



Pakistan Oilfields Limited



Condensed Interim Financial Statements

For The Three Months Period Ended
September 30, 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
Website: 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 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
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 Board takes pleasure in presenting a brief review of the operations and financial results of the Company for the 1st quarter ended September 30, 2020.

Financial results

During the period, the Company has made a profit after tax of Rs. 3,629 million (September 30, 2019: Rs. 4,008 million), which is lower by 9.5 % as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 12.78 (September 30, 2019: Rs. 14.12). Average price of crude oil decreased by 28.6% in comparison to corresponding period last year compensated to some extent by increase in sales volumes of crude oil by 6.4% in comparison to corresponding period last year. Production volume of crude oil, gas and LPG decreased by 1.99%, 2.6% and 1.5% respectively in comparison to corresponding period last year. During the period, the Company made a Consolidated profit after tax of Rs. 3,700 million (September 30, 2019: Rs. 3,884 million) which translate into consolidated earnings per share of Rs. 13.05 (September 30, 2019: Rs. 13.68).

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:

		Three months period ended	
		Sep 30, 2020	Sep 30, 2019
Crude Oil/Condensate	US Barrels	588,783	600,793
Gas	Million Cubic Feet	7,541	7,737
LPG	Metric Tonnes	14,071	14,279
Sulphur	Metric Tonnes	48	117
Solvent Oil	US Barrels	4,367	5,468

The Company's share in production, including that from joint ventures, for the period under review averaged 6,400 barrels per day (bpd) of crude, 81.97 million standard cubic feet per day (mmscfd) of gas, 152.94 metric tonnes per day (MTD) of LPG, 0.53 MTD of sulphur and 48 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. Average production is around 32 bpd. Presently, different combination of production testing is in progress.

At Pindori Lease (operated by POL with a 35% share), due to lesser production of Lockhart formation it was decided to test the main targeted zone of Pindori-10. Rig has been mobilized and work over is in progress.

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 have been tested and no hydrocarbons flows were made from these formations. During testing of third formation the string got stuck. The fishing activities to release string were not successful. Presently, side track is in progress to test the last formation.

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 completed, processed and interpreted. A prospect has been mapped.

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. At TAL West area, 3D Seismic acquisition of 510 square kilometers has been completed and processing is in progress.

The work to connect Mamikhel South-01 well to the production line is in progress. It is expected that it will be connected to the production line in March-2021.

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.

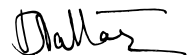
Acknowledgement

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
October 20, 2020

مارگلہ بلاک (زیر انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے) ۲۰۳ کلومیٹر لائن کے 2D ارضیاتی اعداد و شمار حاصل ہو گئے ہیں۔
عمل درآمد اور ان کی تشریح کر دی گئی ہے۔ یہاں بہتر اثرات دکھائی دے رہے ہیں۔

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) KOT کے علاقے میں ۱۵۲.۹۳ مربع کلومیٹر
کے علاقے کے 3D ارضیاتی اعداد و شمار مکمل کر لئے گئے ہیں ان اعداد و شمار پر عمل جاری ہے۔ تل جنوبی میں، ۵۱۰ مربع کلومیٹر کے
علاقے کے 3D ارضیاتی اعداد و شمار حاصل کر لئے گئے ہیں اور ان اعداد و شمار پر کام شروع ہو چکا ہے۔

مامی خیل جنوبی۔ ۱ کو پیداواری لائن سے منسلک کرنے کا کام جاری ہے۔ متوقع ہے کہ یہ ماچ ۲۰۲۱ء میں پیداواری لائن سے منسلک ہو
جائے گا۔

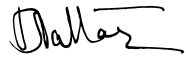
گرگلوٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے) ۳۲۰ مربع کلومیٹر 3D ارضیاتی اعداد و شمار کا
حصول ہو چکا ہے۔ ڈیٹا پروسیسنگ / تشریح پر کام جاری ہے۔

ٹونگ (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۴۰ فی صد ہے) 3D ارضیاتی اعداد و شمار کے حصول پر کام جاری ہے۔

اعتراف:

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

منجانب بورڈ



عبدالستار

ڈائریکٹرز



شعیب اے ملک

چیرمین و چیف ایگزیکٹو

راولپنڈی،

۲۰ اکتوبر ۲۰۲۰ء

زیر جائزہ مدت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۶،۴۰۰ بیرلز، گیس ۸۱.۹۷ ملین سٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس ۱۵۲.۹۴ میٹرک ٹن، سلفر ۰.۵۳ میٹرک ٹن اور سالونٹ آئل ۴۸ بیرلز۔

دریافتی اور ترقیاتی سرگرمیاں:

پیداواری قطعات:

بلکسر (۱۰۰ فی صد پی او ایل کی ملکیت) بلکسر ڈیپ-۱ میں بالائی ترقی یافتہ زون میں ایک ٹیسٹ نے ہائیڈروکاربنز ظاہر کیے ہیں اور اس کے مطابق کنواں مکمل کر دیا گیا ہے۔ اوسط پیداوار تقریباً ۳۲ بیرلز یومیہ ہے۔ فی الحال، پیداواری ٹیسٹنگ کا مختلف امتزاج جاری ہے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) لوکارٹ فارمیشن کی کم پیداوار کی وجہ سے پنڈوری-۱۰ کے مرکزی ہدف والے زون کی جانچ کرنے کا فیصلہ کیا گیا۔ رگ کو متحرک کر دیا گیا ہے اور کام جاری ہے۔

تل بلاک (زیر انتظام مول جہاں قبل از تجارتی پیداواری او ایل کا حصہ ۲۵ فی صد ہے) مردان خیل-۴ کی جگہ کی منظوری دے دی گئی ہے۔

دریافتی قطعات:

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل) جنڈیال-۲ گہرائی کے ہدف کو حاصل کر لیا گیا ہے۔ ممکنہ ۴ فارمیشنوں میں سے تین کو ٹیسٹ کیا گیا ہے اور ان فارمیشنوں میں سے ہائیڈروکاربنز کا بہاؤ نہیں ہوا تھا۔ تیسری فارمیشن کے ٹیسٹ کے دوران تار پھنس گئی جس کے لئے فٹنگ کی سرگرمیاں کامیاب نہیں تھیں۔ فی الحال، آخری فارمیشن کو ٹیسٹ کرنے کے لئے سائیڈ ٹریک پر کام جاری ہے۔

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

کیتر جنوبی بلاک (۸۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) دریافتی سرگرمیاں شروع کرنے سے پہلے ماحولیاتی مطالعہ جاری ہے۔

ڈائریکٹرز رپورٹ

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

السلام علیکم!

ڈائریکٹرز کو ۳۰ ستمبر، ۲۰۲۰ء کو اختتام پذیر سہ ماہی کے مالیاتی نتائج اور کمپنی کے اُمور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

مالیاتی نتائج:

اس عرصے میں کمپنی نے بعد از ٹیکس ۳،۶۲۹ ملین روپے منافع حاصل کیا جو گذشتہ برس اسی دورانیے (۳۰ ستمبر، ۲۰۱۹ء - ۲۰۱۸ء) ۴،۰۰۸ ملین روپے کے مقابلے میں ۹.۵ فی صد کم ہے۔ یہ منافع فی حصص آمدنی ۱۲.۷۸ روپے (۳۰ ستمبر، ۲۰۱۹ء: ۱۴.۱۲ روپے) کو ظاہر کرتا ہے۔ گذشتہ برس کے اسی دورانیے کے مقابلے میں خام تیل کی اوسط قیمت میں ۲۸.۶ فی صد کمی ہوئی جسکی کچھ حد تک تلافی خام تیل کی فروخت کی مقدار میں ۶.۴ فی صد اضافے سے ہو گئی ہے۔ گذشتہ برس اسی دورانیے کے مقابلے میں خام تیل، گیس اور ایل پی جی کی پیداوار بالترتیب ۱.۹۹، ۲.۶ اور ۱.۵ فی صد کم رہی۔ اس عرصہ میں کمپنی نے مجموعی منافع بعد از ٹیکس ۳،۷۰۰ ملین روپے (۳۰ ستمبر، ۲۰۱۹ء: ۳،۸۸۲ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۱۳.۰۵ روپے (۳۰ ستمبر، ۲۰۱۹ء: ۱۳.۶۸ روپے) کو ظاہر کرتا ہے۔

پیداوار:

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

اختتام پذیر تین ماہ

۳۰ ستمبر، ۲۰۱۹ء	۳۰ ستمبر، ۲۰۲۰ء	
۶۰۰،۷۹۳	۵۸۸،۷۸۳	خام تیل / (Condensate) یوالیس بیرل
۷،۷۳۷	۷،۵۴۱	گیس ملین کیوبک فٹ
۱۴،۲۷۹	۱۴،۰۷۱	مائع پٹرولیم گیس (LPG) میٹرک ٹن
۱۱۷	۴۸	سلفر میٹرک ٹن
۵،۴۶۸	۴،۳۶۷	سولونٹ آئل یوالیس بیرل



**Condensed Interim
Financial Statements (Unaudited)
For the three months period ended September 30, 2020**

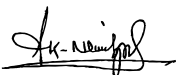
Condensed Interim Statement of Financial Position

As at September 30, 2020

	Note	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
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	3	32,541,213	37,428,319
		35,379,764	40,266,870
NON CURRENT LIABILITIES			
Long term deposits		862,704	861,129
Deferred liabilities	4	20,256,081	20,026,985
		21,118,785	20,888,114
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	5	23,902,237	23,409,306
Proposed Dividend		8,515,654	-
Unclaimed dividend		212,896	214,307
Provision for income tax		6,780,616	6,817,328
		39,411,403	30,440,941
CONTINGENCIES AND COMMITMENTS	6		
		95,909,952	91,595,925

		(Unaudited)	(Audited)
	Note	Sep 30, 2020	June 30, 2020
		Rupees ('000)	
NON-CURRENT ASSETS			
Property, plant and equipment	7	7,357,498	7,542,399
Development and decommissioning costs	8	14,141,444	12,355,617
Exploration and evaluation assets	9	1,537,426	2,773,514
		23,036,368	22,671,530
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	10	9,615,603	9,615,603
LONG TERM LOANS AND ADVANCES		26,811	26,723
CURRENT ASSETS			
Stores and spares		4,583,370	4,497,755
Stock in trade		410,642	399,205
Trade debts	11	6,624,339	7,633,883
Advances, deposits, prepayments and other receivables	12	3,421,650	3,696,360
Other financial assets	13	6,519	6,519
Short term investments - at amortized cost		-	6,367,740
Cash and bank balances	14	48,184,650	36,680,607
		63,231,170	59,282,069
		95,909,952	91,595,925

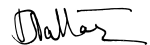
The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



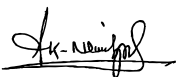
Abdus Sattar
Director

Condensed Interim Statement of Profit or Loss (Unaudited)

For the three months period ended September 30, 2020

	Note	Three months period ended	
		Sep 30, 2020	Sep 30, 2019
		Rupees ('000)	
SALES		10,108,575	11,082,693
Sales tax		(819,564)	(831,207)
Excise duty		(71,265)	(73,590)
NET SALES	15	9,217,746	10,177,896
Operating costs	16	(2,351,121)	(2,250,977)
Royalty		(997,959)	(1,118,059)
Amortisation of development and decommissioning costs		(563,660)	(513,456)
		(3,912,740)	(3,882,492)
GROSS PROFIT		5,305,006	6,295,404
Exploration costs	17	(75,638)	(375,831)
		5,229,368	5,919,573
Administration expenses		(57,108)	(54,606)
Finance costs	18	(85,935)	(138,743)
Other charges	19	(354,411)	(400,582)
		(497,454)	(593,931)
		4,731,914	5,325,642
Other income	20	302,649	467,098
PROFIT BEFORE TAXATION		5,034,563	5,792,740
Provision for taxation	21	(1,406,016)	(1,784,770)
PROFIT FOR THE PERIOD		3,628,547	4,007,970
Earnings per share - Basic and diluted (Rs)		12.78	14.12

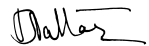
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 Khalid Nafees
CFO



 Shuaib A. Malik
Chief Executive



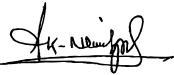
 Abdus Sattar
Director

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

For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
Profit for the period	3,628,547	4,007,970
Other Comprehensive Income for the period	-	-
Total comprehensive income for the period	3,628,547	4,007,970

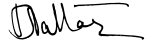
The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive

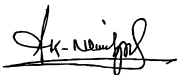


Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)
For the three months period ended September 30, 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	-	-	-	4,007,970	4,007,970
Other comprehensive income	-	-	-	-	-
	-	-	-	4,007,970	4,007,970
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	(8,515,653)	(8,515,653)
Total transactions with owners	-	-	-	(8,515,653)	(8,515,653)
Balance at September 30, 2019	2,838,551	200,000	1,557,794	28,966,969	33,563,314
Total comprehensive income for the period:					
Profit for the period	-	-	-	12,367,880	12,367,880
Other comprehensive income	-	-	-	12,778	12,778
	-	-	-	12,380,658	12,380,658
Transaction with owners:					
Interim dividend @ Rs 20 per share - Year ended June 30, 2020	-	-	-	(5,677,102)	(5,677,102)
Total transactions with owners	-	-	-	(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	-	-	-	3,628,547	3,628,547
Other comprehensive income	-	-	-	-	-
	-	-	-	3,628,547	3,628,547
Transactions with owners:					
Proposed Final dividend @ Rs 30 per share - Year ended June 30, 2020	-	-	-	(8,515,653)	(8,515,653)
Total transactions with owners	-	-	-	(8,515,653)	(8,515,653)
Balance at September 30, 2020	2,838,551	200,000	1,557,794	30,783,419	35,379,764

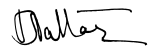
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Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



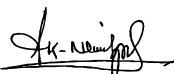
Abdus Sattar
Director

Condensed Interim Statement of Cash Flows (Unaudited)

For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	10,285,773	11,340,933
Operating and exploration costs paid	(1,951,765)	(3,059,565)
Royalty paid	(905,078)	(1,038,009)
Taxes paid	(1,298,413)	(1,111,190)
Cash provided by operating activities	6,130,517	6,132,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,291,345)	(893,928)
Proceeds from disposal of property, plant and equipment	28	-
Income on bank saving accounts, deposits and investment carried at amortised cost	561,119	670,804
Dividend income received	10,155	-
Cash used in investing activities	(720,043)	(223,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,410)	(4,503,387)
EFFECT OF EXCHANGE RATE CHANGES	(272,761)	(466,572)
INCREASE IN CASH AND CASH EQUIVALENTS	5,136,303	939,086
CASH AND CASH EQUIVALENTS AT JULY 01,	43,048,347	35,761,440
CASH AND CASH EQUIVALENTS AT SEP 30,	48,184,650	36,700,526

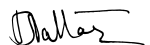
The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



 Khalid Nafees
CFO



 Shuaib A. Malik
Chief Executive



 Abdus Sattar
Director

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

For the three months period ended September 30, 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 Standards (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 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.

2.1 Changes in accounting standards, interpretations and pronouncements

- The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2020 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.
- 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.

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

For the three months period ended September 30, 2020

	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	
3. Revenue reserves		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	30,783,419	35,670,525
	32,541,213	37,428,319
4. Deferred liabilities		
Provision for deferred income tax	6,074,990	5,930,675
Provision for decommissioning cost	14,174,323	14,089,542
Provision for staff compensated absences	6,768	6,768
	20,256,081	20,026,985
5. Trade and other payables		
These include balance due to joint venture partners amounting to Rs 1,571,471 thousand (June 30, 2020: Rs 1,748,469 thousand) and balances due to related parties amounting to Rs 131,589 thousand (June 30, 2020: Rs 1,139,005 thousand).		
	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	
6. Contingencies and commitments		
6.1 There were no material contingencies at September 30, 2020 (June 30, 2020: Nil).		
6.2 Commitments:		
Share in joint operations	9,069,625	9,412,940
Own fields	-	297,558
Letter of credit issued by banks on behalf of the company	212,454	199,199
7. Property, plant and equipment		
Opening net book value	7,056,837	7,747,259
Additions during the period / year	139,298	809,591
Depreciation for the period / year	(363,883)	(1,498,588)
Disposals during the period / year	-	(1,425)
	6,832,252	7,056,837
Closing net book value	6,832,252	7,056,837
Capital work in progress - at cost	525,246	485,562
	7,357,498	7,542,399

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

For the three months period ended September 30, 2020

	(Unaudited)	(Audited)
	Sep 30, 2020	June 30, 2020
	Rupees ('000)	
8. Development and decommissioning costs		
Development cost		
Opening net book value	11,857,324	10,886,151
Additions during the period / year	871,486	3,472,391
Revision due to change in estimates	-	(3,985)
Well cost transferred from exploration and evaluation assets - note 9	1,478,001	-
Amortisation for the period / year	(536,621)	(2,497,233)
Closing book value	13,670,190	11,857,324
Decommissioning cost		
Opening net book value	498,293	167,435
Additions during the period / year	-	173,660
Revision due to change in estimates	-	278,967
Amortisation for the period / year	(27,039)	(121,769)
Closing book value	471,254	498,293
	14,141,444	12,355,617
9. Exploration and evaluation assets		
Balance brought forward	2,773,514	52,761
Additions during the period/ year	241,913	2,720,753
	3,015,427	2,773,514
Well cost transferred to development costs - note 8	(1,478,001)	-
	1,537,426	2,773,514

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

For the three months period ended September 30, 2020

	(Unaudited)		(Audited)	
	September 30, 2020		June 30, 2020	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
10. Long term investments in subsidiary and associated companies - at cost				
Subsidiary company				
Unquoted				
Caggas (Private) Limited	51	1,530	51	1,530
Associated companies				
Quoted				
National Refinery Limited	25	8,046,635	25	8,046,635
Attock Petroleum Limited	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		9,615,603		9,615,603

11. Trade debts

These include Rs 3,292,611 thousand (June 30, 2020: Rs 2,212,489 thousand) receivable from related parties.

12. Advances, deposits, prepayments and other receivables

These include balances with joint venture partners amounting to Rs 153,309 thousand (June 30, 2020 : Rs 498,831 thousand) and balances with related parties amounting to Rs 229,249 thousand (June 30, 2020 : Rs 207,156 thousand).

	(Unaudited)	(Audited)
	Sep 30, 2020	June 30, 2020
	Rupees ('000)	
13. Other financial assets		
Investments in mutual funds classified as fair value through profit or loss	6,519	6,519

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

For the three months period ended September 30, 2020

	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	
14. Cash and bank balances		
Bank balance on:		
Short term deposits	44,791,002	32,228,089
Interest/ mark-up bearing saving accounts	3,333,780	4,384,768
Current account	55,439	65,892
	48,180,221	36,678,749
Cash in hand	4,429	1,858
	48,184,650	36,680,607

Balance with banks include foreign currency balances of US \$ 130,919 thousand (June 30, 2020: US \$ 127,602 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 1% to 7.35% per annum (June 30, 2020: 1% to 15.20% per annum).

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
15. Net sales		
Crude oil	4,065,062	5,026,918
Gas - note 15.1	3,736,603	3,620,833
POLGAS -Refill of cylinders	1,367,735	1,471,848
Solvent oil	48,346	58,297
	9,217,746	10,177,896

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 areas.

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”.

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

For the three months period ended September 30, 2020

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) has 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 courts 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 September 30, 2020 amounting to Rs 14,660,233 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 16,486,938 thousand including sales tax of Rs 2,395,538 thousand received from customer on the basis of notified prices has been shown under "Trade and other payables".

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
16. Operating costs		
Operating Cost - Own fields	305,460	298,320
- Share in joint operations	854,089	772,019
Well workover	7,988	46,629
POLGAS-Cost of gas /LPG, Carriage etc.	835,268	830,591
Pumping and transportation cost	15,316	12,789
Depreciation	344,437	389,393
	2,362,558	2,349,741
Opening stock of crude oil and other products	399,205	297,331
Closing stock of crude oil and other products	(410,642)	(396,095)
	2,351,121	2,250,977

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

For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
17. Exploration costs		
Geological & geophysical cost	75,638	375,831
18. Finance costs		
Provision for decommissioning cost- Unwinding of discount	280,990	401,796
Exchange gain	(196,210)	(263,726)
Banks' commission and charges	1,155	673
	85,935	138,743
19. Other charges		
Workers' profit participation fund	282,578	309,666
Workers' welfare fund	71,833	90,916
	354,411	400,582
20. Other income		
Income from financial assets		
Income on bank saving accounts, deposits and investments carried at amortised cost	503,933	769,824
Exchange loss on financial assets	(272,761)	(466,572)
Dividend on investments classified as fair value through profit or loss	-	14,890
Dividend from investment in associated/subsidiary companies	10,155	69,847
Other income		
Rental income - net of related expenses	23,184	49,510
Crude oil transportation income - net of related expenses	40,492	19,949
Gas processing fee	(3,755)	4,406
Profit on sale of property, plant and equipment	28	-
Fair value adjustment on investment in mutual funds classified as fair value through profit or loss	-	4,924
Profit on sale of sale of stores and scrap	26	320
Others	1,347	-
	302,649	467,098

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

For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
21. Provision for taxation		
Current	1,261,701	1,640,564
Deferred	144,315	144,206
	1,406,016	1,784,770
22. Transaction with related parties		
Sales of goods & services to	3,506,776	4,394,255
Associated Companies		
Purchase of goods & services from		
Associated Companies	294,283	381,204
Parent Company	12,972	16,938
Reimbursement of expenses incurred by POL on behalf of associates		
Associated Companies	7,640	5,098
Subsidiary Companies	3,405	3,310
Parent Company	9,275	-
Reimbursement of expenses incurred by associates on behalf of POL		
Associated Companies	8,477	9,386
Subsidiary Companies	1,236	557
Parent Company	278	1,740
Rental income		
Subsidiary Companies	351	351
Associated Companies	836	838
Rental expense		
Parent Company	11,883	10,485
Associated Companies	1,117	820
Dividend paid		
Parent Company	-	4,492,007
Associated Companies	-	13,663

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

For the three months period ended September 30, 2020

	<u>Three months period ended</u>	
	<u>Sep 30, 2020</u>	<u>Sep 30, 2019</u>
	Rupees ('000)	
Dividend received		
Associated Companies	-	69,847
Subsidiary Companies	10,155	-
Other related parties		
Remuneration of Chief Executive, Directors Honorarium & Key Management personnel including benefits & perquisites	26,167	55,995
Contribution to staff retirement benefits plans		
Management Staff Pension Fund & Gratuity Fund	23,658	23,237
Approved Contributory Provident Fund	8,333	8,257
Contribution to Workers' Profit Participation Fund	282,578	309,666

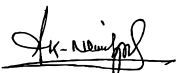
23. Operating Segments

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 September 30, 2020 (September 30, 2019: 66%).

24. Date of authorization

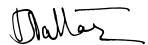
These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on October 20, 2020.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



**Condensed Interim Consolidated
Financial Statements (Unaudited)**
For the three months period ended September 30, 2020

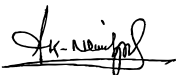
Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2020

	Note	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Equity attributable to owners of POL			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,838,551	2,838,551
Capital reserves	4	2,027,875	2,027,868
Revenue reserves	5	32,172,426	36,984,055
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		3,236	3,236
		37,042,088	41,853,710
NON - CONTROLLING INTEREST		113,836	127,574
		37,155,924	41,981,284
NON CURRENT LIABILITIES			
Long term deposits		986,736	985,001
Deferred liabilities	6	20,263,658	19,933,909
		21,250,394	20,918,910
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	7	23,922,941	23,437,494
Proposed dividend		8,515,654	-
Unclaimed dividend		212,896	214,307
Provision for income tax		6,701,034	6,822,668
		39,352,525	30,474,469
CONTINGENCIES AND COMMITMENTS	8		
		97,758,843	93,374,663

	Note	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
Rupees ('000)			
NON - CURRENT ASSETS			
Property, plant and equipment	9	7,405,671	7,592,774
Development and decommissioning costs	10	14,141,444	12,355,617
Exploration and evaluation assets	11	1,537,426	2,773,514
Other Intangible assets		75,905	85,902
		23,160,446	22,807,807
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES	12	11,074,639	10,969,009
LONG TERM LOANS AND ADVANCES		26,811	26,723
CURRENT ASSETS			
Stores and spares		4,584,000	4,498,384
Stock in trade		423,725	404,494
Trade debts	13	6,624,609	7,634,080
Advances, deposits, prepayments and other receivables	14	3,443,455	3,717,970
Other financial assets		6,519	6,519
Short term investment - at amortised cost		99,611	6,468,798
Cash and bank balances	15	48,315,028	36,840,879
		63,496,947	59,571,124
		97,758,843	93,374,663

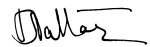
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive

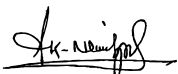


Abdus Sattar
Director

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
 For the three months period ended September 30, 2020

	Note	Three months period ended	
		Sep 30, 2020	Sep 30, 2019
		Rupees ('000)	
SALES		10,334,700	11,298,634
Sales tax		(853,467)	(863,796)
Excise duty		(71,265)	(73,590)
NET SALES	16	9,409,968	10,361,248
Operating costs	17	(2,545,493)	(2,431,930)
Royalty		(997,959)	(1,118,059)
Amortisation of development and decommissioning costs		(563,660)	(513,456)
		(4,107,112)	(4,063,445)
GROSS PROFIT		5,302,856	6,297,803
Exploration costs	18	(75,638)	(375,831)
		5,227,218	5,921,972
Administration expenses		(63,317)	(60,407)
Finance costs	19	(85,944)	(138,743)
Other charges	20	(354,411)	(400,582)
		(503,672)	(599,732)
Other income	21	4,723,546	5,322,240
		295,621	399,495
Share in profit/(loss) of associated companies		5,019,167	5,721,735
		105,564	(82,631)
PROFIT BEFORE TAXATION		5,124,731	5,639,104
Provision for taxation	22	(1,424,747)	(1,755,531)
PROFIT FOR THE PERIOD		3,699,984	3,883,573
Attributable to:			
Owners of POL		3,703,965	3,884,140
Non - controlling interests		(3,981)	(567)
		3,699,984	3,883,573
Earnings per share - Basic and diluted (Rupees)		13.05	13.68

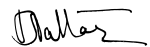
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



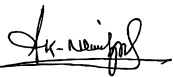
Abdus Sattar
Director

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

For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
PROFIT FOR THE PERIOD	3,699,984	3,883,573
OTHER COMPREHENSIVE INCOME		
Items that will not reclassified to profit or loss		
Share of other comprehensive income /(loss) of associated companies - net of tax	66	77
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,700,050	3,883,650
Attributable to:		
Owners of POL	3,704,031	3,884,217
Non - controlling interests	(3,981)	(567)
	3,700,050	3,883,650

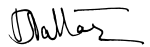
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Khalid Nafees
CFO



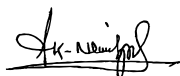
Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
For the three months period ended September 30, 2019

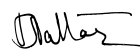
	Attributable to owners of Pakistan Oilfields Limited								Total	Non-controlling interest	Total	
	Capital Reserves			Revenue Reserves			Fair value gain/ (loss) on available-for-sale investments	Gain on revaluation of investment at fair value				
Share Capital	Bonus shares issued	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve			Unappropriated profit			
Rupees ('000)												
Balance at June 30, 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		-	-	-	-	-	-	3,884,140	-	3,884,140	(567)	3,883,573
Other comprehensive income								77	-	77	-	77
		-	-	-	-	-	-	3,884,217	-	3,884,217	(567)	3,883,650
Transactions with owners:												
POL dividends:												
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)
Balance at September 30, 2019		2,838,551	71,395	15,424	1,941,044	200,000	7,077,325	24,706,324	3,337	36,853,400	116,557	36,969,957
Total comprehensive income for the period:												
Profit for the period		-	-	-	-	-	-	10,657,497	-	10,657,497	23,713	10,681,210
Other comprehensive income		-	-	-	-	-	-	20,016	(101)	19,915	38	19,953
		-	-	-	-	-	-	10,677,513	(101)	10,677,412	23,751	10,701,163
Transfer to special reserve by associated companies		-	-	5	-	-	-	(5)	-	-	-	-
Transactions with owners:												
POL dividends:												
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		-	-	-	-	-	-	3,703,965	-	3,703,965	(3,981)	3,699,984
Other comprehensive income		-	-	-	-	-	-	66	-	66	-	66
		-	-	-	-	-	-	3,704,031	-	3,704,031	(3,981)	3,700,050
Transfer to special reserve by an associated company		-	-	7	-	-	-	(7)	-	-	-	-
Transactions with owners:												
POL dividends:												
Proposed 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)
Total transactions with owners		-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	(9,757)	(8,515,653)
Balance at September 30, 2020		2,838,551	71,395	15,436	1,941,044	200,000	7,077,325	24,895,101	3,236	37,042,088	113,836	37,165,681



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



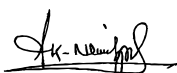
Abdus Sattar
Director

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the three months period ended September 30, 2020

	<u>Three months period ended</u>	
	<u>Sep 30, 2019</u>	<u>Sep 30, 2018</u>
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	10,476,105	11,527,525
Operating and exploration costs paid	(2,149,130)	(3,229,294)
Royalty paid	(905,078)	(1,038,009)
Taxes paid	(1,301,409)	(1,114,125)
Cash provided by operating activities	6,120,488	6,146,097
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,291,428)	(894,014)
Proceeds from disposal of property, plant and equipment	28	-
Income on bank saving accounts, deposits and investment carried at amortised cost	561,249	672,261
Cash used in investing activities	(730,151)	(221,753)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,410)	(4,503,387)
Dividend paid to non - controlling interest holders	(9,757)	-
Cash used in financing activities	(11,167)	(4,503,387)
EFFECT OF EXCHANGE RATE CHANGES	(272,761)	(466,572)
INCREASE IN CASH AND CASH EQUIVALENTS	5,106,408	954,385
CASH AND CASH EQUIVALENTS AT JULY 01,	43,208,620	35,845,461
CASH AND CASH EQUIVALENTS AT SEP. 30,	48,315,028	36,799,846

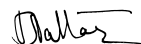
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



 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 three months period ended September 30, 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 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.

Caggas (Private) Limited (CAPGAS), 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 financial statements POL and its consolidated subsidiary are referred to as the Group.

2. Basis of consolidation

These consolidated financial statements include the financial statements of POL and its subsidiary CAPGAS with 51% holding (June 30, 2020: 51%).

Subsidiaries are those entities 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 CAPGAS 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 three months period ended September 30, 2020

These condensed consolidated interim financial statements do 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.

3.1 Changes in accounting standards, interpretations and pronouncements

- The new standards, amendments and interpretations that are effective for accounting periods beginning on or after January 1, 2020 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.
- 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) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	
4. Capital reserves		
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
	2,027,875	2,027,868
5. Revenue reserves		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	24,895,101	29,706,730
	32,172,426	36,984,055
6. Deferred liabilities		
Provision for deferred income tax	6,074,990	5,831,957
Provision for decommissioning cost	14,174,323	14,089,542
Provision for un-funded gratuity plan - CAPGAS	7,577	6,768
Provision for staff compensated absences	6,768	5,642
	20,263,658	19,933,909
7. Trade and other payables		

These include balances due to joint venture partners amount to Rs 1,571,471 thousand (June 30, 2020: Rs 1,748,469 thousand) and balances due to related parties amounting to Rs 99,820 thousand (June 30, 2020: Rs 1,142,218 thousand).

Notes to and forming part of the condensed interim Consolidated Financial Statements (Unaudited)
For the three months period ended September 30, 2020

8. Contingencies and commitments

8.1. There were no material contingencies at September 30, 2020 (June 30, 2020: Nil).

	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	

8.2. Commitments:

Share in Joint operations	9,069,625	9,412,940
Own fields	-	297,558
Letter of credit issued by banks on behalf of the company	212,454	199,199

9. Property, plant and equipment

Opening net book value	7,106,486	7,804,874
Additions during the period / year	139,298	811,597
Depreciation for the period / year	(366,169)	(1,508,562)
Disposals during the period / year	-	(1,423)
Closing net book value	6,879,615	7,106,486
Capital work in progress - at cost	526,056	752,245
	7,405,671	7,858,731

10. Development and decommissioning costs

Development cost

Opening net book value	11,857,324	10,886,151
Additions during the period / year	871,486	3,472,391
Well cost transferred from exploration and evaluation assets - note 11	1,478,001	-
Revision due to change in estimates	-	(3,985)
Amortisation for the period / year	(536,621)	(2,497,233)
Closing book value	13,670,190	11,857,324

Decommissioning cost

Opening net book value	498,293	167,435
Additions during the period / year	-	173,660
Revision due to change in estimates	-	278,967
Amortisation for the period / year	(27,039)	(121,769)
Closing book value	471,254	498,293
	14,141,444	12,355,617

11. Exploration and evaluation assets

Balance brought forward	2,773,514	52,761
Additions during the period/year	241,913	2,720,753
	3,015,427	2,773,514
Transfer to development costs - note 10	(1,478,001)	-
	1,537,426	2,773,514

**Notes to and forming part of the condensed interim
Consolidated Financial Statements (Unaudited)**
For the three months period ended September 30, 2020

	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	
12. Long term investments in associated companies - equity method		
Beginning of the year	10,969,009	13,135,926
Share in loss of associated companies	(222,211)	(939,262)
Share of other comprehensive income of associated companies	66	7,276
Impairment reversal/(loss) against investment in National refinery Limited	327,775	(1,130,160)
Dividend received during the period / year	-	(104,771)
	11,074,639	10,969,009

13. Trade debts

These include Rs 3,292,611 thousand (June 30, 2020: Rs 2,212,489 thousand) receivable from related parties.

14. Advances, deposits, prepayments and other receivables

These include balances due from joint venture partners amount to Rs 153,309 thousand (June 30, 2020: Rs 498,831 thousand) and balances due from related parties amounting to Rs 229,246 thousand (June 30, 2020: Rs 52,481 thousand).

	(Unaudited) Sep 30, 2020	(Audited) June 30, 2020
	Rupees ('000)	
15. Cash and bank balances		
Bank balance on:		
Interest/mark-up bearing saving accounts	3,464,091	4,544,197
Short term deposits	44,791,002	32,228,089
Current accounts	55,447	66,640
	48,310,540	36,838,926
Cash in hand	4,488	1,953
	48,315,028	36,840,879

Balance with banks include foreign currency balances of US\$ 130,919 thousand (June 30, 2020: US \$ 127,602 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 1% to 7.35% per annum (June 30, 2020: 1% to 15.20% per annum).

Notes to and forming part of the condensed interim Consolidated Financial Statements (Unaudited)
For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
16. Net sales		
Crude oil	4,065,062	5,026,918
Gas - note 16.1	3,736,603	3,620,833
POLGAS/CAPGAS - Refill of cylinders	1,559,957	1,655,200
Solvent oil	48,346	58,297
	9,409,968	10,361,248

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 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 areas.

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) has 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

**Notes to and forming part of the condensed interim
Consolidated Financial Statements (Unaudited)**
For the three months period ended September 30, 2020

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 courts 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 September 30, 2020 amounting to Rs 14,660,233 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 16,486,938 thousand including sales tax of Rs 2,395,538 thousand received from customer on the basis of notified prices has been shown under "Trade and other payables".

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
17. Operating costs		
Operating cost - Own fields	311,837	304,837
- Share in joint operations	854,089	772,019
Well workover	7,988	46,629
POLGAS/CAPGAS -Cost of gas/LPG, carriage etc.	1,012,303	986,604
Head office and insurance charges	284	284
Pumping and transportation cost	15,316	12,789
Depreciation	362,907	408,545
	2,564,724	2,531,707
Opening stock of crude oil and other products	404,494	313,921
Closing stock of crude oil and other products	(423,725)	(413,698)
	2,545,493	2,431,930
18. Exploration costs		
Geological & geophysical cost	75,638	375,831
19. Finance costs		
Provision for decommissioning costs- unwinding of discount	280,990	401,796
exchange gain	(196,210)	(263,726)
Banks' commission and charges	1,164	673
	85,944	138,743

**Notes to and forming part of the condensed interim
Consolidated Financial Statements (Unaudited)**
For the three months period ended September 30, 2020

	Three months period ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees ('000)	
20. Other charges		
Workers' profit participation fund	282,578	309,666
Workers' welfare fund	71,833	90,916
	354,411	400,582
21. Other income		
Income from financial assets		
Income on bank deposits	506,264	771,752
Exchange loss on financial assets	(272,761)	(466,572)
Other income		
Rental income -net of related expenses	23,184	49,510
Crude oil transportation income -net of related expenses	40,492	19,949
Gas processing fee	(3,755)	4,406
Profit on sale of property, plant and equipment	28	-
Sale of stores and scrap	26	320
Others	2,143	316
	295,621	379,681
22. Provision for taxation		
Current	1,264,584	1,640,564
Deferred	160,163	114,967
	1,424,747	1,755,531

Notes to and forming part of the condensed interim Consolidated Financial Statements (Unaudited)

For the three months period ended September 30, 2020

Three months period ended

Sep 30, 2020	Sep 30, 2019
Rupees ('000)	

23. Transactions with related parties

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

Sales of goods and services to

Associated companies	3,506,776	4,394,255
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Purchase of goods and services from

Parent company	12,972	16,938
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Associated companies	294,283	381,204
----------------------	---------	---------

Reimbursement of expenses incurred by POL on behalf of associates

Associated Companies	7,640	5,098
----------------------	-------	-------

Parent Company	9,275	-
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Reimbursement of expenses incurred by associates on behalf of POL

Associated Companies	8,477	9,386
----------------------	-------	-------

Parent Company	278	1,740
----------------	-----	-------

Rental income

Associated Companies	836	-
----------------------	-----	---

Rental expense

Associated Companies	1,117	820
----------------------	-------	-----

Dividend paid

Parent company	-	4,492,007
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Associated companies	-	13,663
----------------------	---	--------

Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites	26,167	55,995
---	--------	--------

Contribution to staff retirement benefits plans		
Management Staff Pension Fund and Gratuity Fund	23,658	23,237

Approved Contributory Provident Funds	8,333	8,257
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Contribution to Workers' profit participation fund	282,578	309,666
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**Notes to and forming part of the condensed interim
Consolidated Financial Statements (Unaudited)**
For the three months period ended September 30, 2020

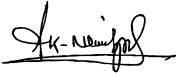
24. Operating segments

These 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 68% of the total revenue during the period ended September 30, 2020 (September 30, 2019: 64%).

25. Date of authorisation

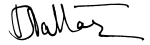
These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 20, 2020.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



Pakistan Oilfields Limited

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