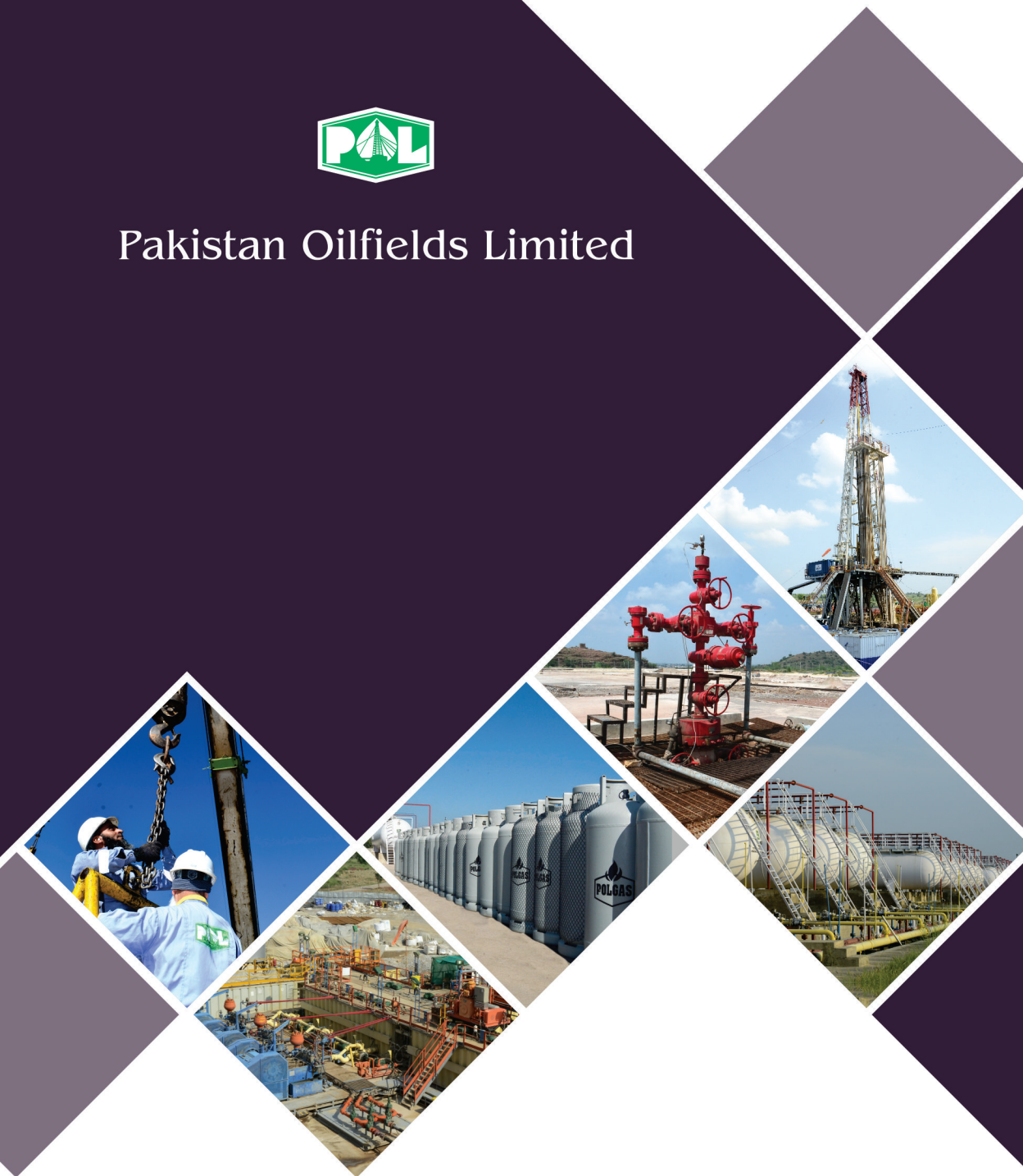




Pakistan Oilfields Limited



# Condensed Interim Financial Statements

Six Months Period Ended  
December 31, 2020

## **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. Shamim Ahmad Khan**

**Mr. Tariq Iqbal Khan**

**Mr. Shuaib A. Malik**

Chairman & Chief Executive

### Audit Committee

**Mr. Shamim Ahmad Khan**

Chairman

**Mr. Abdus Sattar**

Member

**Mr. Babar Bashir Nawaz**

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.

### 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 six months period ended December 31, 2020.

## Financial results

During the period, the Company has made a profit after tax of Rs.6,649 million (December 31, 2019: Rs. 8,568 million), which is lower by 22.4% as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 23.42 (December 31, 2019: Rs. 30.19). Production volume of crude oil, gas and LPG decreased by 3.2%, 4.7% and 1.5% respectively in comparison to corresponding period last year. During the period the Company made a Consolidated profit after tax of Rs. 6,748 million (December 31, 2019: Rs. 8,732 million) which translate into consolidated earnings per share of Rs. 23.76 (December 31, 2019: Rs. 30.73).

## Production

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

		Six months period ended	
		Dec. 31, 2020	Dec. 31, 2019
Crude Oil/Condensate	US Barrels	1,169,131	1,207,763
Gas	Million Cubic Feet	14,880	15,616
LPG	Metric Tonnes	28,960	29,405
Sulphur	Metric Tonnes	179	226
Solvent Oil	US Barrels	8,516	10,738

The Company's share in production, including that from joint ventures, for the period under review averaged 6,351 barrels per day (bpd) of crude, 80.87 million standard cubic feet per day (mmscfd) of gas, 157.38 metric tonnes per day (MTD) of LPG, 0.97 MTD of sulphur and 46 bpd of solvent oil.

## Exploration and development activities

### Producing Fields

At Balkassar lease (100% owned by POL), Balkassar Deep-1, one of the testing in upper developed zones showed hydrocarbons and well has been completed accordingly. Presently, the well is producing around 33 bpd.

At Pindori Lease (operated by POL with a 35% share), due to significant production tested from Lockhart formation, the well was completed in Lockhart formation and the rig was released. However, subsequently water production from Lockhart formation increased over time and the production of hydrocarbons reduced to 42 bpd of Oil and 0.079 mmscfd of Gas.

A rig workover was started at Pindori-10 well on September 25, 2020 with the objectives to isolate Lockhart formation and to test the potential of shallower formations to enhance production from the field. During this workover, the potential of both Sakesar and Chorgali formations was tested and the following hydrocarbons were tested from the Chorgali formation;



CHOKE	OIL(bpd)	GAS(mmscfd)	WATER(bpd)	WHFP(PSI)
24/64"	1010	2.587	79	1524
20/64"	808	2.04	102	1587
16/64"	558	1.395	94	2131

Presently, Pindori-10 is producing around 540 barrels of oil per day (bopd) and 1.2 million standard cubic feet of gas (mmscfd) with a wellhead flowing pressure of 2,160 psi and around 80 bpd of water at fixed choke size of 16/64".

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Mardankhel-4 location has been approved.

**Exploration Blocks**

At Ikhlas block (operated by POL with an 80% share), Jhandial – 2 well target depth was achieved. Out of four prospective formations three formations were tested and no hydrocarbon flows were made from these formations. During testing of third formation, the string got stuck. The fishing activities to release string were not successful. After side track, the well was tested but not successful. It was decided to suspend the well for further data evaluation.

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 Kirthar South block (operated by POL with an 85% share), environment study is in progress prior to initiating the exploration activities.

At Margala block (operated by MOL where POL has a 30% share), 2D Seismic Acquisition of 203 line kilometers has been acquired, processed and interpreted. A prospect has been mapped.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), based on 3D Seismic data interpretation, an exploratory well Razgir-1 has been decided to drill in near future.

Mamikhel South-01 well production line has been completed. Production will be started after approval of Field Development Plan by the Government.

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.

At Taung block (operated by Mari Petroleum where POL has 40% share), 3D Seismic acquisition planning is in progress.

In the recent bidding of Exploration Blocks, POL has won the following blocks:

1. Dhurnal North Block - Operator with 60% share
2. Nereli Block - Non Operator with 32% share

**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

Rawalpindi  
January 26, 2021

دریافتی قطعات کی حالیہ بولی میں پی او ایل نے مندرجہ ذیل قطعات حاصل کر لئے ہیں۔

۱۔ دھرنال شمالی بلاک۔ زیر انتظام پی او ایل ۶۰ فی صد حصہ کے ساتھ

۲۔ نیرلی بلاک۔ غیر انتظامی پی او ایل ۳۲ فی صد حصہ کے ساتھ

## اعتراف

بورڈ تمام اسٹیک ہولڈرز کا کمپنی کے ساتھ مسلسل تعاون پر ان کا شکر گزار ہے۔

منجانب بورڈ



عبدالرتار

ڈائریکٹر



شعیب اے ملک

چیرمین و چیف ایگزیکٹو

راولپنڈی

۲۶ جنوری ۲۰۲۱ء

## دریافتی قطعات:

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل)، جنڈیال-۲ اہداف کی گہرائی کو حاصل کر لیا گیا ہے۔ ممکنہ چار فارمیٹسز میں سے تین کا تجربہ کیا گیا تھا اور ان فارمیٹسز میں سے کسی بائیڈروکاربن کا بہاؤ نہیں ہوا۔ تیسری فارمیشن کی جانچ کے دوران تار پھنس گئی جس کے لیے فشنگ کی سرگرمیاں کامیاب نہیں ہوئیں۔ ضمنی ٹریک کے بعد کنویں کی جانچ کی گئی لیکن کامیابی حاصل نہیں ہوئی۔ مزید اعداد و شمار کی جانچ کے لیے کنویں کو معطل کرنے کا فیصلہ کیا گیا۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام)، ڈی جی کے-۱ کے دریافتی کنویں کی منظوری دی جا چکی ہے۔ فی الوقت رابطہ سڑک اور کنویں کی جگہ تیار کی جا رہی ہے۔

کرتھر جنوبی بلاک (۸۵ فی صد حصص کے ساتھ زیر انتظام پی او ایل)، دریافتی سرگرمیوں سے قبل ماحولیاتی مطالعہ کیا جا رہا ہے۔

مارگلہ بلاک (زیر انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے)، ۲۰۳ لائن کلومیٹر پر 2D ارضیاتی اعداد و شمار مکمل کر لئے گئے ہیں۔ ان پر عمل اور تشریح بھی کر لی گئی ہے۔ بہتر امکانات کی نشاندہی کی جا رہی ہے۔

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے)، 3D ارضیاتی اعداد و شمار پر مبنی ایک دریافتی کنویں رازگیر-۱ کو مستقبل قریب میں کھودنے کا فیصلہ کیا گیا ہے۔

مامی خیل جنوبی-۱، کنویں کی پیداواری لائن کی تکمیل ہو چکی ہے۔ حکومت کی جانب سے فیلڈ کے ترقیاتی منصوبے کی منظوری کے بعد پیداوار شروع کی جائے گی۔

گرگلوٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے)، ۳۲۰ مربع کلومیٹر پر 3D ارضیاتی اعداد و شمار کے حصول کا کام مکمل کیا جا چکا ہے۔ ان اعداد و شمار پر عمل / تشریح کا کام جاری ہے۔

ٹونگ بلاک (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۴۰ فی صد ہے)، 3D ارضیاتی اعداد و شمار کے حصول کی منصوبہ بندی کی جا رہی ہے۔



زیر جائزہ مدت میں کمپنی کی روزانہ پیداوار بشمول مشترکہ منصوبوں کے اوسط یوں رہی: خام تیل ۶،۳۵۱ بیرلز، گیس ۸۰.۸۷ ملین سٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس ۱۵۷.۳۸ میٹرک ٹن، سلفر ۰.۹۷ میٹرک ٹن اور سالونٹ آئل ۳۶ بیرلز۔

## دریافتی اور ترقیاتی سرگرمیاں

### پیداواری قطعات

بلکسر (۱۰۰ فی صد پی او ایل کی ملکیت) بلکسر ڈیپ-۱ کے بالائی ترقی یافتہ حصوں میں سے ایک جانچ کے بعد ہائیڈروکاربن دکھائی دیا۔ کنویں کی تکمیل ہو چکی ہے۔ فی الحال کنویں کی روزانہ پیداوار تقریباً ۳۳ بیرل ہے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) لاک ہارٹ کی تشکیل سے جانچ کی گئی اہم پیداواری وجہ سے لاک ہارٹ فارمیشن میں کنویں کا کام مکمل ہو گیا ہے اور رگ فارغ ہے۔ تاہم اس کے نتیجے میں لاک ہارٹ کی تشکیل سے پانی کی پیداوار میں وقت کے ساتھ اضافہ ہوا اور ہائیڈروکاربن کی پیداوار کم ہو کر روزانہ ۴۲ بیرل آئل اور ۰.۷۹ ملین سٹینڈرڈ مکعب فٹ گیس ہو گئی ہے۔

پنڈوری-۱۰ کنویں میں ۲۵ ستمبر ۲۰۲۰ء کو اضافی کام شروع کیا گیا جس کا مقصد لاک ہارٹ فارمیشن کو الگ کرنا اور فیلڈ سے پیداوار بڑھانے کے لیے اتھارٹی فارمیشنز کی صلاحیت کی جانچ کرنا تھا۔ اس اضافی کام کے دوران سیکس اور چورنگی کی جانچ کی گئی اور مندرجہ ذیل ہائیڈروکاربنز کو چورنگی فارمیشن سے جانچا گیا۔

چوک	تیل (یومیہ بیرل)	گیس (ملین سٹینڈرڈ مکعب فٹ یومیہ)	پانی (یومیہ بیرل)	کنویں پر بہاؤ کا دباؤ (پی ایس آئی)
" ۲۳/۶۴	۱۰۱۰	۲.۵۸۷	۷۹	۱۵۲۴
" ۲۰/۶۴	۸۰۸	۲.۰۴	۱۰۲	۱۵۸۷
" ۱۶/۶۴	۵۵۸	۱.۳۹۵	۹۴	۲۱۳۱

فی الحال، پنڈوری-۱۰ تقریباً ۵۴۰ بیرل یومیہ تیل اور ۱.۲ ملین سٹینڈرڈ مکعب فٹ گیس کی پیداوار بہاؤ کے دباؤ ۲۱۶۰ (پی ایس آئی) کے ساتھ ہو رہی ہے جبکہ " ۱۶/۶۴" فکسڈ چوک پر تقریباً ۸۰ بیرل یومیہ پانی حاصل ہو رہا ہے۔

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

مردان خیل-۴ جگہ کی منظوری دی جا چکی ہے۔

## ڈائریکٹر رپورٹ

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

السلام علیکم!

ڈائریکٹر کو ۳۱ دسمبر ۲۰۲۰ء کو اختتام پذیر نصف سال کے مالیاتی نتائج اور کمپنی کے امور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

## مالیاتی نتائج

اس عرصے میں کمپنی نے بعد از ٹیکس ۶،۶۴۹ ملین روپے (۳۱ دسمبر ۲۰۱۹ء: ۸،۵۶۸ ملین روپے) حاصل کیا جو کہ گزشتہ برس اسی دورانیے کے مقابلے میں ۲۲.۴ فی صد کم ہے۔ یہ منافع فی حصص آمدنی ۲۳.۴۲ روپے (۳۱ دسمبر ۲۰۱۹ء: ۳۰.۱۹ روپے) کو ظاہر کرتا ہے۔ گزشتہ سال کے اسی عرصے کے مقابلے میں خام تیل، گیس اور ایل پی جی کی پیداوار کے حجم میں بالترتیب ۳.۲ فی صد، ۷.۷ فی صد اور ۱.۵ فی صد کمی واقع ہوئی ہے۔ اس عرصے میں کمپنی نے مجموعی منافع بعد از ٹیکس ۶،۷۴۸ ملین روپے (۳۱ دسمبر ۲۰۱۹ء: ۷،۳۳۲ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۷.۶ روپے (۳۱ دسمبر ۲۰۱۹ء: ۷.۳۰ روپے) کو ظاہر کرتا ہے۔

## پیداوار

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

### ششماہی مدت کا اختتام

۳۱ دسمبر ۲۰۱۹ء	۳۱ دسمبر ۲۰۲۰ء		
۱،۲۰۷،۷۶۳	۱،۱۶۹،۱۳۱	(یو ایس بیرل)	خام تیل / Condensate
۱۵،۶۱۶	۱۴،۸۸۰	(ملین کیوبک فٹ)	گیس
۲۹،۴۰۵	۲۸،۹۶۰	(میٹرک ٹن)	مائع پٹرولیم گیس LPG
۲۲۶	۱۷۹	(میٹرک ٹن)	سلفر
۱۰،۷۳۸	۸،۵۱۶	(یو ایس بیرل)	سالونٹ آئل



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, 2020 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, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2020.

**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 26, 2021

**Condensed Interim Statement of Financial Position**

As at December 31, 2020

	Note	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
		Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
500,000,000 (June 30, 2020: 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, 2020: 283,855,104) ordinary shares of Rs 10 each		2,838,551	2,838,551
Revenue reserves	4	35,561,734	37,428,319
		<b>38,400,285</b>	<b>40,266,870</b>
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		861,969	861,129
Deferred liabilities	5	20,227,430	20,026,985
		<b>21,089,399</b>	<b>20,888,114</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	6	24,784,148	23,409,306
Unclaimed dividend		234,895	214,307
Provision for income tax		7,140,649	6,817,328
		<b>32,159,692</b>	<b>30,440,941</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>7</b>		
		<b>91,649,376</b>	<b>91,595,925</b>



	Note	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
		Rupees ('000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	7,167,921	7,542,399
Development and decommissioning costs	9	13,873,329	12,355,617
Exploration and evaluation assets	10	1,535,581	2,773,514
		<b>22,576,831</b>	22,671,530
<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>	11	<b>9,615,603</b>	9,615,603
<b>LONG TERM LOANS AND ADVANCES</b>		<b>26,635</b>	26,723
<b>CURRENT ASSETS</b>			
Stores and spares		4,541,254	4,497,755
Stock in trade		280,357	399,205
Trade debts	12	6,404,093	7,633,883
Advances, deposits, prepayments and other receivables	13	4,228,778	3,696,360
Other financial assets	14	306,812	6,519
Short term investments - at amortised cost	15	2,499,246	6,367,740
Cash and bank balances	16	41,169,767	36,680,607
		<b>59,430,307</b>	59,282,069
		<b>91,649,376</b>	91,595,925

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

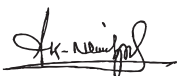
Abdus Sattar  
Director

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

For the six months period ended December 31, 2020

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Rupees ('000)					
<b>SALES</b>		<b>9,691,040</b>	11,953,407	<b>19,340,337</b>	22,605,393
Sales tax		(847,871)	(928,955)	(1,667,435)	(1,760,162)
Excise duty		(70,659)	(72,462)	(141,924)	(146,052)
<b>NET SALES</b>	<b>17</b>	<b>8,772,510</b>	10,951,990	<b>17,530,978</b>	20,699,179
Operating costs	<b>18</b>	(2,149,915)	(2,361,706)	(4,041,758)	(4,181,976)
Royalty		(933,981)	(1,221,349)	(1,931,940)	(2,339,408)
Amortisation of development and decommissioning costs		(677,580)	(732,372)	(1,241,240)	(1,245,828)
		(3,761,476)	(4,315,427)	(7,214,938)	(7,767,212)
<b>GROSS PROFIT</b>		<b>5,011,034</b>	6,636,563	<b>10,316,040</b>	12,931,967
Exploration costs	<b>19</b>	(33,593)	(414,817)	(109,231)	(790,648)
		4,977,441	6,221,746	10,206,809	12,141,319
Administration expenses		(60,504)	(49,447)	(117,612)	(104,053)
Finance costs - net	<b>20</b>	188,371	(309,146)	102,436	(447,889)
Other charges	<b>21</b>	(392,321)	(410,455)	(746,732)	(811,037)
		(264,454)	(769,048)	(761,908)	(1,362,979)
		4,712,987	5,452,698	9,444,901	10,778,340
Other income - net	<b>22</b>	242,126	707,291	544,775	1,174,389
<b>PROFIT BEFORE TAXATION</b>		<b>4,955,113</b>	6,159,989	<b>9,989,676</b>	11,952,729
Provision for taxation	<b>23</b>	(1,934,592)	(1,599,642)	(3,340,608)	(3,384,412)
<b>PROFIT FOR THE PERIOD</b>		<b>3,020,521</b>	4,560,347	<b>6,649,068</b>	8,568,317
Earnings per share					
- Basic and diluted (Rupees)		10.64	16.07	23.42	30.19

The annexed notes 1 to 30 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, 2020

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>3,020,521</b>	4,560,347	<b>6,649,068</b>	8,568,317
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,020,521</b>	4,560,347	<b>6,649,068</b>	8,568,317

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

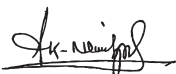
Khalid Nafees  
CFOShuaib A. Malik  
Chief ExecutiveAbdus Sattar  
Director

## Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended December 31, 2020

	Share capital	Revenue reserves			Total
		Insurance reserve	Investment reserve	Unappropriated profit	
	Rupees ('000)				
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)
Balance at December 31, 2019	2,838,551	200,000	1,557,794	33,527,316	38,123,661
Total comprehensive income for the period:					
Profit for the period	-	-	-	7,807,533	7,807,533
Other comprehensive income	-	-	-	12,778	12,778
	-	-	-	7,820,311	7,820,311
Transactions with owners:					
Interim dividend @ 20 per share - Year ended June 30, 2020	-	-	-	(5,677,102)	(5,677,102)
Balance at June 30, 2020	2,838,551	200,000	1,557,794	35,670,525	40,266,870
Total comprehensive income for the period:					
Profit for the period	-	-	-	6,649,068	6,649,068
Other comprehensive income	-	-	-	-	-
	-	-	-	6,649,068	6,649,068
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2020	-	-	-	(8,515,653)	(8,515,653)
<b>Balance at December 31, 2020</b>	<b>2,838,551</b>	<b>200,000</b>	<b>1,557,794</b>	<b>33,803,940</b>	<b>38,400,285</b>

The annexed notes 1 to 30 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, 2020

Six months period ended

Note Dec. 31, 2020 Dec. 31, 2019

Rupees ('000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers	19,206,421	22,468,835
Operating and exploration costs paid	(3,636,663)	(6,182,892)
Royalty paid	(1,727,243)	(2,104,890)
Taxes paid	(2,727,180)	(2,546,443)
Cash provided by operating activities	11,115,335	11,634,610

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditure	(1,904,197)	(2,929,566)
Proceeds from disposal of property, plant and equipment	23,228	6,647
Income on bank deposits and investments at amortised cost	1,094,785	1,593,796
Investments in mutual funds - net	(300,153)	(399,724)
Dividend income received	40,861	86,174
Cash used in investing activities	(1,045,476)	(1,642,673)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividend paid	(8,495,065)	(8,503,604)
---------------	-------------	-------------

**EFFECT OF EXCHANGE RATE CHANGES**

	(954,128)	(696,266)
--	-----------	-----------

<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>620,666</b>	<b>792,067</b>
----------------------------------------------	----------------	----------------

<b>CASH AND CASH EQUIVALENTS AT JULY 1</b>	<b>43,048,347</b>	<b>35,761,440</b>
--------------------------------------------	-------------------	-------------------

<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b>43,669,013</b>	<b>36,553,507</b>
-------------------------------------------------	-------------------	-------------------

**CASH AND CASH EQUIVALENTS**

Short term investment - at amortised cost	15	2,499,246	-
Cash and bank balances	16	41,169,767	36,553,507
		<b>43,669,013</b>	<b>36,553,507</b>

The annexed notes 1 to 30 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, 2020

### 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.

- 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 applied 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 its financial statements.

These condensed interim financial statements do 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, 2020.

### 3. Significant accounting policies

The accounting policies and methods for computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended June 30, 2020.



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

For the six months period ended December 31, 2020

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>4. Revenue reserves</b>		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	33,803,940	35,670,525
	<b>35,561,734</b>	<b>37,428,319</b>
<b>5. Deferred liabilities</b>		
Provision for deferred income tax	6,220,782	5,930,675
Provision for decommissioning costs	14,003,524	14,089,542
Provision for staff compensated absences	3,124	6,768
	<b>20,227,430</b>	<b>20,026,985</b>

### 6. Trade and other payables

These include balances due to joint operating partners amounting to Rs 1,347,076 thousand (June 30, 2020: Rs 1,748,469 thousand) and balances due to related parties amounting to Rs 597,058 thousand (June 30, 2020: Rs 1,139,005 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 17,461,801 thousand (June 30, 2020: Rs 15,389,552 thousand) as explained in note 17.1.

### 7. Contingencies and commitments

7.1 There were no material contingencies at December 31, 2020 (June 30, 2020: Nil).

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	

#### 7.2 Commitments:

Share in joint operations	8,230,737	9,412,940
Own fields	-	297,558
Letter of credit issued by banks on behalf of the Company	188,912	199,199

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

For the six months period ended December 31, 2020

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>8. Property, plant and equipment</b>		
Operating assets		
Opening net book value	7,056,837	7,747,259
Additions during the period / year	364,424	809,591
Disposals during the period / year	(515)	(1,425)
Depreciation for the period / year	(736,716)	(1,498,588)
Closing net book value	6,684,030	7,056,837
Capital work in progress - at cost	483,891	485,562
	<b>7,167,921</b>	<b>7,542,399</b>
<b>9. Development and decommissioning costs</b>		
<b>Development cost</b>		
Opening net book value	11,857,324	10,886,151
Additions during the period / year	1,262,025	3,472,391
Revision due to change in estimates	-	(3,985)
Wells cost transferred from exploration and evaluation assets	1,478,001	-
Amortisation for the period / year	(1,171,823)	(2,497,233)
Closing net book value	13,425,527	11,857,324
<b>Decommissioning cost</b>		
Opening net book value	498,293	167,435
Additions during the period / year	18,926	173,660
Revision due to change in estimates	-	278,967
Amortisation for the period / year	(69,417)	(121,769)
Closing net book value	447,802	498,293
	<b>13,873,329</b>	<b>12,355,617</b>
<b>10. Exploration and evaluation assets</b>		
Balance brought forward	2,773,514	52,761
Additions during the period / year	240,068	2,720,753
Wells cost transferred to development cost	(1,478,001)	-
	<b>1,535,581</b>	<b>2,773,514</b>



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

For the six months period ended December 31, 2020

**11. Long term investments in subsidiary and associated companies - at cost**

	<b>(Unaudited)</b> <b>December 31, 2020</b>		<b>(Audited)</b> <b>June 30, 2020</b>	
	<b>Percentage holding</b>	<b>Amount Rupees ('000)</b>	<b>Percentage holding</b>	<b>Amount Rupees ('000)</b>
<b>Subsidiary company</b>				
Unquoted				
Caggas (Private) Limited	51	1,530	51	1,530
<b>Associated companies</b>				
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
		<b>9,615,603</b>		<b>9,615,603</b>

**11.1** Based on a valuation analysis, the recoverable amount of investment in National Refinery Limited exceeds 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 management, on an annual basis.

**12. Trade debts**

These include Rs 3,143,193 thousand (June 30, 2020: Rs 2,212,489 thousand) receivable from related parties.

**13. Advances, deposits, prepayments and other receivables**

These include balances due from joint operating partners amounting to Rs 358,187 thousand (June 30, 2020: Rs 498,831 thousand) and balances due from related parties amounting to Rs 248,064 thousand (June 30, 2020: Rs 207,157 thousand).

**14. Other financial assets**

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

<b>(Unaudited)</b> <b>Dec. 31, 2020</b>	<b>(Audited)</b> <b>June 30, 2020</b>
<b>306,812</b>	<b>6,519</b>

Rupees ('000)

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

For the six months period ended December 31, 2020

**15. Short term investments - at amortised cost**

This represents Treasury Bills purchased on December 31, 2020 for 84 days at yield ranging from 8.08% to 8.11% (June 30, 2020: 7.85% to 8.21%) per annum.

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>16. Cash and bank balances</b>		
Bank balance on		
Short term deposits	<b>39,338,250</b>	32,228,089
Interest/ mark-up bearing saving accounts	<b>1,755,639</b>	4,384,768
Current accounts	<b>73,496</b>	65,892
	<b>41,167,385</b>	36,678,749
Cash in hand	<b>2,382</b>	1,858
	<b>41,169,767</b>	36,680,607

Balances with banks include foreign currency balances of US \$ 133,410 thousand (June 30, 2020: US \$ 127,602 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 0.25 % to 8.21 % (June 30, 2020: 1.00% to 15.20%).

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Rupees ('000)			
<b>17. Net sales</b>				
Crude oil	<b>3,883,387</b>	5,631,545	<b>7,948,44</b>	10,658,463
Gas - note 17.1	<b>3,559,235</b>	3,733,143	<b>7,295,838</b>	7,353,976
Less : Shrinkages/Own use	<b>467,812</b>	436,488	<b>927,090</b>	867,195
	<b>3,091,423</b>	3,296,655	<b>6,368,748</b>	6,486,781
POLGAS - Refill of cylinders	<b>1,747,725</b>	1,958,760	<b>3,115,460</b>	3,430,608
Solvent oil	<b>49,975</b>	64,176	<b>98,321</b>	122,473
Sulphur	-	854	-	854
	<b>8,772,510</b>	10,951,990	<b>17,530,978</b>	20,699,179

**17.1** 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.



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

For the six months period ended December 31, 2020

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, Maramzai & 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 had fixed March 19, 2020 as next date of hearing, but the hearing was cancelled due to preventive measures taken in the court amid Coronavirus.

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, 2020 amounting to Rs 15,437,029 thousand will be accounted for upon resolution of this matter (including Rs 13,949,495 thousand related to period since inception to June 30, 2020). Additional revenue on account of enhanced gas price incentive of Rs 17,461,801 thousand including sales tax of Rs 2,528,159 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 Financial Statements (Unaudited)**

For the six months period ended December 31, 2020

	(Unaudited)		(Unaudited)	
	Three months period ended		Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Rupees ('000)			
<b>18. Operating costs</b>				
Operating cost - own fields	241,835	297,628	436,979	529,752
- share in joint operations	806,933	863,025	1,661,022	1,635,044
Well work over	(25,341)	9,467	(17,353)	56,096
POLGAS - Cost of LPG, carriage etc.	629,823	795,065	1,116,129	1,261,145
Pumping and transportation cost	11,541	15,308	26,857	28,097
Depreciation	354,839	346,290	699,276	735,683
	<b>2,019,630</b>	<b>2,326,783</b>	<b>3,922,910</b>	<b>4,245,817</b>
Opening stock of crude oil and other products	410,642	396,095	399,205	297,331
Closing stock of crude oil and other products	(280,357)	(361,172)	(280,357)	(361,172)
	<b>2,149,915</b>	<b>2,361,706</b>	<b>4,041,758</b>	<b>4,181,976</b>
<b>19. Exploration costs</b>				
Geological and geophysical cost	33,593	414,817	109,231	790,648
<b>20. Finance costs-net</b>				
Provision for decommissioning cost				
- Unwinding of discount	275,299	405,710	556,289	807,506
- Exchange gain	(465,025)	(98,898)	(661,235)	(362,624)
Banks' commission and charges	1,355	2,334	2,510	3,007
	<b>(188,371)</b>	<b>309,146</b>	<b>(102,436)</b>	<b>447,889</b>
<b>21. Other charges</b>				
Workers' profit participation fund	298,779	328,236	581,357	637,902
Workers' welfare fund	93,542	82,219	165,375	173,135
	<b>392,321</b>	<b>410,455</b>	<b>746,732</b>	<b>811,037</b>





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

For the six months period ended December 31, 2020

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Rupees ('000)			
<b>22. Other income-net</b>				
<b>Income from financial assets - net</b>				
Income on bank deposits and treasury bills	633,089	805,673	1,137,022	1,575,497
Exchange (loss) on financial assets	(681,367)	(229,694)	(954,128)	(696,266)
Dividend on investments in mutual funds	185	1,437	185	16,327
classified as fair value through profit or loss				
<b>Dividend from subsidiary and associated companies</b>	30,521	-	40,676	69,847
<b>Other income</b>				
Rental income (net of related expenses)	215,814	71,862	238,998	121,372
Crude oil / Gas transportation income (net of related expenses)	16,096	40,305	56,588	60,254
Gas processing fee	3,905	5,752	150	10,158
Profit on sale of property, plant and equipment	22,685	5,735	22,713	5,735
Profit on sale of stores and scrap	379	2,596	405	2,916
Fair value adjustment on investments in mutual funds classified as fair value through profit or loss	140	3,008	140	7,932
Others	679	617	2,026	617
	242,126	707,291	544,775	1,174,389
<b>23. Provision for taxation</b>				
Current	1,788,909	1,345,021	3,050,610	2,985,585
Deferred	145,683	254,621	289,998	398,827
	1,934,592	1,599,642	3,340,608	3,384,412

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

For the six months period ended December 31, 2020

**24. 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;

	<b>December 31, 2020</b>				June 30, 2020
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
	Rupees ('000)				
classified as fair value through profit or loss	<b>306,812</b>	-	-	<b>306,812</b>	6,519

<b>(Unaudited)</b>		<b>(Unaudited)</b>	
<b>Three months period ended</b>		<b>Six months period ended</b>	
Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Rupees ('000)			

**25. Transactions with related parties**

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

**Sale of goods and services to**

Associated Companies	<b>3,284,434</b>	5,213,151	<b>6,791,210</b>	9,607,406
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**Purchase of goods and services from**

Parent Company	<b>16,590</b>	17,383	<b>29,562</b>	34,321
Associated Companies	<b>303,095</b>	595,081	<b>597,378</b>	976,285

**Reimbursement of expenses incurred by POL on behalf of associates**

Parent Company	-	-	<b>9,275</b>	-
Subsidiary Company	<b>2,713</b>	3,021	<b>6,118</b>	6,331
Associated Companies	<b>6,953</b>	6,285	<b>14,593</b>	11,383



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

For the six months period ended December 31, 2020

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Rupees ('000)			
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent Company	1,840	1,068	2,118	2,808
Subsidiary Company	1,722	3,800	2,958	4,357
Associated Companies	5,622	5,085	14,099	14,471
<b>Rental income</b>				
Subsidiary Company	351	351	702	702
Associated Companies	841	836	1,677	1,674
<b>Rental expense</b>				
Parent Company	12,325	10,680	24,208	21,165
Associated Companies	1,117	819	2,234	1,639
<b>Dividend paid</b>				
Parent Company	4,493,860	-	4,493,860	4,492,007
Associated Companies	4,145	-	4,145	13,663
<b>Dividend received</b>				
Subsidiary Company	2,582	-	12,737	-
Associated Companies	27,939	-	27,939	69,847
<b>Other related parties</b>				
Remuneration of key management personnel including benefits and perquisites	65,240	27,724	91,407	83,719
Dividend to key management personnel	95,133	86,275	95,133	86,275
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	21,602	20,856	45,260	44,093
Approved Contributory Provident Funds	7,932	7,493	16,265	15,750
Contribution to Workers' Profit Participation Fund	298,779	328,236	581,357	637,902

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

For the six months period ended December 31, 2020

### 26. 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 16.

Revenue from two major customers of the Company constitutes 66% of the total revenue during the period ended December 31, 2020 (December 31, 2019: 69%).

### 27. Non-adjusting event after the statement of financial position date

The Board of Directors in its meeting held on January 26, 2021 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2021.

### 28. Corresponding figures

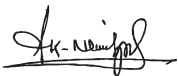
Corresponding figures have been rearranged/ reclassified wherever necessary to conform to current period presentation.

### 29. Impact of COVID-19 on the condensed interim financial statements

The spread of COVID-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which are now steadily recovering. As at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

### 30. 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 26, 2021.



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, 2020

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
As at December 31, 2020

	Note	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
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	5	2,027,875	2,027,868
Revenue reserves	6	35,214,117	36,984,055
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		3,236	3,236
		40,083,779	41,853,710
<b>NON - CONTROLLING INTEREST</b>			
		117,758	127,574
		40,201,537	41,981,284
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		987,187	985,001
Deferred liabilities	7	20,153,208	19,933,909
		21,140,395	20,918,910
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	8	24,809,743	23,437,494
Unclaimed dividend		234,895	214,307
Provision for income tax		7,146,530	6,822,668
		32,191,168	30,474,469
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	93,533,100	93,374,663



	Note	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
Rupees ('000)			
<b>FIXED ASSETS</b>			
Property, plant and equipment	10	7,213,913	7,592,774
Development and decommissioning costs	11	13,873,329	12,355,617
Exploration and evaluation assets	12	1,535,581	2,773,514
Other intangible assets		61,133	85,902
		<b>22,683,956</b>	<b>22,807,807</b>
<b>LONG TERM INVESTMENT IN ASSOCIATED COMPANIES</b>			
	13	11,094,737	10,969,009
<b>LONG TERM LOANS AND ADVANCES</b>			
		26,635	26,723
<b>CURRENT ASSETS</b>			
Stores and spares		4,541,878	4,498,384
Stock in trade		297,247	404,494
Trade debts	14	6,404,852	7,634,080
Advances, deposits, prepayments and other receivables	15	4,262,397	3,717,970
Other financial assets		306,812	6,519
Short term investment - at amortized cost	16	2,598,648	6,468,798
Cash and bank balances	17	41,315,938	36,840,879
		<b>59,727,772</b>	<b>59,571,124</b>
		<b>93,533,100</b>	<b>93,374,663</b>

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

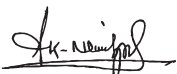
Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)**  
For the Six months period ended December 31, 2020

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Rupees ('000)					
<b>SALES</b>		<b>9,973,657</b>	12,192,847	<b>19,849,079</b>	23,157,730
Sales tax		(890,076)	(882,481)	(1,743,543)	(1,843,233)
Excise duty		(70,659)	(72,462)	(141,924)	(146,052)
<b>NET SALES</b>	<b>18</b>	<b>9,012,922</b>	11,237,904	<b>17,963,612</b>	21,168,445
Operating costs	<b>19</b>	(2,377,310)	(2,618,853)	(4,463,525)	(4,621,122)
Royalty		(933,981)	(1,221,349)	(1,931,940)	(2,339,408)
Amortisation of development and decommissioning costs		(677,580)	(732,372)	(1,241,240)	(1,245,828)
		(3,988,871)	(4,572,574)	(7,636,705)	(8,206,358)
<b>GROSS PROFIT</b>		<b>5,024,051</b>	6,665,330	<b>10,326,907</b>	12,962,087
Exploration costs	<b>20</b>	(33,593)	(414,817)	(109,231)	(790,648)
Administration expenses		(66,244)	(55,280)	(129,561)	(115,337)
Finance costs - net	<b>21</b>	188,371	(309,146)	102,427	(447,891)
Other charges	<b>22</b>	(393,168)	(412,139)	(747,579)	(812,721)
		(271,041)	(776,565)	(774,713)	(1,375,949)
Other income -net	<b>23</b>	4,719,417	5,473,948	9,442,963	10,795,490
		221,847	709,922	517,468	1,110,112
Share in profits of associated companies - net of impairment loss		4,941,264	6,183,870	9,960,431	11,905,602
		48,037	189,673	153,601	107,042
<b>PROFIT BEFORE TAXATION</b>		<b>4,989,301</b>	6,373,543	<b>10,114,032</b>	12,012,644
Provision for taxation	<b>24</b>	(1,957,055)	(1,496,333)	(3,365,954)	(3,281,103)
<b>PROFIT FOR THE PERIOD</b>		<b>3,032,246</b>	4,877,210	<b>6,748,078</b>	8,731,541
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		3,025,844	4,868,957	6,745,656	8,723,857
Non - controlling interests		6,402	8,253	2,422	7,684
		3,032,246	4,877,210	6,748,078	8,731,541
Earnings per share - Basic and diluted (Rs)		<b>10.66</b>	17.15	<b>23.76</b>	30.73

The annexed notes 1 to 31 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, 2020

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>3,032,246</b>	4,877,210	<b>6,748,078</b>	8,731,541
<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)	<b>66</b>	75
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3,032,246</b>	4,877,208	<b>6,748,144</b>	8,731,616
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	<b>3,025,844</b>	4,868,955	<b>6,745,722</b>	8,723,932
Non - controlling interests	<b>6,402</b>	8,253	<b>2,422</b>	7,684
	<b>3,032,246</b>	4,877,208	<b>6,748,144</b>	8,731,616

The annexed notes 1 to 31 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, 2020

	Attributable to owners of Pakistan Oilfields Limited												
	Capital Reserves				Revenue Reserves							Non-controlling interest	Total
	Share Capital	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve	Unappropriated profit	Gain on revaluation of investment at fair value	Total				
Rupees ('000)													
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		
Transfer to special reserve by an associated company	-	-	3	-	-	-	-	(3)	-	-	-		
Transactions with owners:													
POL dividends:													
Final cash dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)		
Balance at December 31, 2019	2,838,551	71,395	15,427	1,941,044	200,000	7,077,325	29,546,036	3,337	41,693,115	124,808	41,817,923		
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	5,817,780	-	5,817,780	15,462	5,833,242		
Other comprehensive income	-	-	-	-	-	-	20,018	(101)	19,917	38	19,955		
	-	-	-	-	-	-	5,837,798	(101)	5,837,697	15,500	5,853,197		
Transfer to special reserve by associated companies	-	-	2	-	-	-	-	(2)	-	-	-		
Transactions with owners:													
POL dividend:													
Interim dividend @ Rs 20 per share - Year ended June 30, 2020	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)		
Dividend to CAPGAS non-controlling interest holders:													
Interim dividend @ Rs 38.5 per share - Year ended June 30, 2020	-	-	-	-	-	-	-	-	-	(12,734)	(12,734)		
Total transactions with owners	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	(12,734)	(5,689,836)		
Balance at June 30, 2020	2,838,551	71,395	15,429	1,941,044	200,000	7,077,325	29,706,730	3,236	41,853,710	127,574	41,981,284		
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	6,745,656	-	6,745,656	2,422	6,748,078		
Other comprehensive income	-	-	-	-	-	-	66	-	66	-	66		
	-	-	-	-	-	-	6,745,722	-	6,745,722	2,422	6,748,144		
Transfer to special reserve by an associated company	-	-	7	-	-	-	-	(7)	-	-	-		
Transactions with owners:													
POL dividend:													
Final dividend @ Rs 30 per share - Year ended June 30, 2020	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)		
Dividend to CAPGAS non-controlling interest holders:													
Final cash dividend @ Rs 29.5 per share - Year ended June 30, 2020	-	-	-	-	-	-	-	-	-	(9,757)	(9,757)		
Interim dividend @ Rs 7.5 per share - Year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(2,481)	(2,481)		
Total transactions with owners	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	(12,238)	(8,527,891)		
<b>Balance at December 31, 2020</b>	<b>2,838,551</b>	<b>71,395</b>	<b>15,436</b>	<b>1,941,044</b>	<b>200,000</b>	<b>7,077,325</b>	<b>27,936,792</b>	<b>3,236</b>	<b>40,083,779</b>	<b>117,758</b>	<b>40,201,537</b>		

The annexed notes 1 to 31 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, 2020

	Note	Six months period ended	
		Dec. 31, 2020	Dec. 31, 2019
		Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		19,650,461	22,946,579
Operating and exploration costs paid		(4,063,697)	(6,568,027)
Royalty paid		(1,727,243)	(2,104,890)
Taxes paid		(2,733,128)	(2,554,748)
Cash provided by operating activities		11,126,393	11,718,914
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(1,904,382)	(2,931,584)
Proceeds from disposal of property, plant and equipment		23,228	6,647
Investments in mutual funds - net		(300,153)	(399,724)
Income on bank deposits and investments at amortised cost		1,094,785	1,593,796
Dividend income received		28,124	86,174
Cash used in investing activities		(1,058,398)	(1,644,691)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(8,507,303)	(8,503,604)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>			
		(954,128)	(696,266)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>606,564</b>	<b>874,353</b>
<b>CASH AND CASH EQUIVALENTS AT JULY 01,</b>		<b>43,308,022</b>	<b>35,845,376</b>
<b>CASH AND CASH EQUIVALENTS AT DEC. 31,</b>		<b>43,914,586</b>	<b>36,719,729</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Short term investment - at amortised cost	16	2,598,648	-
Cash and bank balances	17	41,315,938	36,719,729
		<b>43,914,586</b>	<b>36,719,729</b>

The annexed notes 1 to 31 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 Consolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2020

### 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 (LPG) 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.

CAPGAS (Private) Limited, the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Act, 2017 and is principally engaged in buying, filling, distribution and dealing in 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 CAPGAS with 51% holding (June 30, 2020: 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, 2020

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, 2020.

### 4. Significant accounting policies

The accounting policies and methods for computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended June 30, 2020.

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>5. Capital reserves</b>		
Bonus shares issued by subsidiary/associated companies	71,395	71,395
Special reserve	15,436	15,429
Utilised special reserve	1,941,044	1,941,044
	<b>2,027,875</b>	2,027,868
<b>6. Revenue reserves</b>		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	27,936,792	29,706,730
	<b>35,214,117</b>	36,984,055
<b>7. Deferred liabilities</b>		
Provision for deferred income tax	6,138,983	5,831,597
Provision for decommissioning cost	14,003,524	14,089,542
Provision for Gratuity	7,577	6,768
Provision for staff compensated absences	3,124	5,642
	<b>20,153,208</b>	19,933,549
<b>8. Trade and other payables</b>		
These include balances due to joint venture partners amounting to Rs 1,347,076 thousand (June 30, 2020: Rs 1,748,469 thousand) and balances due to related parties amounting to Rs 597,257 thousand (June 30, 2020: Rs 1,142,218 thousand).		
<b>9. Contingencies and commitments</b>		
<b>9.1</b>	There were no material contingencies at December 31, 2020 (June 30, 2020 nil).	
	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>9.2 Commitments:</b>		
Share in Joint Ventures	8,230,737	9,412,940
Own fields	-	297,558
Letter of credit issued by banks on behalf of the company	188,912	199,199

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

For the six months period ended December 31, 2020

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>10. Property, plant and equipment</b>		
<b>Operating assets</b>		
Opening net book value	7,106,486	7,804,874
Additions during the period/year	364,536	811,597
Disposals during the period/year	(515)	(1,423)
Depreciation for the period/year	(741,283)	(1,508,562)
Closing net book value	6,729,224	7,106,486
Capital work in progress - at cost	484,689	752,245
	<b>7,213,913</b>	<b>7,858,731</b>
<b>11. Development and decommissioning costs</b>		
<b>Development cost</b>		
Opening net book value	11,857,324	10,886,151
Additions during the period/year	1,262,025	3,472,391
Revision due to change in estimates	-	-
Well cost transferred from exploration and evaluation assets	1,478,001	(3,985)
Amortization for the period/year	(1,171,823)	(2,497,233)
Closing net book value	13,425,527	11,857,324
<b>Decommissioning cost</b>		
Opening net book value	498,293	167,435
Additions during the period/year	18,926	173,660
Revision due to change in estimates	-	278,967
Amortization for the period/year	(69,417)	(121,769)
Closing net book value	447,802	498,293
	<b>13,873,329</b>	<b>12,355,617</b>
<b>12. Exploration and evaluation assets</b>		
Balance brought forward	2,773,514	52,761
Additions during the period/year	240,068	2,720,753
	<b>3,013,582</b>	<b>2,773,514</b>
Dry and abandoned wells cost charged to the profit & loss account	(1,478,001)	-
	<b>1,535,581</b>	<b>2,773,514</b>

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

For the six months period ended December 31, 2020

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>13. Long term investment in associated companies - equity method</b>		
Beginning of the year	10,969,009	13,135,926
Share in loss of associated companies	(52,041)	(939,262)
Share of other comprehensive income of associated companies	66	7,276
Impairment reversal/(loss) against investment in NRL	205,642	(1,130,160)
Dividend received during the period / year	(27,939)	(104,771)
End of the period / year	<b>11,094,737</b>	10,969,009

**14. Trade debts**

These include Rs 3,143,193 thousand (June 30, 2020: Rs 2,212,489 thousand) receivable from related parties.

**15. Advances, deposits, prepayments and other receivables**

These include balances due from joint venture partners amounting to Rs 358,187 thousand (June 30, 2020: Rs 498,831 thousand) and balances due from related parties amounting to Rs 245,350 thousand (June 30, 2020: Rs 52,481 thousand).

**16. Short term investments - at amortized cost**

This represents Treasury Bills purchased on December 31, 2020 for 84 days at yield ranging from 8.08% to 8.11% (June 30, 2020: 7.85% to 8.21%) per annum.

	(Unaudited) Dec. 31, 2020	(Audited) June 30, 2020
	Rupees ('000)	
<b>17. Cash and bank balances</b>		
Bank balance on:		
Interest/mark-up bearing saving accounts	1,899,836	4,544,197
Short term deposits	39,338,250	32,228,089
Current accounts	75,401	66,640
	<b>41,313,487</b>	36,838,926
Cash in hand	2,451	1,953
	<b>41,315,938</b>	36,840,879

Balances with banks include foreign currency balances of US \$ 133,410 thousand (June 30, 2020: US \$ 127,602 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 0.25 % to 8.21 % (June 30, 2020: 1.00% to 15.20%).

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

For the six months period ended December 31, 2020

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
	Rupees ('000)			
<b>18. Net sales</b>				
Crude oil	<b>3,883,387</b>	5,631,545	<b>7,948,449</b>	10,658,463
Gas - note 16.1	<b>3,559,235</b>	3,733,143	<b>7,295,838</b>	7,353,976
Less : Shrinkages/Own use	<b>467,812</b>	436,488	<b>927,090</b>	867,195
	<b>3,091,423</b>	3,296,655	<b>6,368,748</b>	6,486,781
POLGAS/Cap Gas - Refill of cylinders	<b>1,988,137</b>	2,244,674	<b>3,548,094</b>	3,899,874
Solvent oil	<b>49,975</b>	64,176	<b>98,321</b>	122,473
Sulphur	-	854	-	854
	<b>9,012,922</b>	11,237,904	<b>17,963,612</b>	21,168,445

**18.1.** 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, Maramzai & 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.





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

For the six months period ended December 31, 2019

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 had fixed March 19, 2020 as next date of hearing, but the hearing was cancelled due to preventive measures taken in the court amid Coronavirus.

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, 2020 amounting to Rs 15,437,029 thousand will be accounted for upon resolution of this matter (including Rs 13,949,495 thousand related to period since inception to June 30, 2020). Additional revenue on account of enhanced gas price incentive of Rs 17,461,801 thousand including sales tax of Rs 2,528,159 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables".

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Rupees ('000)			
<b>19. Operating costs</b>				
Operating cost - Own fields	249,453	305,732	450,974	544,657
- Share in joint Operations	806,933	863,025	1,661,022	1,635,044
Well workover	(25,341)	9,467	(17,353)	56,096
POLGAS/Cap Gas -Cost of gas/LPG, carriage etc	836,645	1,014,230	1,499,986	1,637,369
Pumping and transportation cost	11,541	15,308	26,857	28,097
Depreciation	371,885	365,438	734,792	773,983
	<b>2,250,832</b>	2,573,200	<b>4,356,278</b>	4,675,246
Opening stock of crude oil and other products	423,725	413,698	404,494	313,921
Closing stock of crude oil and other products	(297,247)	(368,045)	(297,247)	(368,045)
	<b>2,377,310</b>	2,618,853	<b>4,463,525</b>	4,621,122

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

For the six months period ended December 31, 2020

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Rupees ('000)				
<b>20. Exploration costs</b>				
Geological and geophysical cost	<b>33,593</b>	414,817	<b>109,231</b>	790,648
<b>21. Finance costs - net</b>				
Provision for decommissioning cost				
- unwinding of discount	<b>275,299</b>	405,710	<b>556,289</b>	807,506
- exchange gain	<b>(465,025)</b>	(98,898)	<b>(661,235)</b>	(362,624)
Banks' commission and charges	<b>1,355</b>	2,334	<b>2,519</b>	3,009
	<b>(188,371)</b>	309,146	<b>(102,427)</b>	447,891
<b>22. Other charges</b>				
Workers' profit participation fund	<b>299,393</b>	329,456	<b>581,971</b>	639,122
Workers' welfare fund	<b>93,775</b>	82,683	<b>165,608</b>	173,599
	<b>393,168</b>	412,139	<b>747,579</b>	812,721
<b>23. Other income - net</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and investments carried at amortised cost	<b>638,045</b>	810,782	<b>1,144,309</b>	1,584,406
Exchange (loss)/gain on financial assets	<b>(681,367)</b>	(229,694)	<b>(954,128)</b>	(696,266)
Dividend on investments in mutual funds classified as fair value through profit or loss	<b>185</b>	1,437	<b>185</b>	16,327
<b>Other income</b>				
Rental income -net of related expenses	<b>215,814</b>	71,511	<b>238,998</b>	120,670
Crude oil / gas transportation income - net of related expenses	<b>16,096</b>	40,305	<b>56,588</b>	60,254
Gas processing fee	<b>3,905</b>	5,752	<b>150</b>	10,158
Profit on sale of property, plant and equipment	<b>22,685</b>	5,735	<b>22,713</b>	5,733
Profit on sale of stores and scrap	<b>379</b>	2,596	<b>405</b>	2,916
Fair value adjustment on investments classified as fair value through profit or loss	<b>140</b>	2,136	<b>140</b>	2,136
Others	<b>5,965</b>	(638)	<b>8,108</b>	3,778
	<b>221,847</b>	709,922	<b>517,468</b>	1,110,112



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

For the six months period ended December 31, 2020

	<u>(Unaudited)</u> <u>Three months period ended</u>		<u>(Unaudited)</u> <u>Six months period ended</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
	Rupees ('000)			
<b>24. Provision for taxation</b>				
Current	<b>1,792,515</b>	1,352,060	<b>3,057,099</b>	2,992,624
Deferred	<b>164,540</b>	144,273	<b>308,855</b>	288,479
	<b>1,957,055</b>	1,496,333	<b>3,365,954</b>	3,281,103

**25. 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;

	<u>December 31, 2020</u>				June 30, 2020
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	
	Rupees ('000)				
Other financial assets classified as fair value through profit or loss	<b>306,812</b>	-	-	<b>306,812</b>	6,519

**26. Transactions with related parties**

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

	<u>(Unaudited)</u> <u>Three months period ended</u>		<u>(Unaudited)</u> <u>Six months period ended</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
	Rupees ('000)			
<b>Sales of goods and services to:</b>				
Associated Companies	<b>3,284,434</b>	5,213,151	<b>6,791,210</b>	9,607,406
<b>Purchase of goods and services from:</b>				
Parent Company	<b>16,590</b>	17,383	<b>29,562</b>	34,321
Associated Companies	<b>303,095</b>	595,081	<b>597,378</b>	976,285

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

For the six months period ended December 31, 2020

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Rupees ('000)			
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent company	-	-	9,275	-
Associated Companies	5,622	5,085	14,099	14,471
<b>Rental Income</b>				
Associated Companies	841	836	1,677	1,674
<b>Rental expenses</b>				
Parent Company	12,325	10,680	24,208	21,165
Associated Companies	1,117	819	2,234	1,639
<b>Dividend paid during the period:</b>				
Parent Company	4,493,860	-	4,493,860	4,492,007
Associated Companies	4,145	-	4,145	13,663
<b>Dividend received during the period:</b>				
Associated Companies	-	-	69,847	345,432
<b>Other related parties:</b>				
Remuneration to key management personnel including benefits and perquisites	65,240	27,724	91,407	83,719
Dividend to key management personnel	95,133	86,275	95,133	86,275
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund"	21,602	20,856	45,260	44,093
Approved Contributory Provident Funds	7,932	7,493	16,265	15,750
Contribution to Workers' Profit Participation Fund	299,393	329,456	581,971	639,122



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

For the six months period ended December 31, 2020

### 27. 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 66% of the total revenue during the period ended December 31, 2020 (December 31, 2020: 69%).

### 28. Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on January 26, 2021 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2021.

### 29. Corresponding figures

Corresponding figures have been rearranged/ reclassified wherever necessary to conform to current period presentation.

### 30. Impact of COVID-19 on the condensed interim financial statements

The spread of COVID-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which are now steadily recovering. As at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

### 31. 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 26, 2021.

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	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*
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





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