ہے۔ فی الوقت ۳۶ مربع کلومیٹرز کی تکمیل ہو چکی ہے۔ جنڈیال۔ دوئم کنویں کی کھدائی ۱،۲۶۲ فٹ گہرائی پر جاری ہے۔ کنویں کی گہرائی کا ہدف ۱۸،۳۸۵ فٹ ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ زیر انتظام پی اوایل) DGK-1 دریافتی کنواں منظور ہو چکا ہے۔ فی الوقت کنویں کی جگہ اور اس تک رسائی کے لئے سڑک کی تعمیر جاری ہے۔

مارگلہ بلاک (زیر انتظام مول جہاں پی اوایل کا حصہ ۳۰ فی صد ہے) ۲۰۳ لائن کلومیٹرز کے 2D ارضیاتی اعداد و شمار حاصل کر لئے گئے ہیں اور ان اعداد و شمار پر عمل جاری ہے۔

تل بلاک (زیر انتظام مول جہاں پی اوایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) KOT کے علاقے کے ۱۵۲،۹۳ مربع کلومیٹرز ارضیاتی اعداد و شمار مکمل کر لئے گئے ہیں ان اعداد و شمار پر عمل جاری ہے۔ تل کے مغربی علاقے کی متفرق لیڈز دریافت کرنے کے لئے ۵۹۱ مربع کلومیٹرز کے 3D ارضیاتی اعداد و شمار پر کام شروع کیا جا چکا ہے۔ فی الوقت ۲۳۱ مربع کلومیٹرز پر کام مکمل ہو چکا ہے۔

مامی خیل جنوبی۔ ۱ دریافتی کنویں کی ۱۴،۱۲۳ فٹ گہرائی پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف ۱۸،۵۵۰ فٹ ہے۔

گرگلوٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی اوایل کا حصہ ۲۰ فی صد ہے) ۳۲۰ مربع کلومیٹرز 3D ارضیاتی اعداد و شمار مکمل کر لئے گئے ہیں اور ان پر عمل/تشریح جاری ہے۔

کرتھر جنوبی (۸۵ فی صد حصص کے ساتھ پی اوایل کے زیر انتظام) دو کنویں کھودنے کے لئے حکومت کی طرف سے سیکورٹی کلیئرنس مل چکی ہے۔ ماحولیاتی مطالعہ کی منصوبہ بندی جاری ہے۔



زیر جائزہ مدت میں کمپنی کی روزانہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۶،۵۶۲ بیرلز، گیس ۸۴.۸ ملین سیٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس ۱۵۹.۸۱ میٹرک ٹن، سلفرک ٹن ۱.۲۳ میٹرک ٹن اور سالوٹ آئل ۵۸ بیرلز۔

## دریافتی اور ترقیاتی سرگرمیاں

### پیداواری قطعات

بلکسر (۱۰۰ انی صد پی او ایل کی ملکیت) بلکسر ڈیپ-۱ کے دریافتی کنویں کا آغاز ہو چکا ہے اس وقت ۸،۱۰۰ فٹ کی گہرائی پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف ۱۴،۴۱۰ فٹ ہے۔

ترکوال (۶۷.۳۷ انی صد حصص کے ساتھ پی او ایل کے زیر انتظام) 3D ارضیاتی اعداد و شمار کے حصول کے لئے منصوبہ بندی مکمل کر لی گئی ہے۔

پنڈوری (۳۵ انی صد حصص کے ساتھ پی او ایل کے زیر انتظام) پنڈوری-۱۰ کے ترقیاتی کنویں کی ۱۴،۹۰۰ فٹ گہرائی پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف ۱۳،۵۲۵ فٹ ہے۔

آہدی بلاک (زیر انتظام پی او ایل جہاں پی او ایل کا حصہ ۱۱ انی صد ہے)

آہدی-۳۳ Fracturing جاب کے بعد کنویں سے یومیہ ۲۰۰ بیرلز تیل اور ۳۱.۵ ملین مکعب فٹ گیس کی پلانٹ پر پیداوار حاصل ہو رہی ہے۔

آہدی-۳۴: کنویں کی کھدائی مکمل ہو چکی ہے۔ جانچ اور تکمیل پر کام جاری ہے۔

آہدی جنوبی-۴: کنویں کی جانچ کی گئی پلانٹ پر ۱،۱۶۰ بیرلز تیل اور ۱.۱۲ ملین مکعب فٹ گیس روزانہ حاصل ہو رہی ہے۔

تل بلاک (مول کے زیر انتظام جہاں قبل از تجارتی پیداوار پی او ایل کا حصہ ۲۵ انی صد ہے) ۱۹ نومبر ۲۰۱۹ء کو کوٹڑی ڈیپ-۲ کنواں پیداواری لائن کے ساتھ منسلک کیا گیا تھا۔ فی الوقت کنویں سے روزانہ ۲،۰۷۶ بیرلز تیل اور ۲۰.۴۵ ملین مکعب فٹ گیس کی پیداوار حاصل کی جا رہی ہے۔

رتانہ (زیر انتظام اورینٹ پٹرولیم جہاں پی او ایل کا حصہ ۴۵.۴۵ انی صد ہے) 3D ارضیاتی اعداد و شمار پر عمل اور تشریح کی بنیاد پر، رتانہ-۵ کنواں کھودا جائے گا تاکہ یہاں کے غیر دریافت شدہ حصول کو نکالا جاسکے۔

## ڈائریکٹرز رپورٹ

اللہ کے نام سے شروع جو بڑا مہربان نہایت رحم کرنے والا ہے۔

السلام علیکم!

ڈائریکٹرز کو ۳۱ دسمبر ۲۰۱۹ء کو اختتام پذیر نصف سال کے مالیاتی نتائج اور کمپنی کے اموں کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

## مالیاتی نتائج

اس عرصے میں کمپنی نے بعد از ٹیکس ۸،۵۶۸ ملین روپے (۳۱ دسمبر ۲۰۱۸ء : ۸،۸۹۷ ملین روپے) منافع حاصل کیا جو کہ الحمد للہ گذشتہ برس اسی دورانیے کے مقابلے میں ۸.۶ فی صد زیادہ ہے۔ یہ منافع فی حصص آمدنی ۳۰.۱۹ روپے (۳۱ دسمبر ۲۰۱۸ء : ۲۷.۷۹ روپے) کو ظاہر کرتا ہے۔ منافع میں اضافہ کی بڑی وجہ انتظامی اخراجات میں کمی، ترقیاتی اخراجات کی فرسودگی (Amortization) دریاقتی اخراجات (Decommissioning) میں کمی، دریاقتی اخراجات میں زرمبادلہ اور ٹیکسیشن کی مد میں نفع ہے۔ خام تیل، گیس اور مائع پٹرولیم گیس کے پیداواری حجم میں بالترتیب ۸.۹ فی صد، ۳.۶ فی صد اور ۳.۳ فی صد گذشتہ عرصے کی نسبت کمی رہی۔ خام تیل اور مائع پٹرولیم گیس کی اوسط قیمتوں میں ۱۳.۸۹ فی صد اور ۸.۰۶ فی صد کمی جب کہ گیس کی قیمتوں میں گذشتہ عرصے کی نسبت ۱۶.۱۰ فی صد اضافہ ہوا لیکن روپے اور ڈالر کے تقابلی نرخ میں بہتری کی وجہ سے زیادہ اثر نہیں ہوا۔ اس عرصے میں کمپنی نے مجموعی منافع بعد از ٹیکس ۸،۷۳۲ ملین روپے (۳۱ دسمبر ۲۰۱۸ء : ۷،۹۰۴ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۳۰.۷۳ روپے (۳۱ دسمبر ۲۰۱۸ء : ۲۷.۸۳ روپے) کو ظاہر کرتا ہے۔

## پیداوار

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

## ششماہی مدت کا اختتام

۳۱ دسمبر ۲۰۱۸ء	۳۱ دسمبر ۲۰۱۹ء		
۱،۳۲۶،۲۴۶	۱،۴۰۷،۷۶۳	خام تیل / Condensate	(یو ایس بیرل)
۱۶،۱۹۸	۱۵،۶۱۶	گیس	(ملین کیوبک فٹ)
۳۰،۴۰۶	۲۹،۴۰۵	مائع پٹرولیم گیس LPG	(میٹرک ٹن)
۳۵۷	۲۲۶	سلفر	(میٹرک ٹن)
۱۴،۵۲۸	۱۰،۷۳۸	سالونٹ آئل	(یو ایس بیرل)



A. F. FERGUSON &amp; CO.

**Independent Auditor's Review Report to the members of Pakistan Oilfields Limited****Report on review of Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Oilfields Limited as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for three month period ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2019.

**Scope of Review**

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

**Conclusion**

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

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

Chartered Accountants  
Islamabad

January 21, 2020

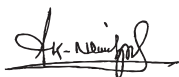
**Condensed Interim Statement of Financial Position**

As at December 31, 2019


	Note	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
Rupees ('000)			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
500,000,000 (June 30, 2019: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital 283,855,104 (June 30, 2019: 283,855,104) ordinary shares of Rs 10 each		2,838,551	2,838,551
Revenue reserves	3	35,285,110	35,232,446
		<b>38,123,661</b>	<b>38,070,997</b>
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		857,571	844,756
Deferred liabilities	4	18,441,689	17,057,400
		<b>19,299,260</b>	<b>17,902,156</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	5	21,127,594	19,329,256
Unclaimed dividend		203,215	191,166
Provision for income tax		6,435,392	5,996,250
		<b>27,766,201</b>	<b>25,516,672</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>6</b>		
		<b>85,189,122</b>	<b>81,489,825</b>

	Note	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
Rupees ('000)			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	8,098,113	8,498,830
Development and decommissioning costs	8	11,884,235	11,053,586
Exploration and evaluation assets	9	1,112,855	52,761
		<b>21,095,203</b>	19,605,177
<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>	10	<b>9,615,603</b>	9,615,603
<b>LONG TERM LOANS AND ADVANCES</b>		<b>28,856</b>	26,273
<b>CURRENT ASSETS</b>			
Stores and spares		4,671,883	3,917,736
Stock in trade		361,172	297,331
Trade debts	11	8,440,330	8,908,128
Advances, deposits, prepayments and other receivables	12	3,209,366	2,544,659
Other financial assets	13	1,213,202	813,478
Cash and bank balances	14	36,553,507	35,761,440
		<b>54,449,460</b>	52,242,772
		<b>85,189,122</b>	81,489,825

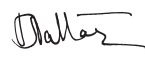
The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



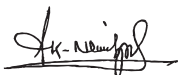
Abdus Sattar  
Director

## Condensed Interim Statement of Profit or Loss (Unaudited)

For the six months period ended December 31, 2019

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)					
<b>SALES</b>		<b>12,389,895</b>	12,478,790	<b>23,472,588</b>	24,001,605
Sales tax		(928,955)	(840,059)	(1,760,162)	(1,792,437)
<b>NET SALES</b>	<b>15</b>	<b>11,460,940</b>	11,638,731	<b>21,712,426</b>	22,209,168
Operating costs	<b>16</b>	(2,798,194)	(2,725,731)	(5,049,171)	(5,504,386)
Excise duty		(72,462)	(77,965)	(146,052)	(155,634)
Royalty		(1,221,349)	(1,160,199)	(2,339,408)	(2,244,584)
Amortisation of development and decommissioning costs		(732,372)	(1,028,879)	(1,245,828)	(1,802,600)
		(4,824,377)	(4,992,774)	(8,780,459)	(9,707,204)
<b>GROSS PROFIT</b>		<b>6,636,563</b>	6,645,957	<b>12,931,967</b>	12,501,964
Exploration costs	<b>17</b>	(414,817)	(78,889)	(790,648)	(810,154)
		6,221,746	6,567,068	12,141,319	11,691,810
Administration expenses		(49,447)	(50,073)	(104,053)	(107,433)
Finance costs - net	<b>18</b>	(309,146)	(1,346,860)	(447,889)	(1,748,604)
Other charges	<b>19</b>	(410,455)	(494,239)	(811,037)	(866,111)
		(769,048)	(1,891,172)	(1,362,979)	(2,722,148)
		5,452,698	4,675,896	10,778,340	8,969,662
Other income - net	<b>20</b>	707,921	2,286,085	1,174,389	3,126,740
<b>PROFIT BEFORE TAXATION</b>		<b>6,159,989</b>	6,961,981	<b>11,952,729</b>	12,096,402
Provision for taxation	<b>21</b>	(1,599,642)	(2,940,145)	(3,384,412)	(4,207,477)
<b>PROFIT FOR THE PERIOD</b>		<b>4,560,347</b>	4,021,836	<b>8,568,317</b>	7,888,925
Earnings per share					
- Basic and diluted (Rupees)		<b>16.07</b>	14.17	<b>30.19</b>	27.79

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



## Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Unaudited)

For the six months period ended December 31, 2019

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>4,560,347</b>	4,021,836	<b>8,568,317</b>	7,888,925
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,560,347</b>	4,021,836	<b>8,568,317</b>	7,888,925

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

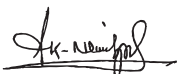
Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the six months period ended December 31, 2019

	Share capital	Capital reserves	Revenue reserves		Fair value gain on available-for-sale investments	Total	
		Reserve for issue of bonus shares	Insurance reserve	Investment reserve			Unappropriated profit
Rupees ('000)							
Balance at June 30, 2018	2,365,459	-	200,000	1,557,794	28,643,259	2,227	32,768,739
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	7,888,925	(2,227)	7,886,698
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	7,888,925	(2,227)	7,886,698
Transferred to reserve for issue of bonus shares	-	473,092	-	-	(473,092)	-	-
Transactions with owners:							
Bonus shares issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-
Final dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2018	2,838,551	-	200,000	1,557,794	30,145,444	-	34,741,789
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	8,982,782	-	8,982,782
Other comprehensive income	-	-	-	-	23,528	-	23,528
	-	-	-	-	9,006,310	-	9,006,310
Transactions with owners:							
Interim dividend @ 20 per share - Year ended June 30, 2019	-	-	-	-	(5,677,102)	-	(5,677,102)
Balance at June 30, 2019	2,838,551	-	200,000	1,557,794	33,474,652	-	38,070,997
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	8,568,317	-	8,568,317
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	8,568,317	-	8,568,317
Transactions with owners:							
Final dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	(8,515,653)	-	(8,515,653)
<b>Balance at December 31, 2019</b>	<b>2,838,551</b>	<b>-</b>	<b>200,000</b>	<b>1,557,794</b>	<b>33,527,316</b>	<b>-</b>	<b>38,123,661</b>


The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



**Condensed Interim Statement of Cashflows (Unaudited)**

For the six months period ended December 31, 2019

**Six months period ended**

	Dec. 31, 2019	Dec. 31, 2018
	Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	22,468,835	21,781,130
Operating and exploration costs paid	(6,182,892)	(6,674,188)
Royalty paid	(2,104,890)	(2,050,667)
Taxes paid	(2,546,443)	(1,926,142)
Cash provided by operating activities	11,634,610	11,130,133
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(2,929,566)	(609,412)
Proceeds from disposal of property, plant and equipment	6,647	387
Investments in mutual funds classified as fair value through profit or loss	(399,724)	(341)
Income on bank saving accounts, deposits and investment carried at amortised cost	1,593,796	702,205
Dividend income received	86,174	345,432
Cash (used in) / generated by investing activities	(1,642,673)	438,271
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(8,503,604)	(5,898,467)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(696,266)</b>	<b>1,687,348</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>792,067</b>	<b>7,357,285</b>
<b>CASH AND CASH EQUIVALENTS AT JULY 1</b>	<b>35,761,440</b>	<b>21,532,841</b>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b>36,553,507</b>	<b>28,890,126</b>

Cash and cash equivalent comprises of cash and bank balances.

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFOShuaib A. Malik  
Chief ExecutiveAbdus Sattar  
Director

## Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2019

### 1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (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 in Pakistan. 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 Coral Holding Limited.

### 2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2019.

#### 2.1 Changes in accounting standards, interpretations and pronouncements

##### a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- IFRS 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

The Company has adopted IFRS 16 from July 01, 2019 using the modified retrospective approach and the Company has assessed that the adoption of IFRS 16 does not have any material financial impact on these financial statements.

## Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2019

In applying IFRS 16 for the first time, the Company has used the following practical expedient permitted by the standard:

- The accounting for operating leases with a remaining lease term of less than 12 months as at July 1, 2019 as short-term leases
- As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on the Company's condensed interim financial statements.

	<b>(Unaudited)</b> <b>Dec. 31, 2019</b>	(Audited) June 30, 2019
	Rupees ('000)	
<b>3. REVENUE RESERVES</b>		
Insurance reserve	<b>200,000</b>	200,000
Investment reserve	<b>1,557,794</b>	1,557,794
Unappropriated profit	<b>33,527,316</b>	33,474,652
	<b>35,285,110</b>	35,232,446
<b>4. DEFERRED LIABILITIES</b>		
Provision for deferred income tax	<b>5,636,894</b>	5,238,067
Provision for decommissioning costs	<b>12,799,188</b>	11,811,608
Provision for staff compensated absences	<b>5,607</b>	7,725
	<b>18,441,689</b>	17,057,400
<b>5. TRADE AND OTHER PAYABLES</b>		

These include balances due to joint operating partners amounting to Rs 1,795,360 thousand (June 30, 2019: Rs 1,710,334 thousand) and balances due to related parties amounting to Rs 765,436 thousand (June 30, 2019: Rs 1,477,716 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 13,597,775 thousand (June 30, 2019: Rs 11,400,420 thousand) as explained in note 15.1.

## 6. CONTINGENCIES AND COMMITMENTS

**6.1** There were no material contingencies at December 31, 2019 (June 30, 2019 Nil).

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
	Rupees ('000)	
<b>6.2 Commitments:</b>		
Share in joint operations	10,327,307	12,956,173
Own fields	2,276,531	3,879,260
Letter of credit issued by banks on behalf of the Company	208,986	1,060,495
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets		
Opening net book value	7,747,259	8,754,987
Additions during the period / year	634,842	635,286
Disposals during the period / year	(912)	(10,998)
Depreciation for the period / year	(772,375)	(1,632,016)
Closing net book value	7,608,814	7,747,259
Capital work in progress - at cost	489,299	751,571
	<b>8,098,113</b>	<b>8,498,830</b>
<b>8. DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
<b>Development cost</b>		
Opening net book value	10,886,151	12,175,661
Additions during the period / year	1,496,902	1,522,774
Revision due to change in estimates	(304)	(748,330)
Wells cost transferred from exploration and evaluation assets	-	1,679,562
Amortisation for the period / year	(1,163,627)	(3,743,516)
Closing net book value	11,219,122	10,886,151
<b>Decommissioning cost</b>		
Opening net book value	167,435	421,059
Additions during the period / year	65,005	48,385
Revision due to change in estimates	531,589	(271,192)
Amortisation for the period / year	(98,916)	(30,817)
Closing net book value	665,113	167,435
	<b>11,884,235</b>	<b>11,053,586</b>



**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
	Rupees ('000)	
<b>9. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	52,761	2,590,790
Additions during the period / year	1,060,094	760,589
Wells cost transferred to development cost	-	(1,679,562)
Dry and abandoned wells cost charged to the statement of profit or loss	-	(1,619,056)
	<b>1,112,855</b>	52,761

**10. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST**

	(Unaudited) December 31, 2019		(Audited) June 30, 2019	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
<b>Subsidiary company</b>				
Unquoted				
Caggas (Private) Limited	51	1,530	51	1,530
<b>Associated companies</b>				
Quoted				
National Refinery Limited - Note 10.1	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
		<b>9,615,603</b>		9,615,603

**10.1** Based on a valuation analysis, the recoverable amount of investment in National Refinery Limited exceeded its carrying amount. The recoverable amount had been estimated based on a value in use calculation, carried out by an external investment advisor engaged by the Company, on an annual basis.

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

**11. TRADE DEBTS**

These include Rs 4,447,662 thousand (June 30, 2019: Rs 4,286,337 thousand) receivable from related parties.

**12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

These include balances due from joint operating partners amounting to Rs 417,977 thousand (June 30, 2019: Rs 134,476 thousand) and balances due from related parties amounting to Rs 211,040 thousand (June 30, 2019: Rs 98,729 thousand).

<b>(Unaudited)</b> <b>Dec. 31, 2019</b>	<b>(Audited)</b> <b>June 30, 2019</b>
Rupees ('000)	

**13. OTHER FINANCIAL ASSETS**

Investments in mutual funds classified as fair value through profit or loss

<b>1,213,202</b>	813,478
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**14. CASH AND BANK BALANCES**

Bank balance on

Short term deposits	<b>28,385,874</b>	32,182,288
Interest/ mark-up bearing saving accounts	<b>8,149,474</b>	3,519,913
Current accounts	<b>16,608</b>	53,922

<b>36,551,956</b>	35,756,123
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Cash in hand

<b>1,551</b>	5,317
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<b>36,553,507</b>	35,761,440
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Bank balances include foreign currency balances of US \$ 120,850 thousand (June 30, 2019: US \$ 117,967 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 2.00 % to 15.20 % (June 30, 2019: 2.00% to 13.35%).

<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
<b>Dec. 31, 2019</b>	Dec. 31, 2018	<b>Dec. 31, 2019</b>	Dec. 31, 2018
Rupees ('000)			

**15. NET SALES**

Crude oil	<b>5,631,545</b>	5,894,212	<b>10,658,463</b>	11,438,588
Gas - note 15.1	<b>3,804,339</b>	3,606,115	<b>7,497,534</b>	6,685,582
POLGAS - Refill of cylinders	<b>1,960,026</b>	2,064,808	<b>3,433,102</b>	3,951,185
Solvent oil	<b>64,176</b>	63,571	<b>122,473</b>	123,788
Sulphur	<b>854</b>	10,025	<b>854</b>	10,025
	<b>11,460,940</b>	11,638,731	<b>21,712,426</b>	22,209,168

## Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2019

**15.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). 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 block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) had required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court has fixed January 16, 2020 as next date of hearing.

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2019 amounting to Rs 12,572,687 thousand will be accounted for upon resolution of this matter (including Rs 10,855,542 thousand related to period since inception to June 30, 2019). Additional revenue on account of enhanced gas price incentive of Rs 13,597,775 thousand including sales tax of Rs 1,952,146 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables".

	(Unaudited) <u>Three months period ended</u>		(Unaudited) <u>Six months period ended</u>	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)				
<b>16. OPERATING COSTS</b>				
Operating cost - own fields	<b>386,310</b>	411,443	<b>684,630</b>	754,511
- share in joint operations	<b>863,025</b>	862,126	<b>1,635,044</b>	1,533,788
Well work over	<b>9,467</b>	6,588	<b>56,096</b>	398,774
POLGAS - Cost of gas/LPG, carriage etc	<b>1,142,871</b>	1,047,359	<b>1,973,462</b>	2,017,078
Pumping and transportation cost	<b>15,308</b>	22,476	<b>28,097</b>	31,218
Depreciation	<b>346,290</b>	385,708	<b>735,683</b>	781,915
	<b>2,763,271</b>	2,735,700	<b>5,113,012</b>	5,517,284
Opening stock of crude oil and other products	<b>396,095</b>	295,910	<b>297,331</b>	292,981
Closing stock of crude oil and other products	<b>(361,172)</b>	(305,879)	<b>(361,172)</b>	(305,879)
	<b>2,798,194</b>	2,725,731	<b>5,049,171</b>	5,504,386
<b>17. EXPLORATION COSTS</b>				
Geological and geophysical cost	<b>414,817</b>	78,889	<b>790,648</b>	165,665
Dry and abandoned wells cost charged to statement of profit or loss	-	-	-	644,489
	<b>414,817</b>	78,889	<b>790,648</b>	810,154
<b>18. FINANCE COSTS - NET</b>				
Provision for decommissioning cost				
- Unwinding of discount	<b>405,710</b>	188,912	<b>807,506</b>	378,287
- Exchange (gain)/loss	<b>(98,898)</b>	1,156,103	<b>(362,624)</b>	1,367,013
Banks' commission and charges	<b>2,334</b>	1,845	<b>3,007</b>	3,304
	<b>309,146</b>	1,346,860	<b>447,889</b>	1,748,604





## Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2019

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)				
<b>19. OTHER CHARGES</b>				
Workers' profit participation fund	328,236	372,703	637,902	648,002
Workers' welfare fund	82,219	121,536	173,135	218,109
	<b>410,455</b>	<b>494,239</b>	<b>811,037</b>	<b>866,111</b>
<b>20. OTHER INCOME - NET</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and investment carried at amortised cost	805,673	458,669	1,575,497	883,698
Exchange (loss) / gain on financial assets	(229,694)	1,513,083	(696,266)	1,687,348
Dividend on investments in mutual funds classified as fair value through profit or loss	1,437	-	16,327	-
<b>Dividend from subsidiary and associated companies</b>	-	199,917	69,847	345,432
<b>Other income</b>				
Rental income (net of related expenses)	71,862	30,711	121,372	53,621
Crude oil / Gas transportation income (net of related expenses)	40,305	35,109	60,254	79,611
Gas processing fee	5,752	27,328	10,158	55,412
Profit on sale of property, plant and equipment	5,735	49	5,735	367
Profit on sale of stores and scrap	2,596	16,438	2,916	16,470
Fair value adjustment on investments in mutual funds classified as fair value through profit or loss	3,008	2,136	7,932	2,136
Others	617	2,645	617	2,645
	<b>707,291</b>	<b>2,286,085</b>	<b>1,174,389</b>	<b>3,126,740</b>

**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
	Rupees ('000)			
<b>21. PROVISION FOR TAXATION</b>				
Current	1,345,021	3,515,418	2,985,585	5,416,061
Deferred	254,621	(575,273)	398,827	(1,208,584)
	<b>1,599,642</b>	2,940,145	<b>3,384,412</b>	4,207,477

**22. FAIR VALUE MEASUREMENT**

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	December 31, 2019				June 30, 2019
	(Level 1)	(Level 2)	(Level 3)	Total	
	Rupees ('000)				
Other financial assets classified as fair value through profit or loss	1,213,202	-	-	1,213,202	813,478



**Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)				
<b>23. TRANSACTIONS WITH RELATED PARTIES</b>				
Aggregate transactions with related parties of the Company were as follows:				
<b>Sale of goods and services to</b>				
Subsidiary company	3,372	3,068	7,033	6,088
Associated companies	5,220,272	5,390,917	9,620,463	10,451,174
<b>Purchase of goods and services from</b>				
Parent company	29,131	50,434	58,294	87,595
Subsidiary company	3,800	1,961	4,357	4,403
Associated companies	600,986	426,460	992,393	872,257
<b>Dividend paid during the period</b>				
Parent company	-	-	4,492,007	3,119,449
Associated company	-	-	13,663	9,488
Key management personnel	86,275	-	86,275	59,905
<b>Dividend received during the period</b>				
Associated companies	-	-	69,847	345,432
<b>Other related parties</b>				
Remuneration of key management personnel including benefits and perquisites	27,724	55,792	83,719	83,998
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	20,856	22,767	44,093	44,536
Approved Contributory Provident Funds	7,493	7,915	15,750	16,362
Contribution to Workers' Profit Participation Fund	328,236	372,703	637,902	648,002

## Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2019

### 24. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from customers for products of the Company is disclosed in note 15.

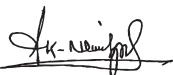
Revenue from two major customers of the Company constitutes 69% of the total revenue during the period ended December 31, 2019 (December 31, 2018: 71%).

### 25. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on January 21, 2020 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2020.

### 26. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on January 21, 2020.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



**Condensed Interim Consolidated  
Financial Statements (Unaudited)**  
For the Six months period ended December 31, 2019

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
As at December 31, 2019

	Note	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
Rupees ('000)			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED</b>			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,838,551	2,838,551
Capital reserves	4	2,027,866	2,027,863
Revenue reserves	5	36,823,361	36,615,085
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		3,337	3,337
		<b>41,693,115</b>	41,484,836
<b>NON - CONTROLLING INTEREST</b>			
		<b>124,808</b>	117,124
		<b>41,817,923</b>	41,601,960
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		991,756	976,516
Deferred liabilities	6	18,565,238	17,291,297
		<b>19,556,994</b>	18,267,813
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	7	21,160,792	19,344,762
Unclaimed dividend		203,215	191,166
Provision for income tax		6,445,221	6,007,343
		<b>27,809,228</b>	25,543,271
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	<b>89,184,145</b>	85,413,044



	Note	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
Rupees ('000)			
<b>FIXED ASSETS</b>			
Property, plant and equipment	9	8,153,011	8,557,119
Development and decommissioning costs	10	11,884,235	11,053,586
Exploration and evaluation assets	11	1,112,855	52,761
Other intangible assets		118,812	151,722
Deffered income tax asset		2,652	2,652
		<b>21,271,565</b>	19,817,840
<b>LONG TERM INVESTMENT IN ASSOCIATED COMPANIES</b>			
	12	13,173,196	13,135,926
<b>LONG TERM LOANS AND ADVANCES</b>			
		28,856	26,273
<b>CURRENT ASSETS</b>			
Stores and spares		4,672,542	3,918,405
Stock in trade		368,045	313,921
Trade debts	13	8,440,426	8,908,201
Advances, deposits, prepayments and other receivables	14	3,229,138	2,566,353
Other financial assets		1,280,648	880,749
Cash and bank balances	15	36,719,729	35,845,376
		<b>54,710,528</b>	52,433,005
		<b>89,184,145</b>	85,413,044

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

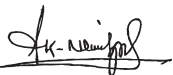
Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)**  
For the Six months period ended December 31, 2019

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)					
<b>SALES</b>		<b>12,726,291</b>	12,774,067	<b>24,024,925</b>	24,566,924
Sales tax		<b>(979,437)</b>	(884,331)	<b>(1,843,233)</b>	(1,877,358)
<b>NET SALES</b>	<b>16</b>	<b>11,746,854</b>	11,889,736	<b>22,181,692</b>	22,689,566
Operating costs	<b>17</b>	<b>3,055,341</b>	(2,965,974)	<b>(5,488,317)</b>	(5,958,836)
Excise duty		<b>(72,462)</b>	(77,965)	<b>(146,052)</b>	(155,634)
Royalty		<b>1,221,349</b>	(1,160,199)	<b>(2,339,408)</b>	(2,244,584)
Amortisation of development and decommissioning costs		<b>(732,372)</b>	(1,028,879)	<b>(1,245,828)</b>	(1,802,600)
		<b>(5,081,524)</b>	(5,233,017)	<b>(9,219,605)</b>	(10,161,654)
<b>GROSS PROFIT</b>		<b>6,665,330</b>	6,656,719	<b>12,962,087</b>	12,527,912
Exploration costs	<b>18</b>	<b>(414,817)</b>	(78,889)	<b>(790,648)</b>	(810,154)
		<b>6,250,513</b>	6,577,830	<b>12,171,439</b>	11,717,758
Administration expenses		<b>(55,280)</b>	(55,747)	<b>(115,337)</b>	(118,135)
Finance costs - net	<b>19</b>	<b>(309,146)</b>	(1,346,860)	<b>(447,891)</b>	(1,748,604)
Other charges	<b>20</b>	<b>(412,139)</b>	(494,628)	<b>(812,721)</b>	(867,175)
		<b>(776,565)</b>	(1,897,235)	<b>(1,372,949)</b>	(2,733,914)
Other income - net	<b>21</b>	<b>5,473,948</b>	4,680,595	<b>10,795,490</b>	8,983,844
		<b>709,922</b>	2,086,719	<b>1,110,112</b>	2,781,487
		<b>6,183,870</b>	6,767,314	<b>11,905,602</b>	11,765,331
Share in profits of associated companies - net of impairment loss		<b>189,673</b>	506,758	<b>107,042</b>	349,862
<b>PROFIT BEFORE TAXATION</b>		<b>6,373,543</b>	7,274,072	<b>12,012,644</b>	12,115,193
Provision for taxation	<b>22</b>	<b>(1,496,333)</b>	(2,941,099)	<b>(3,281,103)</b>	(4,211,073)
<b>PROFIT FOR THE PERIOD</b>		<b>4,877,210</b>	4,332,973	<b>8,731,541</b>	7,904,120
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		<b>4,868,957</b>	4,331,147	<b>8,723,857</b>	7,899,124
Non - controlling interests		<b>8,253</b>	1,826	<b>7,684</b>	4,996
		<b>4,877,210</b>	4,332,973	<b>8,731,541</b>	7,904,120
Earnings per share - Basic and diluted (Rs)		<b>17.15</b>	15.26	<b>30.73</b>	27.83

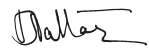
The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director





**Condensed Interim Consolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited)**

For the six months period ended December 31, 2019

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>4,877,210</b>	4,332,973	<b>8,731,541</b>	7,904,120
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit &amp; loss</b>				
Share of other comprehensive income/ (loss) of associated companies - net of tax	(2)	73	75	(225)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,877,208</b>	4,333,046	<b>8,731,616</b>	7,903,895
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	<b>4,868,955</b>	4,331,220	<b>8,723,932</b>	7,898,899
Non - controlling interests	<b>8,253</b>	1,826	<b>7,684</b>	4,996
	<b>4,877,208</b>	4,333,046	<b>8,731,616</b>	7,903,895

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director



**Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)**  
For the six months period ended December 31, 2019

	Attributable to owners of Pakistan Oilfields Limited										Non-controlling interest	Total	
	Capital Reserves				Revenue Reserves			Fair value gain/(loss) on available-for-sale investments	Gain on revaluation of investment at fair value	Total			
	Share Capital	Bonus shares issued	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve				Unappropriated profit		
	Rupees ('000)												
Balance at June 30, 2018	2,365,459	-	59,754	17,512	1,941,044	200,000	6,852,325	28,337,303	2,227	-	39,775,624	122,140	39,897,764
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	7,899,124	(2,227)	-	7,896,897	4,996	7,901,893
Other comprehensive income	-	-	-	-	-	-	-	(225)	-	-	(225)	-	(225)
	-	-	-	-	-	-	-	7,898,899	(2,227)	-	7,896,672	4,996	7,901,668
Bonus shares issued by an associated company	-	-	11,641	-	-	-	-	(11,641)	-	-	-	-	-
Transfer to special reserve by an associated company	-	-	-	(1,729)	-	-	-	1,729	-	-	-	-	-
Transfer to general reserve by an associated companies	-	-	-	-	-	-	225,000	(225,000)	-	-	-	-	-
Transferred to reserve for issue of bonus shares	-	473,092	-	-	-	-	-	(473,092)	-	-	-	-	-
Transactions with owners:													
POL dividends:													
Bonus share issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-	-	-	-	-	-	-
Final cash dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	(5,913,648)	-	-	(5,913,648)	-	(5,913,648)
Total transactions with owners	473,092	(473,092)	-	-	-	-	-	(5,913,648)	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2018	2,838,551	-	71,395	15,783	1,941,044	200,000	7,077,325	29,614,550	-	-	41,758,648	127,136	41,885,784
Impact of IFRS 9 transition	-	-	-	-	-	-	-	(26,640)	-	3,753	(22,887)	-	(22,887)
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	5,377,659	-	-	5,377,659	(267)	5,377,392
Other comprehensive income	-	-	-	-	-	-	-	48,934	-	(416)	48,518	178	48,696
	-	-	-	-	-	-	-	5,426,593	-	(416)	5,426,177	(89)	5,426,088
Transfer to special reserve by associated companies	-	-	-	(359)	-	-	-	359	-	-	-	-	-
Transactions with owners:													
POL dividend:													
Interim dividend @ Rs 20 per share - Year ended June 30, 2019	-	-	-	-	-	-	-	(5,677,102)	-	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non-controlling interest holders:													
Interim dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	-	-	-	-	-	-	-	(9,923)	(9,923)
Total transactions with owners	-	-	-	-	-	-	-	(5,677,102)	-	-	(5,677,102)	(9,923)	(5,687,025)
Balance at June 30, 2019	2,838,551	-	71,395	15,424	1,941,044	200,000	7,077,325	29,337,760	-	3,337	41,484,836	117,124	41,601,960
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	8,723,857	-	-	8,723,857	7,684	8,731,541
Other comprehensive income	-	-	-	-	-	-	-	75	-	-	75	-	75
	-	-	-	-	-	-	-	8,723,932	-	-	8,723,932	7,684	8,731,616
Bonus shares issued by an associated company	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to special reserve by an associated company	-	-	-	3	-	-	-	(3)	-	-	-	-	-
Transfer to general reserve by an associated companies	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners:													
POL dividend:													
Final dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	-	-	-	(8,515,653)	-	-	(8,515,653)	-	(8,515,653)
Total transactions with owners	-	-	-	-	-	-	-	(8,515,653)	-	-	(8,515,653)	-	(8,515,653)
<b>Balance at December 31, 2019</b>	<b>2,838,551</b>	<b>-</b>	<b>71,395</b>	<b>15,427</b>	<b>1,941,044</b>	<b>200,000</b>	<b>7,077,325</b>	<b>29,546,036</b>	<b>-</b>	<b>3,337</b>	<b>41,693,115</b>	<b>124,808</b>	<b>41,817,923</b>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Consolidated Statement of Cashflows (Unaudited)**

For the six months period ended December 31, 2019

**Six months period ended**

Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)	

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers	22,946,579	22,272,453
Operating and exploration costs paid	(6,568,027)	(7,084,285)
Royalty paid	(2,104,890)	(2,050,667)
Taxes paid	(2,554,748)	(1,935,940)
Cash provided by operating activities	11,718,914	11,201,561

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditure	(2,931,584)	(609,580)
Proceeds from disposal of property, plant and equipment	6,647	386
Investments in mutual funds classified as fair value through profit or loss	(399,724)	(341)
Income on bank saving accounts, deposits and investment carried at amortised cost	1,593,796	702,205
Dividend received from associated companies	86,174	345,432
Cash (used in) / generated by investing activities	(1,644,691)	438,102

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividend paid	(8,503,604)	(5,898,467)
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<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(696,266)	1,687,348
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<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	874,353	7,428,544
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<b>CASH AND CASH EQUIVALENTS AT JULY 01,</b>	35,845,376	21,623,551
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<b>CASH AND CASH EQUIVALENTS AT DEC. 31,</b>	36,719,729	29,052,095
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Cash and cash equivalent comprises of cash and bank balances.

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

## Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2019

### 1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (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 in Pakistan. 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 Coral Holding Limited.

Cap Gas (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 Cap Gas (Private) Limited with 51% holding (June 30, 2019: 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.

### 3. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2019

These condensed interim consolidated financial statements does not include all the information required for full financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2019.

### 3.1 Changes in accounting standards, interpretations and pronouncements

#### a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- IFRS 16 “Leases” has replaced IAS 17 “Leases”, the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

The Company has adopted IFRS 16 from July 01, 2019 using the modified retrospective approach and the Company has assessed that the adoption of IFRs 16 does not have any material financial impact on these financial statements.

In applying IFRS 16 for the first time, the Company has used the following practical expedient permitted by the standard:

- The accounting for operating leases with a remaining lease term of less than 12 months as at July 1, 2019 as short-term leases
- As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on the Company's condensed interim financial statements.

(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
Rupees ('000)	

#### 4. CAPITAL RESERVES

Bonus shares issued by subsidiary/associated companies	<b>71,395</b>	71,395
Special reserve	<b>15,427</b>	15,424
Utilised special reserve	<b>1,941,044</b>	1,941,044
	<b>2,027,866</b>	2,027,863

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
	Rupees ('000)	
<b>5. REVENUE RESERVES</b>		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	29,546,036	29,337,760
	<b>36,823,361</b>	36,615,085

**6. DEFERRED LIABILITIES**

Provision for deferred income tax	5,754,933	5,466,454
Provision for decommissioning cost	12,799,187	11,811,608
Provision for Gratuity	5,510	5,510
Provision for staff compensated absences	5,608	7,725
	<b>18,565,238</b>	17,291,297

**7. TRADE AND OTHER PAYABLES**

These include balances due to joint venture partners amounting to Rs 1,795,360 thousand (June 30, 2019: Rs 1,710,334 thousand) and balances due to related parties amounting to Rs 766,070 thousand (June 30, 2019: Rs 1,476,068 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 13,597,775 thousand (June 30, 2019: Rs 11,400,420 thousand) as explained in note 16.1.

**8. CONTINGENCIES AND COMMITMENTS**

**8.1** There were no material contingencies at December 31, 2019 (June 30, 2019 Nil).

	(Unaudited) Dec. 31, 2019	(Audited) June 30, 2019
	Rupees ('000)	

**8.2 Commitments:**

- Share in Joint Ventures	10,327,307	12,956,173
- Own fields	2,276,531	3,879,260
- Letter of credit issued by banks on behalf of the company	208,986	1,060,495

**9. PROPERTY, PLANT AND EQUIPMENT**

Operating assets		
Opening net book value	7,804,874	8,824,226
Additions during the period/year	636,767	635,454
Depreciation for the period/year	(777,785)	(1,643,807)
Disposals during the period/year	(914)	(10,999)
Closing net book value	7,662,942	7,804,874
Capital work in progress - at cost	490,069	752,245
	<b>8,153,011</b>	8,557,119



## Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2019

(Unaudited) (Audited)  
Dec. 31, 2019 June 30, 2019  
Rupees ('000)

### 10. DEVELOPMENT AND DECOMMISSIONING COSTS

#### Development cost

Opening net book value	10,886,151	12,175,661
Additions during the period/year	1,496,902	1,522,774
Revision due to change in estimates	(304)	(748,330)
Well cost transferred from exploration and evaluation assets	-	1,679,562
Amortization for the period/year	(1,163,627)	(3,743,516)
Closing net book value	11,219,122	10,886,151

#### Decommissioning cost

Opening net book value	167,435	421,059
Additions during the period/year	65,005	48,385
Revision due to change in estimates	531,589	(271,192)
Amortization for the period/year	(98,916)	(30,817)
Closing net book value	665,113	167,435
	11,884,235	11,053,586

### 11. EXPLORATION AND EVALUATION ASSETS

Balance brought forward	52,761	2,590,790
Additions during the period/year	1,060,094	760,589
	1,112,855	3,351,379
Well cost Transfer to development costs	-	(1,679,562)
Dry and abandoned wells cost charged to the statement of profit or loss	-	(1,619,056)
	1,112,855	52,761

### 12. LONG TERM INVESTMENT IN ASSOCIATED COMPANIES - EQUITY METHOD

Beginning of the year	13,135,926	17,353,491
Share in loss of associated companies	(639,201)	(1,890,241)
Impact of IFRS 9	-	(23,337)
Share of other comprehensive income of associated companies	75	24,995
Impairment reversal/(loss) against investment in NRL	746,243	(1,913,703)
Dividend received during the period / year	(69,847)	(415,279)
End of the period / year	13,173,196	13,135,926

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

**13. TRADE DEBTS**

These include Rs 3,323,849 thousand (June 30, 2019: Rs 4,286,337 thousand) receivable from related parties.

**14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

These include balances due from joint venture partners amounting to Rs 417,977 thousand (June 30, 2019: Rs 134,476 thousand) and balances due from related parties amounting to Rs 211,040 thousand (June 30, 2019: Rs 98,729 thousand).

<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Dec. 31, 2019</b>	<b>June 30, 2019</b>
----- Rupees ('000) -----	

**15. CASH AND BANK BALANCES**

Bank balance on:		
Interest/mark-up bearing saving accounts	<b>8,314,376</b>	3,603,343
Short term deposits	<b>28,385,874</b>	32,182,288
Current accounts	<b>17,924</b>	54,422
	<b>36,718,174</b>	35,840,053
Cash in hand	<b>1,555</b>	5,323
	<b>36,719,729</b>	35,845,376

Balance with banks include foreign currency balances of US \$ 120,850 thousand (June 30, 2019: US \$ 117,967 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 2.00 % to 15.20 % (June 30, 2019: 2% to 13.35%).

<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Three months period ended</b>	<b>Six months period ended</b>
<b>Dec. 31, 2019</b>	<b>Dec. 31, 2019</b>
Dec. 31, 2018	Dec. 31, 2018
----- Rupees ('000) -----	

**16. NET SALES**

Crude oil	<b>5,631,545</b>	5,894,212	<b>10,658,463</b>	11,438,588
Gas - note 16.1	<b>3,804,339</b>	3,606,115	<b>7,497,534</b>	6,685,582
POLGAS/Cap Gas - Refill of cylinders	<b>2,245,940</b>	2,315,813	<b>3,902,368</b>	4,431,583
Solvent oil	<b>64,176</b>	63,571	<b>122,473</b>	123,788
Sulphur	<b>854</b>	10,025	<b>854</b>	10,025
	<b>11,746,854</b>	11,889,736	<b>22,181,692</b>	22,689,566

**16.1** On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012





## Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2019

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 block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) had required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court has fixed January 16, 2020 as next date of hearing.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2019 amounting to Rs 12,572,687 thousand will be accounted for upon resolution of this matter (including Rs 10,855,542 thousand related to period since inception to June 30, 2019). Additional revenue on account of enhanced gas price incentive of Rs 13,597,775 thousand including sales tax of Rs 1,952,146 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables".

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Rupees ('000)				
<b>17. OPERATING COSTS</b>				
Operating cost - Own fields	<b>394,414</b>	421,864	<b>699,535</b>	771,120
- Share in joint operations	<b>863,025</b>	862,126	<b>1,635,044</b>	1,533,788
Well workover	<b>9,467</b>	6,588	<b>56,096</b>	398,774
POLGAS/Cap Gas -Cost of gas/ LPG, carriage etc	<b>1,362,036</b>	1,216,862	<b>2,349,686</b>	2,391,153
Pumping and transportation cost	<b>15,308</b>	22,476	<b>28,097</b>	31,218
Depreciation	<b>365,438</b>	404,977	<b>773,983</b>	820,977
	<b>3,009,688</b>	2,934,558	<b>5,542,441</b>	5,947,030
Opening stock of crude oil and other products	<b>413,698</b>	339,762	<b>313,921</b>	320,152
Closing stock of crude oil and other products	<b>(368,045)</b>	(308,346)	<b>(368,045)</b>	(308,346)
	<b>3,055,341</b>	2,965,974	<b>5,488,317</b>	5,958,836
<b>18. EXPLORATION COSTS</b>				
Geological and geophysical cost	<b>414,817</b>	78,889	<b>790,648</b>	165,665
Dry and abandoned wells cost charged to the statement of profit or loss	-	-	-	644,489
	<b>414,817</b>	78,889	<b>790,648</b>	810,154
<b>19. FINANCE COSTS - NET</b>				
Provision for decommissioning cost				
- unwinding of discount	<b>405,710</b>	188,912	<b>807,506</b>	378,287
- exchange (gain)/loss	<b>(98,898)</b>	1,156,103	<b>(362,624)</b>	1,367,013
Banks' commission and charges	<b>2,334</b>	1,845	<b>3,009</b>	3,304
	<b>309,146</b>	1,346,860	<b>447,891</b>	1,748,604
<b>20. OTHER CHARGES</b>				
Workers' profit participation fund	<b>329,456</b>	372,985	<b>639,122</b>	648,773
Workers' welfare fund	<b>82,683</b>	121,643	<b>173,599</b>	218,402
	<b>412,139</b>	494,628	<b>812,721</b>	867,175



## Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2019

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
	Rupees ('000)			
<b>21. OTHER INCOME - NET</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and held-to-maturity investments	810,782	460,700	1,584,406	886,079
Exchange (loss)/gain on financial assets	(229,694)	1,513,083	(696,266)	1,687,348
<b>Income from assets other than financial assets</b>				
Rental income -net of related expenses	71,511	30,360	120,670	52,919
Crude oil / gas transportation income - net of related expenses	40,305	35,109	60,254	79,611
Gas processing fee	5,752	27,328	10,158	55,412
Profit on sale of property, plant and equipment	5,735	48	5,733	366
Profit on sale of stores and scrap	2,596	16,438	2,916	16,470
Fair value adjustment on investments classified as fair value through profit or loss	2,136	2,136	2,136	2,136
Others	(638)	1,517	3,778	1,146
	<b>709,922</b>	<b>2,086,719</b>	<b>1,110,112</b>	<b>2,781,487</b>
<b>22. PROVISION FOR TAXATION</b>				
Current	1,352,060	3,516,941	2,992,624	5,420,226
Deferred	144,273	(575,842)	288,479	(1,209,153)
	<b>1,496,333</b>	<b>2,941,099</b>	<b>3,281,103</b>	<b>4,211,073</b>
<b>23. FAIR VALUE MEASUREMENT</b>				

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

The Company held the following financial assets at fair value;

	<b>December 31, 2019</b>				June 30, 2019
	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Total</b>	
	Rupees ('000)				
Other financial assets classified as fair value through profit or loss	<b>1,280,648</b>	-	-	<b>1,280,648</b>	880,749

**24. TRANSACTIONS WITH RELATED PARTIES**

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

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2019</b>	<b>Dec. 31, 2018</b>	<b>Dec. 31, 2019</b>	<b>Dec. 31, 2018</b>
	Rupees ('000)			
<b>Sales of goods and services to</b>				
Associated companies	<b>5,220,272</b>	5,390,917	<b>9,620,463</b>	10,451,174
<b>Purchase of goods and services from</b>				
Parent company	<b>29,131</b>	50,434	<b>58,294</b>	87,595
Associated companies	<b>600,986</b>	426,460	<b>992,393</b>	872,257
<b>Dividend paid during the period</b>				
Parent company	-	-	<b>4,492,007</b>	3,119,449
Associated companies	-	-	<b>13,663</b>	9,488
Key management Personnel	<b>86,275</b>	-	<b>86,275</b>	59,905
<b>Dividend received during the period</b>				
Associated companies	-	-	<b>69,847</b>	345,432



**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**

For the six months period ended December 31, 2019

	<u>(Unaudited)</u> <u>Three months period ended</u>		<u>(Unaudited)</u> <u>Six months period ended</u>	
	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>

Rupees ('000)

**Other related parties**

Remuneration to key management personnel including benefits and perquisites	27,724	55,792	83,719	83,998
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	20,856	22,767	44,093	44,536
Approved Contributory Provident Funds	7,493	7,915	15,750	16,362
Contribution to Workers' Profit Participation Fund	329,456	372,985	639,122	648,773

**25. 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 69% of the total revenue during the period ended December 31, 2019 (December 31, 2018: 69%).

**26. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on January 21, 2020 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2020.

**27. DATE OF AUTHORISATION**

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on January 21, 2020.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

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
Hisal	Pakistan Petroleum Limited	25.00

### 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	Orient Petroleum Inc.	7.00
Dhurnal	Orient Petroleum Inc.	5.00
Ratana	Orient Petroleum Inc.	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*
Maramzai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Mami Khel	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj West	MOL Pakistan Oil and Gas Co. B.V	25.00*

\* Pre-Commerciality interest





## **Pakistan Oilfields Limited**

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