



**Pakistan Oilfields Limited**



## Condensed Interim Financial Statements

For the six months ended  
December 31, 2022





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## VISION

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

## MISSION

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

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

## Corporate Information

### Directors

**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.

Email: info@cdcsrsl.com

Telephone: 0800 23275 (CDCPL)

### 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 six months ended December 31, 2022.

## Financial results

During the period, the Company has made a profit after tax of Rs. 14,353 million (December 31, 2021: Rs. 10,923 million), which is higher by 31.4 % as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 50.57 (December 31, 2021: Rs. 38.48). The increase in profit is mainly due to increase in average price of crude oil by 12.9%, gas by 34.1%, increase in rupee dollar parity, increased interest income due to higher deposits & interest rates and exchange gain on bank deposits netted-off to some extent by increased exploration costs due to dry wells cost charged to expenses, decrease in sales volumes of crude oil and gas in comparison to corresponding period last year. Production volume of crude oil & gas decreased by 9.8%, and 10.9% respectively in comparison to corresponding period last year. During the period, the Company made a Consolidated profit after tax of Rs. 14,522 million (December 31, 2021: Rs. 12,031 million) which translate into consolidated earnings per share of Rs. 51.11 (December 31, 2021: Rs 42.34).

## 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, 2022	Dec. 31, 2021
Crude Oil	US Barrels	952,231	1,055,524
Gas	Million Cubic Feet	12,002	13,468
LPG	Metric Tonnes	27,273	28,378
Sulphur	Metric Tonnes	289	260
Solvent Oil	US Barrels	9,499	9,871

The Company's share in production, including that from joint ventures, for the period under review averaged 5,174 barrels per day (bpd) of crude, 65.23 million standard cubic feet per day (mmscfd) of gas, 148.22 metric tonnes per day (MTD) of LPG, 1.57 MTD of sulphur and 51 bpd of solvent oil.

## EXPLORATION AND DEVELOPMENT ACTIVITIES

### Producing Fields

At Balkassar lease (100% owned by POL), Balkassar Deep-1A is in the planning phase as replacement of Balkassar Deep-1. Correspondence with the Government is in progress for the renewal of Balkassar Development & Production Lease.

At Pindori Lease (operated by POL with a 35% share), 3D seismic acquisition project of 60 square kilometers is in progress to evaluate the prospectivity of Chorgali formation and to evaluate the possibility to produce un-drained oil.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Makori East-5 sidetrack has been approved for the up-dip location.

Tolanj West-2 a developed well drilled down to target depth tested three formations, Lamshiwal formation flowed 12.7 million cubic feet of gas per day, 11.3 barrels of oil per day and 9.2 barrels of water per day at 32/64" choke size at flowing well head pressure of 1,914 psi, Lockhart Formation tested and produced 8.3 million cubic feet of gas per day, 34 barrels of oil per day with no water at 32/64" choke size at flowing wellhead pressure of 1,285psi and Samansuk & Shinawari formations flowed 2.25 million cubic feet of gas per day, Oil nil, water nil with well head flowing pressure of 374 psi at 32/64" choke size. Production from this well has been started and currently producing around 13 million cubic feet of gas per day and around 17 barrels of oil per day.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), Adhi South-7 has been spudded on April 14, 2022 drilled down to its target depth, initial testing results were 500 barrels of oil per day and 0.5 million cubic feet of gas per day at 28/64" choke size with flowing well head pressure of 360 psi. Presently this well has been connected to the production line and producing around 450 barrels of oil and 0.53 million cubic feet of gas per day.



Adhi South-5 tested to the target depth and not produced any hydrocarbons, frac job was also not successful. Now, Adhi South-5 has been side tracked and fishing operations are going on due to hole collapse.

Adhi-35 well was spudded on January 27, 2023 and drilling at 4,072 ft is in progress. The target depth is around 12,028 ft.

### **Exploration Blocks**

At Ikhlas block (operated by POL with 80% share), Jhandial well -3 is in the planning phase.

At DG Khan block (operated by POL with a 70% share), DGK-1, exploratory well drilled down to 15,206 ft but clearance of hole was not achieved to acquire hole logs. During conditioning 455 ft of fish left in hole and despite several attempts no success was made to recover the fish. Placed cement plugs and tested Chiltan formation but no hydrocarbons were flowed. Finally the well was plugged and abandoned. Remaining leads of DG Khan Block are under evaluation.

North Dhurnal block (operated by POL with 60% share) seismic acquisition design to acquire 3D Seismic data is in progress.

At Kirthar South block (operated by POL with 51% share), 34% share has been farm-out to Polish National Oil and Gas Company (PGNiG) and Assignment Agreement has been approved by the Government. The Company is actively pursuing to get Provincial Government approval for resumption of oil and gas exploration activities in this license area.

At Margala block (operated by MOL where POL has 30% share), Tarnol-1 was spudded on Sep 20, 2022. During drilling, the prognosed formations were not encountered at the prognosed depth and the well was plugged and abandoned.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), an exploratory well Razgir has been approved by the joint venture partners but on hold due to gas price dispute with the Government. 3D seismic data interpretation of Makori, Makori Deep, Billitang, Kot South, has been completed while seismic interpretation on Sarozai & Sarozai Deep is in progress at Top of Lockhart level. Makori Deep-3 (Development Well) location is also under review for the approval. 3D Seismic data interpretation of Tal East is in progress at top of Lockhart level to mature Kot South prospect.

Mamikhel South-1 well production line has been completed. In order to start production Government's approval is awaited.

At Hisal block (operated by PPL where POL has 25% share), 3D seismic acquisition of 250 square kilometers of has been awarded and currently the acquisition is in progress.

At Gurgalot block (operated by OGDCL where POL has 20% share), 3D seismic data interpretation is in progress for prospect mapping.

At Taung block (operated by Mari Petroleum where POL has 40% share), 340.94 square kilometers 3D Seismic acquisition has been completed and seismic data interpretation is in progress.

At Nareli Block (operated by Mari Petroleum where POL has 32% share), 2D seismic acquisition program of 456 line kilometers-firm and 164 line kilometers-contingent has been approved and contract has been awarded for execution of work.

In the recent bidding, POL won Multanai block as an operator (100%). The post bidding process of award is in progress with DGPC.

Chah Bali exploration license was awarded to OGDC as an operator with 70% share and to POL with 30% share on November 22, 2022.

### **Acknowledgement**

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

On behalf of the Board

**Shuaib A. Malik**

Chairman & Chief Executive

**Abdus Sattar**

Director

Dubai  
February 27, 2023

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) رازگیر کنویں کی مشترکہ منصوبے کے حصہ داران نے منظوری دے دی ہے لیکن حکومت کے ساتھ گیس کی قیمتوں کے تنازعہ کی وجہ سے کام تھپ کا شکار ہے۔ مکوڑی، مکوڑی ڈیپ، ہیلینا ٹنگ، کوٹ جنوبی 3D ارضیاتی اعداد و شمار کی تشریح کا عمل مکمل ہو چکا ہے جبکہ سروزی اور سروزی ڈیپ پر ارضیاتی اعداد و شمار کی تشریح لوکھارٹ کی سطح پر جاری ہے۔ مکوڑی ڈیپ-۳ (ترقیاتی کنواں) کا مقام بھی منظوری کے لئے زیر غور ہے۔ کوٹ جنوبی کے امکانات کو پختہ کرنے کے لئے لوکھارٹ کی سطح کے اوپر تل شرقی کے 3D ارضیاتی اعداد و شمار کی تشریح کا عمل جاری ہے۔

ماہی خیل جنوبی-۱ کنویں کی پیداواری لائن کی تکمیل ہو چکی ہے۔ پیداوار شروع کرنے کے لئے حکومت کی منظوری کا انتظار ہے۔

حسال بلاک (پی پی ایل کے زیر انتظام جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) ۲۵۰ مربع کلومیٹر کے 3D ارضیاتی اعداد و شمار کے حصول کا معاہدہ طے پا گیا ہے اور فی الحال ایکویزیشن جاری ہے۔

گرگٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے) ممکنہ نقشہ سازی کے لئے 3D ارضیاتی اعداد و شمار کی تشریح پر کام جاری ہے

ٹوٹنگ (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۴۰ فی صد ہے) ۳۴۰.۹۴ مربع کلومیٹر 3D ارضیاتی اعداد و شمار کا حصول مکمل ہو چکا ہے۔ ڈیٹا پروسیسنگ/تشریح پر کام جاری ہے۔

نیریلی بلاک- (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۳۲ فی صد ہے) ۴۵۶ لائن کلومیٹر فرم اور ۱۶۴ لائن کلومیٹر contingent کے 2D سیمسک ایکویزیشن پروگرام کی منظوری دی گئی ہے اور کام کا ٹھیکہ دے دیا گیا ہے۔

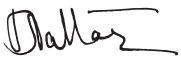
حالیہ بولی میں، پی او ایل نے بطور آپریٹر (۱۰۰ فی صد) ملتانائی بلاک جیتا۔ بولی کے بعد ایوارڈ کا عمل ڈی جی پی سی کے ساتھ جاری ہے۔

چاہ بالی دریافتی لائسنس ۲۲ نومبر ۲۰۲۲ء کو اوجی ڈی سی کو بطور آپریٹر ۷۰ فی صد حصص کے ساتھ اور پی او ایل کو ۳۰ فی صد حصص کے ساتھ دیا گیا تھا۔

اعتراف:

بورڈ تمام سٹیک ہولڈرز کا پاکستان آئل فیلڈز لمیٹڈ کے ساتھ مسلسل تعاون کرنے پر ان کا شکریہ ادا کرتا ہے۔

منجانب بورڈ



عبدالستار

ڈائریکٹر



شعیب اے ملک

چیرمین و چیف ایگزیکٹو

دہلی

۲۷ فروری ۲۰۲۳ء

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) میں چورنگی کی تشکیل کے امکانات کا جائزہ لینے اور باقی ماندہ تیل نکالنے کے امکان کا جائزہ لینے کے لئے ۶۰ مربع کلومیٹر کے 3D ارضیاتی اعداد و شمار کے منصوبے پر کام ہو رہا ہے۔

تیل بلاک (زیر انتظام مول جہاں قبل از تجارتی پیداوار پی او ایل کا حصہ ۲۵ فی صد ہے) کوڑی شرقی-۵ کے ضمنی ٹریک کی منظوری ہو چکی ہے۔  
تولج غربی-۲ ایک دریافتی کنویں کو گہرائی کے ہدف تک کھودا گیا اور ۳ حصوں کا تجزیہ کیا گیا؛ لمشی وال فارمیشن سے ۳۲/۶۴ کے چوک سائز اور ۹۱۴ اپی ایس آئی کے ویل ہیڈ پریشر پر یومیہ ۱۲ ملین سٹینڈرڈ مکعب فٹ گیس، ۱۱.۳ بیرلز تیل اور ۹.۲ بیرلز پانی حاصل ہوا۔ لوکھارٹ فارمیشن کا ۳۲/۶۴ کے چوک سائز اور ۲۸۵ اپی ایس آئی کے ویل ہیڈ پریشر پر تجزیہ کیا گیا اور یومیہ ۸.۳ ملین سٹینڈرڈ مکعب فٹ گیس اور ۳۴ بیرلز بغیر پانی کے تیل حاصل ہوا اور سانسک اور شنواری فارمیشنز سے ۳۲/۶۴ کے چوک سائز اور ۴۷۲ پی ایس آئی کے ویل ہیڈ پریشر پر بغیر تیل اور پانی کے یومیہ ۲.۳۵ ملین سٹینڈرڈ مکعب فٹ گیس آئی۔ اس کنویں سے پیداوار شروع ہو چکی ہے اور اس وقت تقریباً ۱۳ ملین مکعب فٹ گیس اور ۱۷ بیرلز تیل یومیہ پیدا ہو رہا ہے۔

آہدی (زیر انتظام پاکستان پٹرولیم لمیٹڈ جہاں پی او ایل کا حصہ ۱۱ فی صد ہے) آہدی جنوبی-۷ ۱۴ اپریل ۲۰۲۲ کو کھودا گیا تھا ابتدائی جانچ کے نتائج کے مطابق ۲۸/۶۴ کے چوک سائز اور ۳۶ پی ایس آئی کے ویل ہیڈ پریشر پر یومیہ ۵۰ بیرلز تیل اور ۰.۵ ملین سٹینڈرڈ مکعب فٹ گیس حاصل ہوئی۔ اس وقت یہ کنواں پیداواری لائن سے منسلک ہے یومیہ تقریباً ۲۵۰ بیرلز تیل اور ۵۳.۰ ملین مکعب فٹ گیس پیدا کر رہا ہے۔

آہدی جنوبی-۵ کا ہدف کی گہرائی تک تجزیہ کیا گیا مگر کوئی ہائیڈروکاربن دریافت نہیں ہوئی۔ فریک جاب بھی کامیاب نہ ہو سکی۔ آہدی جنوبی-۵ کو سائیڈ ٹریک کر دیا گیا ہے اور کنواں بند ہو جانے کی وجہ سے فٹنگ سرگرمیاں جاری ہیں۔  
آہدی-۳۵ کنویں ۲۷ جنوری ۲۰۲۳ کو کھودا گیا تھا اور ۲۷۰۰ فٹ پر کھدائی جاری ہے۔ گہرائی کا ہدف تقریباً ۲۷۰۰ فٹ ہے۔

## دریافتی قطعات:

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل) جنڈیال-۳ کنواں منصوبہ بندی کے مرحلے میں ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) دریافتی کنواں ڈی جی کے ۱-۱۵، ۲۰۶۱ فٹ تک کھودا گیا لیکن سوراخ کے اعداد و شمار حاصل کرنے کے لئے سوراخ کی صفائی نہیں ہو سکی۔ کنڈیشننگ کے دوران ۴۵۵ فٹ سوراخ میں مٹی گئی فٹ نکالنے کی متعدد کوششیں رائیگاں گئیں۔ سینٹ کے پلگ لگائے گئے اور چلتن فارمیشن کا تجزیہ کیا گیا لیکن کوئی ہائیڈروکاربن نہیں مل سکا۔ بالآخر کنواں بند کر کے چھوڑ دیا گیا۔ ڈی جی خان بلاک کی بقیہ لیڈز کا جائزہ لیا جا رہا ہے۔

شمالی دھرنال بلاک (۶۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) 3D اعداد و شمار کے حصول کے لئے ارضیاتی اعداد و شمار کے خدو خال پر کام جاری ہے۔

کیٹر جنوبی بلاک (۵۱ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) پولش نسل اینڈ گیس کمپنی (PGNiG) کو ۳۴ فی صد حصص فروض کیا گیا ہے اور حکومت نے حوالگی کے معاہدے کی منظوری دے دی ہے۔ کمپنی اس لائسنس والے علاقے میں تیل اور گیس کی تلاش کی سرگرمیوں کو شروع کرنے کے لیے صوبائی حکومت کی منظوری حاصل کرنے کے لئے کوشاں ہے۔

مارگلہ بلاک (زیر انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے) ترنول-۱ کو ۲۰ ستمبر ۲۰۲۲ کو کھدائی کا آغاز کیا گیا۔ کھدائی کے دوران تخمینہ شدہ حصوں کے مطلوبہ مقام پر نہیں پہنچا گیا اور کنویں کو بند کر دیا گیا ہے۔

## ڈائریکٹر ز رپورٹ

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

بورڈ کو ۳۱ دسمبر، ۲۰۲۲ء 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 نفع ۱۴،۳۵۳ ملین روپے (۳۱ دسمبر، ۲۰۲۱ء: ۱۰،۹۲۳ ملین روپے) حاصل کیا جو گزشتہ برس اسی دورانیے کے مقابلے میں ۳۱.۴ فیصد زیادہ ہے۔ یہ منافع فی حصص آمدنی ۵۰.۵۷ روپے (۳۱ دسمبر، ۲۰۲۱ء: ۳۸.۴۸ روپے) کو ظاہر کرتا ہے۔ منافع میں اضافے کی بنیادی وجہ خام تیل کی اوسط قیمت میں ۱۲.۹ فی صد، گیس کی قیمت میں ۳۴.۱ فی صد اضافہ، روپے / ڈالر کے تقابلی نرخ میں اضافہ، زیادہ ڈپازٹس منافع کی شرح کی وجہ اور بینک ڈپازٹس پر زرمبادلہ کا فائدہ جس میں کسی حد تک کمی ایکسپلوریشن میں خشک کنوں کی لاگت کا چارج اور خام تیل اور گیس کی فروخت کے حجم میں کمی ہے۔ خام تیل اور گیس کی پیداواری حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب ۹.۸ فیصد اور ۱۰.۹ فیصد کی کمی واقع ہوئی ہے۔ اس عرصہ میں کمپنی نے مجموعی منافع بعد از ٹیکس ۱۴،۵۲۲ ملین روپے (۳۱ دسمبر، ۲۰۲۱ء: ۱۲،۰۳۱ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۵۱.۱۱ روپے (۳۱ دسمبر، ۲۰۲۱ء: ۴۲.۳۴ 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:

چھ ماہ کے اختتام پر			
۳۱ دسمبر، ۲۰۲۱ء	۳۱ دسمبر، ۲۰۲۲ء		
۱،۰۵۵،۵۲۴	۹۵۴،۲۳۱	یو ایس بیرل	خام تیل
۱۳،۴۶۸	۱۲،۰۰۲	ملین کیوبک فٹ	گیس
۲۸،۳۷۸	۲۷،۲۷۳	میٹرک ٹن	مانع پٹرولیم گیس
۲۶۰	۲۸۹	میٹرک ٹن	سلفر
۹،۸۷۱	۹،۴۹۹	یو ایس بیرل	سالونٹ آئل

زیر جائزہ مدت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۵،۱۷۴ بیرلز، گیس ۶۵.۲۳ ملین سٹینڈرڈ مکعب فٹ، مانع پٹرولیم گیس ۱۴۸.۲۲ میٹرک ٹن، سلفر ۱.۵۷ میٹرک ٹن اور سالونٹ آئل ۵۱ بیرلز۔

## دریافتی اور ترقیاتی سرگرمیاں:

### پیداواری قطعات:

بلکسر (۱۰۰ فی صدی اوایل کی ملکیت) بلکسر ڈیپ-1 A بلکسر ڈیپ-1 کے متبادل کے طور پر منصوبہ بندی کے مرحلے میں ہے۔ بلکسر ترقیاتی و پیداواری لیز کی تجدید کے لئے حکومت کے ساتھ خط و کتابت جاری ہے۔



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, 2022 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 "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 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, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2022.

**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

Date: February 28, 2023  
UDIN: RR202210053DHNgnSMwd

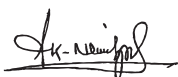
**Condensed Interim Statement of Financial Position**

As at December 31, 2022

	Note	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital 500,000,000 (June 30, 2022: 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, 2022: 283,855,104) ordinary shares of Rs 10 each		2,838,551	2,838,551
Revenue reserves	4	48,385,289	48,224,910
		51,223,840	51,063,461
NON CURRENT LIABILITIES			
Long term deposits		900,607	895,565
Deferred liabilities	5	25,728,457	24,970,404
		26,629,064	25,865,969
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	6	33,287,345	31,056,163
Unpaid dividend - awaiting remittance by the authorized bank	7	6,738,010	-
Unclaimed dividend		308,876	275,702
Provision for income tax		9,914,464	9,792,637
		50,248,695	41,124,502
CONTINGENCIES AND COMMITMENTS	8	128,101,599	118,053,932

	Note	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
		Rupees ('000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	6,443,612	6,702,511
Development and decommissioning costs	10	9,056,726	10,209,126
Exploration and evaluation assets	11	106,097	3,019,833
		15,606,435	19,931,470
<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>	12	9,615,603	9,615,603
<b>LONG TERM LOANS AND ADVANCES</b>		30,806	29,590
<b>CURRENT ASSETS</b>			
Stores and spares		5,687,858	5,753,133
Stock in trade		565,673	384,649
Trade debts	13	13,426,720	9,967,152
Advances, deposits, prepayments and other receivables	14	6,894,513	4,649,659
Short term investments	15	18,000,514	-
Cash and bank balances	16	58,273,477	67,722,676
		102,848,755	88,477,269
		128,101,599	118,053,932


The annexed notes 1 to 29 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)**

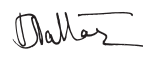
For the six months period ended December 31, 2022

		Three months period ended		Six months period ended	
	Note	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Rupees ('000)					
SALES		15,138,761	14,824,130	32,283,481	27,860,729
Sales tax		(1,060,380)	(2,152,732)	(2,172,080)	(4,047,432)
Excise duty		(56,943)	(61,492)	(113,562)	(126,059)
NET SALES	17	14,021,438	12,609,906	29,997,839	23,687,238
Operating costs	18	(3,083,605)	(2,178,304)	(5,193,090)	(4,192,271)
Royalty		(1,557,044)	(1,315,041)	(3,331,416)	(2,488,378)
Amortization of development and decommissioning costs	19	(1,003,170)	(627,141)	(1,506,366)	(1,401,095)
		(5,643,819)	(4,120,486)	(10,030,872)	(8,081,744)
GROSS PROFIT		8,377,619	8,489,420	19,966,967	15,605,494
Exploration costs	20	(953,510)	(107,843)	(5,479,722)	(558,518)
		7,424,109	8,381,577	14,487,245	15,046,976
Administration expenses		(54,770)	(55,382)	(178,599)	(121,497)
Finance costs - net	21	486,088	(934,742)	(2,349,330)	(2,397,148)
Other charges	22	(661,604)	(539,963)	(1,154,102)	(955,678)
		(230,286)	(1,530,087)	(3,682,031)	(3,474,323)
		7,193,823	6,851,490	10,805,214	11,572,653
Other income - net	23	2,103,560	2,017,867	8,738,599	4,717,741
PROFIT BEFORE TAXATION		9,297,383	8,869,357	19,543,813	16,290,394
Provision for taxation	24	(3,343,757)	(3,204,238)	(5,190,679)	(5,367,646)
PROFIT FOR THE PERIOD		5,953,626	5,665,119	14,353,134	10,922,748
Earnings per share					
- Basic and diluted (Rupees)		20.98	19.96	50.57	38.48

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
 Khalid Nafees  
 CFO

  
 Shuaib A. Malik  
 Chief Executive

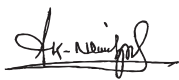
  
 Abdus Sattar  
 Director


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

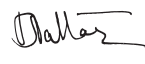
For the six months period ended December 31, 2022

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
	Rupees ('000)			
Profit for the period	<b>5,953,626</b>	5,665,119	<b>14,353,134</b>	10,922,748
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>5,953,626</b>	5,665,119	<b>14,353,134</b>	10,922,748

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
 Khalid Nafees  
 CFO

  
 Shuaib A. Malik  
 Chief Executive

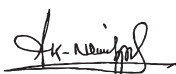
  
 Abdus Sattar  
 Director

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

For the six months period ended December 31, 2022

		Revenue reserves			
	Share capital	Insurance reserve	Investment reserve	Unappropriated profit	Total
	Rupees ('000)				
Balance at June 30, 2021	2,838,551	200,000	1,557,794	34,765,718	39,362,063
Total comprehensive income for the period:					
Profit for the period	-	-	-	10,922,748	10,922,748
Other comprehensive income	-	-	-	-	-
	-	-	-	10,922,748	10,922,748
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	(8,515,653)	(8,515,653)
Balance at December 31, 2021	2,838,551	200,000	1,557,794	37,172,813	41,769,158
Total comprehensive income for the period:					
Profit for the period	-	-	-	15,012,365	15,012,365
Other comprehensive (loss)	-	-	-	(40,960)	(40,960)
	-	-	-	14,971,405	14,971,405
Transactions with owners:					
Interim dividend @ 20 per share - Year ended June 30, 2022	-	-	-	(5,677,102)	(5,677,102)
Balance at June 30, 2022	2,838,551	200,000	1,557,794	46,467,116	51,063,461
Total comprehensive income for the period:					
Profit for the period	-	-	-	14,353,134	14,353,134
Other comprehensive income	-	-	-	-	-
	-	-	-	14,353,134	14,353,134
Transactions with owners:					
Final dividend @ Rs 50 per share - Year ended June 30, 2022	-	-	-	(14,192,755)	(14,192,755)
Balance at December 31, 2022	2,838,551	200,000	1,557,794	46,627,495	51,223,840

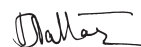
The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



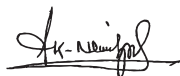
Abdus Sattar  
Director

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

For the six months period ended December 31, 2022

Note	Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021
	Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	27,057,890	19,235,255
Operating and exploration costs paid	(6,462,811)	(3,344,121)
Royalty paid	(3,104,461)	(2,176,962)
Taxes paid	(6,343,676)	(3,362,932)
Cash provided by operating activities	11,146,942	10,351,240
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(3,199,229)	(1,264,579)
Proceeds from disposal of property, plant and equipment	2,130	6,115
Income on bank deposits and investments at amortised cost	3,922,709	1,075,654
Investments in mutual funds - net	-	(500,000)
Dividend income received	517,162	385,108
Cash generated from / (used in) investing activities	1,242,772	(297,702)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(7,421,571)	(8,495,353)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	3,583,172	2,847,900
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	8,551,315	4,406,085
<b>CASH AND CASH EQUIVALENTS AT JULY 1</b>	67,722,676	47,572,206
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	76,273,991	51,978,291
<b>CASH AND CASH EQUIVALENTS</b>		
Short term investments	18,000,514	-
Cash and bank balances	58,273,477	51,978,291
	76,273,991	51,978,291

The annexed notes 1 to 29 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 six months period ended December 31, 2022

### 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.

- The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67 (I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 1177(1)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets ultimately due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 (Financial Instruments) with respect to application of Expected Credit Loss (ECL) method shall not be applicable on such financial assets for the financial years ending on or before December 31, 2024, 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 does not have any significant impact on its condensed interim 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, 2022.

### 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, 2022.

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

For the six months period ended December 31, 2022

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	
<b>4. REVENUE RESERVES</b>		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	46,627,495	46,467,116
	<b>48,385,289</b>	<b>48,224,910</b>
<b>5. DEFERRED LIABILITIES</b>		
Provision for deferred income tax	4,569,608	5,844,433
Provision for decommissioning costs	21,156,309	19,123,431
Provision for staff compensated absences	2,540	2,540
	<b>25,728,457</b>	<b>24,970,404</b>

**6. TRADE AND OTHER PAYABLES**

These include balances due to joint operating partners amounting to Rs 2,062,969 thousand (June 30, 2022: Rs 1,435,659 thousand) and balances due to related parties amounting to Rs 884,259 thousand (June 30, 2022: Rs 1,823,141 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 24,767,671 thousand (June 30, 2022: Rs 22,278,874 thousand) as explained in note 17.1.

**7. UNPAID DIVIDEND - AWAITING REMITTANCE BY THE AUTHORIZED BANK**

This represents dividend payable to parent company (non-resident), The Attock Oil Company Limited in United Kingdom (UK), for the year June 30, 2022, awaiting remittance by the authorized bank due to regulatory constraints.

**8. CONTINGENCIES AND COMMITMENTS**

**8.1** There were no material contingencies at December 31, 2022 (June 30, 2022: Nil).

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	

**8.2 Commitments:**

Share in joint operations	11,834,196	13,792,446
Own fields	5,485,611	5,047,000
Letter of credit issued by banks on behalf of the Company	268,941	380,001

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

For the six months period ended December 31, 2022

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets		
Opening net book value	6,219,771	6,129,343
Additions during the period / year	221,904	1,570,240
Disposals during the period / year	-	(267)
Depreciation for the period / year	(786,384)	(1,479,545)
Closing net book value	5,655,291	6,219,771
Capital work in progress - at cost	788,321	482,740
	<b>6,443,612</b>	<b>6,702,511</b>
<b>10. DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
<b>Development cost</b>		
Opening net book value	9,801,407	12,922,884
Additions during the period / year	560,898	560,588
Revision due to change in estimates	(165,103)	(147,697)
Amortization for the period / year	(1,478,951)	(3,534,368)
Closing net book value	8,718,251	9,801,407
<b>Decommissioning cost</b>		
Opening net book value	407,719	749,791
Additions during the period / year	92,813	22,137
Revision due to change in estimates	(97,538)	(189,694)
Amortization for the period / year	(64,519)	(174,515)
Closing net book value	338,475	407,719
	<b>9,056,726</b>	<b>10,209,126</b>
<b>11. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	3,019,833	512,223
Additions during the period / year	2,110,846	2,507,610
Dry and abandoned wells cost charged to the statement of profit or loss	(5,024,582)	-
	<b>106,097</b>	<b>3,019,833</b>

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

For the six months period ended December 31, 2022

### 12. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST

	(Unaudited) December 31, 2022		(Audited) June 30, 2022	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
<b>Subsidiary company</b>				
Unquoted				
Caggas (Private) Limited	51	1,530	51	1,530
<b>Associated companies</b>				
Quoted				
National Refinery Limited - Note 12.1	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>

**12.1** 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.

### 13. TRADE DEBTS

These include Rs 5,265,648 thousand (June 30, 2022: Rs 6,749,456 thousand) receivable from related parties.

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

These include balances due from joint operating partners amounting to Rs 250,601 thousand (June 30, 2022: Rs 313,169 thousand) and balances due from related parties amounting to Rs 306,519 thousand (June 30, 2022: Rs 309,162 thousand).

### 15. SHORT TERM INVESTMENTS

This represents treasury bills carried at amortized cost at yield ranging from 16.85% to 16.97% per annum.

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

For the six months period ended December 31, 2022

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	
<b>16. CASH AND BANK BALANCES</b>		
Bank balance on		
Short term deposits	48,703,276	65,921,720
Interest/ mark-up bearing saving accounts	9,551,969	1,760,167
Current accounts	14,578	36,270
	<b>58,269,823</b>	67,718,157
Cash in hand	3,654	4,519
	<b>58,273,477</b>	67,722,676

Balances with banks include foreign currency balances of US \$ 186,542 thousand (June 30, 2022: US \$ 169,602 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 1% to 17.25% per annum (June 30, 2022: 0.25% to 18% per annum).

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
	Rupees ('000)			
<b>17. NET SALES</b>				
Crude oil	7,716,409	6,812,414	17,154,290	12,799,794
Gas - note 17.1	4,244,450	3,614,555	8,570,989	7,117,156
Less : Shrinkages/Own use	677,251	519,838	1,374,392	974,896
	<b>3,567,199</b>	3,094,717	7,196,597	6,142,260
POLGAS - Refill of cylinders	2,602,458	2,635,952	5,368,760	4,610,827
Solvent oil	106,284	66,823	249,104	134,357
Sulphur	29,088	-	29,088	-
	<b>14,021,438</b>	12,609,906	29,997,839	23,687,238

**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. 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.

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

For the six months period ended December 31, 2022

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. After multiple hearings, last hearing was fixed on June 30, 2022, however the same could not be heard and next date of hearing is yet to be announced.

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, 2022 amounting to Rs 22,073,357 thousand will be accounted for upon resolution of this matter (including Rs 19,658,634 thousand related to period since inception to June 30, 2022). Additional revenue on account of enhanced gas price incentive of Rs 21,203,654 thousand including sales tax of Rs 3,604,621 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 3,604,621 thousand (June 30, 2022: Rs 3,237,101 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is included in "advances, deposits, prepayments and other receivables".

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

For the six months period ended December 31, 2022

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	<b>Rupees ('000)</b>			
<b>18. OPERATING COSTS</b>				
Operating cost - own fields	<b>431,894</b>	237,231	<b>829,632</b>	563,869
- share in joint operations	<b>1,501,956</b>	817,605	<b>2,418,740</b>	1,598,378
Well work over	<b>(8,786)</b>	30,362	<b>15,597</b>	57,598
POLGAS - Cost of LPG, carriage etc.	<b>761,039</b>	668,895	<b>1,271,393</b>	1,227,775
Pumping and transportation cost	<b>30,261</b>	21,235	<b>52,368</b>	36,112
Depreciation	<b>393,579</b>	362,402	<b>786,384</b>	731,173
	<b>3,109,943</b>	2,137,730	<b>5,374,114</b>	4,214,905
Opening stock of crude oil and other products	<b>539,335</b>	340,739	<b>384,649</b>	277,531
Closing stock of crude oil and other products	<b>(565,673)</b>	(300,165)	<b>(565,673)</b>	(300,165)
	<b>3,083,605</b>	2,178,304	<b>5,193,090</b>	4,192,271
<b>19. AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS</b>				
Amortization charge for the year - Note 10	<b>797,311</b>	758,019	<b>1,543,470</b>	1,591,247
Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss	<b>205,859</b>	(130,878)	<b>(37,104)</b>	(190,152)
	<b>1,003,170</b>	627,141	<b>1,506,366</b>	1,401,095
<b>20. EXPLORATION COSTS</b>				
Geological and geophysical cost	<b>281,994</b>	107,843	<b>455,140</b>	558,518
Dry and abandoned wells cost charged to the exploration costs - note 11	<b>671,516</b>	-	<b>5,024,582</b>	
	<b>953,510</b>	107,843	<b>5,479,722</b>	558,518
<b>21. FINANCE COSTS-NET</b>				
Provision for decommissioning cost				
- Unwinding of discount	<b>(209,847)</b>	312,093	<b>440,867</b>	629,176
- Exchange loss/(gain)	<b>(278,017)</b>	620,382	<b>1,905,102</b>	1,764,256
Banks' commission and charges	<b>1,776</b>	2,267	<b>3,361</b>	3,716
	<b>(486,088)</b>	934,742	<b>2,349,330</b>	2,397,148

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

For the six months period ended December 31, 2022

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
	Rupees ('000)			
<b>22. OTHER CHARGES</b>				
Workers' profit participation fund	<b>509,808</b>	409,274	<b>829,773</b>	700,377
Workers' welfare fund	<b>151,796</b>	130,689	<b>324,329</b>	255,301
	<b>661,604</b>	539,963	<b>1,154,102</b>	955,678
<b>23. OTHER INCOME-NET</b>				
Income from financial assets - bank deposits and treasury bills	<b>2,110,600</b>	614,316	<b>4,210,971</b>	1,177,214
Exchange gain/(loss) on financial assets	<b>(544,780)</b>	1,016,306	<b>3,583,172</b>	2,847,900
Dividend from subsidiary and associated companies	<b>307,621</b>	206,545	<b>517,162</b>	385,108
Rental income	<b>106,812</b>	70,472	<b>154,407</b>	92,712
Crude oil transportation income	<b>105,304</b>	103,955	<b>224,294</b>	197,108
Gas processing fee	<b>19,783</b>	3,693	<b>39,023</b>	2,420
Gain on sale of property, plant and equipment	-	988	<b>2,130</b>	5,526
Gain on sale of stores and scrap	<b>287</b>	920	<b>9,433</b>	6,346
Fair value adjustment on investments classified as fair value through profit or loss	-	32	-	32
Others	<b>(2,067)</b>	640	<b>(1,993)</b>	3,375
	<b>2,103,560</b>	2,017,867	<b>8,738,599</b>	4,717,741
<b>24. PROVISION FOR TAXATION</b>				
Current	<b>2,997,783</b>	2,957,529	<b>6,465,503</b>	5,805,322
Deferred	<b>345,974</b>	246,709	<b>(1,274,824)</b>	(437,676)
	<b>3,343,757</b>	3,204,238	<b>5,190,679</b>	5,367,646

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

For the six months period ended December 31, 2022

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
	Rupees ('000)			
<b>25. TRANSACTIONS WITH RELATED PARTIES</b>				
Aggregate transactions with related parties of the Company were as follows:				
<b>Sale of goods and services to</b>				
Associated Companies	<b>7,620,290</b>	5,591,526	<b>17,204,249</b>	11,745,502
<b>Purchase of goods and services from</b>				
Parent Company	<b>32,539</b>	40,244	<b>70,329</b>	72,286
Associated Companies	<b>406,049</b>	386,581	<b>929,760</b>	614,639
<b>Reimbursement of expenses incurred by POL on behalf of associates</b>				
Parent Company	-	-	<b>21</b>	-
Subsidiary Company	<b>3,529</b>	3,032	<b>7,535</b>	6,015
Associated Companies	<b>9,466</b>	7,844	<b>20,259</b>	16,358
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent Company	<b>724</b>	504	<b>1,122</b>	1,495
Subsidiary Company	<b>8,322</b>	2,540	<b>11,341</b>	4,367
Associated Companies	<b>31,425</b>	4,764	<b>40,096</b>	14,319
<b>Rental Income</b>				
Subsidiary Company	<b>351</b>	351	<b>702</b>	702
Associated Companies	<b>1,022</b>	1,019	<b>2,042</b>	2,042
<b>Rental expense</b>				
Parent Company	<b>17,874</b>	13,621	<b>35,747</b>	27,242
Associated Companies	<b>1,913</b>	1,057	<b>2,625</b>	2,114
<b>Dividend paid</b>				
Parent Company	-	4,493,860	<b>3,088</b>	4,493,860
Associated Companies	-	5,555	<b>10,759</b>	5,555
<b>Dividend received</b>				
Subsidiary Company	<b>7,746</b>	6,630	<b>7,746</b>	14,066
Associated Companies	<b>299,875</b>	199,917	<b>509,416</b>	371,042

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

For the six months period ended December 31, 2022

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	<b>Rupees ('000)</b>			
<b>Other related parties</b>				
Remuneration of key management personnel including benefits and perquisites	<b>30,759</b>	32,684	<b>106,943</b>	96,087
Dividend to key management personnel	<b>157,406</b>	98,643	<b>165,973</b>	98,643
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	<b>26,973</b>	23,080	<b>59,301</b>	46,087
Approved Contributory Provident Funds	<b>9,266</b>	8,133	<b>19,570</b>	16,277
Contribution to Workers' Profit Participation Fund	<b>509,808</b>	409,274	<b>829,773</b>	700,377

## 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 17.

Revenue from two major customers of the Company constitutes 76% of the total revenue during the period ended December 31, 2022 (December 31, 2021: 74%).

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

The Board of Directors in its meeting held on February 27, 2023 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2023.

## 28. IMPACT OF COVID - 19 ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

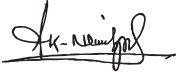
The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which have now recovered. As at period end, there is no 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.

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

For the six months period ended December 31, 2022

**29. DATE OF AUTHORISATION FOR ISSUE**

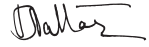
These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on February 27, 2023.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



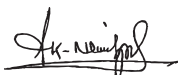
**Condensed Interim Consolidated  
Financial Statements (Unaudited)**  
For the Six months period ended December 31, 2022

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
As at December 31, 2022

	Note	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
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	2,050,515	2,031,097
Revenue reserves	6	50,894,855	50,599,086
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		4,368	4,368
		55,788,289	55,473,102
<b>NON - CONTROLLING INTEREST</b>		121,768	114,974
		55,910,057	55,588,076
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		1,021,125	1,015,727
Deferred liabilities	7	26,311,571	25,596,911
		27,332,696	26,612,638
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	8	33,307,964	31,134,788
Unpaid dividend - awaiting remittance by the authorized bank	9	6,738,010	-
Unclaimed dividend		308,876	275,702
Provision for income tax		9,929,820	9,802,862
		50,284,670	41,213,352
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		133,527,423	123,414,066

	Note	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
Rupees ('000)			
FIXED ASSETS			
Property, plant and equipment	11	6,493,713	6,755,903
Development and decommissioning costs	12	9,056,726	10,209,126
Exploration and evaluation assets	13	106,097	3,019,833
Other intangible assets		70,338	189,939
Deferred tax assets		11,177	11,177
		15,738,051	20,185,978
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES			
	14	14,627,850	14,445,000
LONG TERM LOANS AND ADVANCES			
		30,806	29,590
CURRENT ASSETS			
Stores and spares		5,689,856	5,754,403
Stock in trade		616,326	423,253
Trade debts	15	13,427,045	9,967,911
Advances, deposits, prepayments and other receivables	16	6,919,707	4,697,611
Short term investment	17	18,123,115	-
Cash and bank balances	18	58,354,667	67,910,320
		103,130,716	88,753,498
		133,527,423	123,414,066

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



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



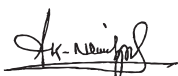
Abdus Sattar  
Director

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

For the Six months period ended December 31, 2022

		Three months period ended		Six months period ended	
	Note	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Rupees ('000)					
SALES		15,476,199	13,889,571	33,070,650	28,602,956
Sales tax		(1,110,021)	(866,621)	(2,287,896)	(4,157,048)
Excise duty		(56,943)	(66,464)	(113,562)	(126,059)
NET SALES		14,309,235	12,956,486	30,669,192	24,319,849
Operating costs		(3,350,398)	(2,504,265)	(5,817,264)	(4,778,555)
Royalty		(1,557,044)	(1,315,041)	(3,331,416)	(2,488,378)
Amortisation of development and decommissioning costs		(1,003,170)	(627,141)	(1,506,366)	(1,401,095)
		(5,910,612)	(4,446,447)	(10,655,046)	(8,668,028)
GROSS PROFIT		8,398,623	8,510,039	20,014,146	15,651,821
Exploration costs		(953,509)	(107,843)	(5,479,722)	(558,518)
		7,445,114	8,402,196	14,534,424	15,093,303
Administration expenses		(63,084)	(61,593)	(196,179)	(135,187)
Finance costs - net		486,074	(934,749)	(2,349,344)	(2,397,158)
Other charges		(662,887)	(541,462)	(1,157,027)	(958,590)
		(239,897)	(1,537,804)	(3,702,550)	(3,490,935)
Other income - net		7,205,217	6,864,392	10,831,874	11,602,368
		1,805,631	1,813,523	8,238,016	4,337,086
		9,010,848	8,677,915	19,069,890	15,939,454
Share in profits of associated companies - net of impairment loss		389,502	2,123,073	692,476	1,668,406
PROFIT BEFORE TAXATION		9,400,350	10,800,988	19,762,366	17,607,860
Provision for taxation		(3,368,295)	(3,501,826)	(5,239,978)	(5,576,885)
PROFIT FOR THE PERIOD		6,032,055	7,299,162	14,522,388	12,030,975
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		6,025,526	7,293,958	14,508,152	12,019,138
Non - controlling interests		6,529	5,204	14,236	11,837
		6,032,055	7,299,162	14,522,388	12,030,975
Earnings per share - Basic and diluted (Rs)		21.23	25.70	51.11	42.34

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



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



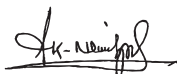
Abdus Sattar  
Director

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

For the six months period ended December 31, 2022

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>6,032,055</b>	7,299,162	<b>14,522,388</b>	12,030,975
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Share of other comprehensive (loss) of associated companies - net of tax	(67)	-	(210)	(64)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>6,031,988</b>	7,299,162	<b>14,522,178</b>	12,030,911
Attributable to:				
Owners of Pakistan Oilfields Limited (POL)	<b>6,025,459</b>	7,293,958	<b>14,507,942</b>	12,019,074
Non - controlling interests	<b>6,529</b>	5,204	<b>14,236</b>	11,837
	<b>6,031,988</b>	7,299,162	<b>14,522,178</b>	12,030,911


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



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



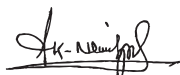
Abdus Sattar  
Director

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

For the six months period ended December 31, 2022

	Attributable to owners of Pakistan Oilfields Limited										
	Capital Reserves				Revenue Reserves				Total	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			
	Rupees ('000)										
Balance at June 30, 2021	2,838,551	71,395	15,437	1,941,044	200,000	7,077,325	30,810,225	2,447	42,956,424	122,024	43,078,448
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	12,019,138 (64)	-	12,019,138 (64)	11,837	12,030,975 (64)
Other comprehensive income	-	-	-	-	-	-	12,019,074	-	12,019,074	11,837	12,030,911
Transfer to special reserve by an associated company	-	-	14	-	-	-	(14)	-	-	-	-
Transactions with owners:											
POL dividends:											
Final cash dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)
Dividend to CAPGAS non-controlling interest holders:											
Final cash dividend @ Rs 21.60 per share - Year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(7,144)	(7,144)
First interim dividend @ Rs 19.26 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(6,370)	(6,370)
	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	(13,514)	(8,529,167)
Balance at December 31, 2021	2,838,551	71,395	15,451	1,941,044	200,000	7,077,325	34,313,632	2,447	46,459,845	120,347	46,580,192
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	14,743,852 (55,414)	-	14,743,852 (53,493)	1,787 (280)	14,745,639 (53,773)
Other comprehensive income	-	-	-	-	-	-	14,688,438	1,921	14,690,359	1,507	14,691,866
Transfer to special reserve by associated companies	-	-	1,466,249	-	-	-	(1,466,249)	-	-	-	-
Accumulated loss of an associated company offset against special reserve	-	-	(1,463,042)	-	-	-	1,463,042	-	-	-	-
Transactions with owners:											
POL dividend:											
Interim dividend @ Rs 20 per share - Year ended June 30, 2022	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non-controlling interest holders:											
Second interim dividend @ Rs 16.30 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(5,391)	(5,391)
Third interim dividend @ Rs 4.5 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(1,489)	(1,489)
Total transactions with owners	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	(6,880)	(5,683,982)
Balance at June 30, 2022	2,838,551	71,395	18,658	1,941,044	200,000	7,077,325	43,321,761	4,368	55,473,102	114,974	55,588,076
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	14,508,152 (210)	-	14,508,152 (210)	14,236	14,522,388 (210)
Other comprehensive income	-	-	-	-	-	-	14,507,942	-	14,507,942	14,236	14,522,178
Bonus shares issued by an associated company	-	17,462	-	-	-	-	(17,462)	-	-	-	-
Transfer to special reserve by an associated company	-	-	1,956	-	-	-	(1,956)	-	-	-	-
Transactions with owners:											
POL dividend:											
Final dividend @ Rs 50 per share - Year ended June 30, 2022.	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	-	(14,192,755)
Dividend to CAPGAS non-controlling interest holders:											
Interim dividend @ Rs 22.5 per share - Year ending June 30, 2023	-	-	-	-	-	-	-	-	-	(7,442)	(7,442)
Total transactions with owners	-	-	-	-	-	-	(14,192,755)	-	(14,192,755)	(7,442)	(14,200,197)
Balance at December 31, 2022	2,838,551	88,857	20,614	1,941,044	200,000	7,077,325	43,617,530	4,368	55,788,289	121,768	55,910,057

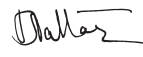
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Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



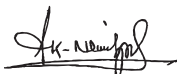
Abdus Sattar  
Director

## Condensed Interim Consolidated Statement of Cashflows (Unaudited)

For the six months period ended December 31, 2022

Note	Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021
	Rupees ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	27,747,190	19,879,551
Operating and exploration costs paid	(7,079,797)	(3,922,505)
Royalty paid	(3,104,461)	(2,176,962)
Taxes paid	(6,352,732)	(3,369,617)
Cash provided by operating activities	11,210,200	10,410,467
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditure	(3,231,152)	(1,301,972)
Proceeds from disposal of property, plant and equipment	2,130	6,115
Investments in mutual funds - net	-	(500,000)
Income on bank deposits and investments at amortised cost	3,922,709	1,075,654
Dividend income received	509,416	371,042
Cash used in investing activities	1,203,103	(349,161)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(7,429,013)	(8,508,868)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>3,583,172</b>	<b>2,847,900</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>8,567,462</b>	<b>4,400,338</b>
<b>CASH AND CASH EQUIVALENTS AT JULY 01,</b>	<b>67,910,320</b>	<b>47,824,836</b>
<b>CASH AND CASH EQUIVALENTS AT DEC. 31,</b>	<b>76,477,782</b>	<b>52,225,174</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Short term investment - at amortised cost	18,123,115	152,064
Cash and bank balances	58,354,667	52,073,110
	76,477,782	52,225,174


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

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

For the six months period ended December 31, 2022

### 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, 2022: 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, 2022

- The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 67(I)/2023 dated January 20, 2023, in partial modification of its previous S.R.O. 1177 (I)/2021 dated September 13, 2021, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024, 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 consolidated 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, 2022.

### 4. Significant accounting policies

The accounting policies and methods for computation adopted for the preparation of this condensed interim consolidated financial statements are the same as those applied in preparation of the financial statements for the year ended June 30, 2022.

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	
<b>5. Capital reserves</b>		
Bonus shares issued by subsidiary/associated companies	88,857	71,395
Special reserve	20,614	18,658
Utilised special reserve	1,941,044	1,941,044
	<b>2,050,515</b>	<b>2,031,097</b>
<b>6. Revenue reserves</b>		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	43,617,530	43,321,761
	<b>50,894,855</b>	<b>50,599,086</b>
<b>7. Deferred liabilities</b>		
Provision for deferred income tax	5,144,142	6,383,854
Provision for decommissioning cost	21,156,309	19,123,431
Provision for gratuity	8,580	2,540
Provision for staff compensated absences	2,540	7,840
Deferred liabilities - renewal fee	-	79,246
	<b>26,311,571</b>	<b>25,596,911</b>
<b>8. Trade and other payables</b>		

These include balances due to joint venture partners amounting to Rs 2,062,969 thousand (June 30, 2022: Rs 1,435,659 thousand) and balances due to related parties amounting to Rs 885,003 thousand (June 30, 2022: Rs 1,824,514 thousand).

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

For the six months period ended December 31, 2022

### 9. Unpaid dividend - awaiting remittance by the authorized bank

This represents dividend payable to the parent company, The Attock Oil Company Limited situated in United Kingdom (UK), for the year ended June 30, 2022, awaiting remittance by the authorised bank of the Company.

### 10. Contingencies and commitments

10.1 There were no material contingencies at December 31, 2022 (June 30, 2022: Nil).

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	
<b>10.2 Commitments:</b>		
- Share in Joint Operations	11,834,196	13,792,446
- Own fields	5,485,611	5,047,000
- Letter of credit issued by banks on behalf of the company	268,941	380,001
<b>11. Property, plant and equipment</b>		
<b>Operating assets</b>		
Opening net book value	6,272,321	6,170,079
Additions during the period/year	221,903	1,591,358
Disposals during the period/year	-	(267)
Depreciation for the period/year	(791,300)	(1,488,849)
Closing net book value	5,702,924	6,272,321
Capital work in progress - at cost	790,788	483,582
	<b>6,493,713</b>	<b>6,755,903</b>
<b>12. Development and decommissioning costs</b>		
<b>Development cost</b>		
Opening net book value	9,801,407	12,922,884
Additions during the period/year	560,898	560,588
Revision due to change in estimates	(165,103)	(147,697)
Amortization for the period/year	(1,478,951)	(3,534,368)
Closing net book value	8,718,251	9,801,407
<b>Decommissioning cost</b>		
Opening net book value	407,719	749,791
Additions during the period/year	92,813	22,137
Revision due to change in estimates	(97,538)	(189,694)
Amortization for the period/year	(64,519)	(174,515)
Closing net book value	338,475	407,719
	<b>9,056,726</b>	<b>10,209,126</b>

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

For the six months period ended December 31, 2022

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	
<b>13. Exploration and evaluation assets</b>		
Balance brought forward	3,019,833	512,223
Additions during the period/year	2,110,846	2,507,610
Dry and abandoned wells cost charged to the statement of profit or loss	(5,024,582)	-
	<b>106,097</b>	<b>3,019,833</b>

**14. Long term investment in associated companies - equity method**

Beginning of the year	14,445,000	13,337,592
Share in loss of associated companies	(978,459)	3,577,350
Share of other comprehensive income of associated companies	(210)	(12,305)
Impairment reversal/(charge) against investment in NRL	1,670,935	(1,981,825)
Dividend received during the period / year	(509,416)	(475,812)
End of the period / year	<b>14,627,850</b>	<b>14,445,000</b>

**15. Trade debts**

These include Rs 5,265,648 thousand (June 30, 2022: Rs 6,749,456 thousand) receivable from related parties.

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

These include balances due from joint venture partners amounting to Rs 250,601 thousand (June 30, 2022: Rs 313,169 thousand) and balances due from related parties amounting to Rs 306,519 thousand (June 30, 2022: Rs 309,162 thousand).

**17. Short term investments**

This represents treasury bills carried at amortized cost at yield ranging from 16.85% to 16.97% per annum.

	(Unaudited) Dec. 31, 2022	(Audited) June 30, 2022
	Rupees ('000)	

**18. Cash and bank balances**

Bank balance on:		
Interest/mark-up bearing saving accounts	9,633,047	1,822,642
Short term deposits	48,703,276	66,046,782
Current accounts	14,646	36,338
	<b>58,350,969</b>	<b>67,905,762</b>
Cash in hand	3,698	4,558
	<b>58,354,667</b>	<b>67,910,320</b>

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**  
For the six months period ended December 31, 2022

Balance with banks include foreign currency balances of US \$ 186,542 thousand (June 30, 2022: US \$ 169,602 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 1% to 17.25% per annum (June 30, 2022: 0.25% to 18% per annum).

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
<b>19. Net sales</b>	Rupees ('000)			
Crude oil	<b>7,716,409</b>	6,812,414	<b>17,154,290</b>	12,799,794
Gas - note 19.1	<b>4,244,450</b>	3,614,555	<b>8,570,989</b>	7,117,156
Less: Shrinkages/own use	<b>677,251</b>	519,838	<b>1,374,392</b>	974,896
	<b>3,567,199</b>	3,094,717	<b>7,196,597</b>	6,142,260
POLGAS/Cap Gas - Refill of cylinders	<b>2,890,255</b>	2,982,532	<b>6,040,113</b>	5,243,438
Solvent oil	<b>106,284</b>	66,823	<b>249,104</b>	134,357
Sulphur	<b>29,088</b>	-	<b>29,088</b>	-
	<b>14,309,235</b>	12,956,486	<b>30,669,192</b>	24,319,849

**19.1.** 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, 2022

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. The case again came up for hearing on March 17, 2021 before the Honourable Chief Justice of Islamabad High Court, who passed the order for appearance of Secretary Petroleum (Gas Division) on April 20, 2021. The Islamabad High Court did not fix the case on April 20, 2021 due to Covid-19 SOP being observed in Islamabad High Court, Islamabad. The Islamabad High Court has fixed February 10, 2022 as next date of hearing.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2022 amounting to Rs 22,073,357 thousand will be accounted for upon resolution of this matter (including Rs 19,658,634 thousand related to period since inception to June 30, 2022). Additional revenue on account of enhanced gas price incentive of Rs 21,203,654 thousand and sales tax of Rs 3,604,621 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 3,604,621 thousand (June 30, 2022: Rs 3,237,101 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is shown within "sales tax refundable" in "advances, deposits, prepayments and other receivables".

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	Rupees ('000)			
<b>20. Operating costs</b>				
Operating cost - Own fields	<b>440,952</b>	246,887	<b>851,871</b>	580,118
- Share in joint operations	<b>1,501,956</b>	817,605	<b>2,418,740</b>	1,598,378
	<b>(8,786)</b>	30,362	<b>15,597</b>	57,598
Well workover				
POLGAS/Cap Gas -Cost of				
LPG, carriage etc	<b>1,030,466</b>	977,823	<b>1,855,329</b>	1,778,091
Pumping and transportation cost	<b>30,261</b>	21,235	<b>52,368</b>	36,112
Depreciation and amortization	<b>408,793</b>	381,864	<b>816,432</b>	769,713
	<b>3,403,642</b>	2,475,776	<b>6,010,337</b>	4,820,010
Opening stock of crude oil and other products	<b>563,082</b>	368,301	<b>423,253</b>	298,357
Closing stock of crude oil and other products	<b>(616,326)</b>	(339,812)	<b>(616,326)</b>	(339,812)
	<b>3,350,398</b>	2,504,265	<b>5,817,264</b>	4,778,555

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

For the six months period ended December 31, 2022

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	<b>Rupees ('000)</b>			
<b>21. Amortization of development and decommissioning costs</b>				
Amortization charge for the year - note 12	<b>797,311</b>	758,019	<b>1,543,470</b>	1,591,247
Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss	<b>205,859</b>	(130,878)	<b>(37,104)</b>	(190,152)
	<b>1,003,170</b>	627,141	<b>1,506,366</b>	1,401,095
<b>22. Exploration costs</b>				
Geological and geophysical cost	<b>281,992</b>	107,843	<b>455,139</b>	558,518
Dry and abandoned wells cost charged to the exploration costs - note 13	<b>671,517</b>	-	<b>5,024,583</b>	-
	<b>953,509</b>	107,843	<b>5,479,722</b>	558,518
<b>23. Finance costs - net</b>				
Provision for decommissioning cost				
- unwinding of discount	<b>(209,847)</b>	312,093	<b>440,867</b>	629,176
- exchange loss/(gain)	<b>(278,017)</b>	620,382	<b>1,905,102</b>	1,764,256
Banks' commission and charges	<b>1,790</b>	2,274	<b>3,375</b>	3,726
	<b>(486,074)</b>	934,749	<b>2,349,344</b>	2,397,158
<b>24. Other charges</b>				
Workers' profit participation fund	<b>510,926</b>	410,104	<b>832,081</b>	702,231
Workers' welfare fund	<b>151,961</b>	131,358	<b>324,946</b>	256,359
	<b>662,887</b>	541,462	<b>1,157,027</b>	958,590
<b>25. Other income</b>				
Income from financial assets				
- bank deposits and treasury bills	<b>2,118,173</b>	618,479	<b>4,225,825</b>	1,185,277
Exchange gain/(loss) on financial assets	<b>(544,780)</b>	1,016,306	<b>3,583,172</b>	2,847,900

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**  
For the six months period ended December 31, 2022

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	Rupees ('000)			
Rental income	<b>106,461</b>	69,419	<b>153,705</b>	92,010
Crude oil transportation income	<b>105,304</b>	103,955	<b>224,294</b>	197,108
Gas processing fee	<b>19,783</b>	3,693	<b>39,023</b>	2,420
Gain on sale of property, plant and equipment	-	988	<b>2,130</b>	5,526
Gain on sale of stores and scrap	<b>287</b>	920	<b>9,433</b>	6,346
Fair value adjustment on investments classified as fair value through profit or loss	-	32	-	32
Others	<b>403</b>	(269)	<b>434</b>	467
	<b>1,805,631</b>	1,813,523	<b>8,238,016</b>	4,337,086
<b>26. Provision for taxation</b>				
Current	<b>3,003,822</b>	2,962,011	<b>6,477,967</b>	5,815,333
Deferred	<b>362,751</b>	539,815	<b>(1,239,711)</b>	(238,448)
	<b>3,366,573</b>	3,501,826	<b>5,238,256</b>	5,576,885

**27. Transactions with related parties**

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

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	Rupees ('000)			
<b>Sales of goods and services to</b>				
Associated companies	<b>5,591,526</b>	5,591,526	<b>17,204,249</b>	11,745,502
<b>Purchase of goods and services from</b>				
Parent company	<b>32,539</b>	40,244	<b>70,329</b>	72,286
Associated companies	<b>406,049</b>	386,581	<b>929,760</b>	614,639
<b>Reimbursement of expenses incurred by POL on behalf of associates</b>				
Parent company	-	-	<b>21</b>	-
Associated companies	<b>9,466</b>	7,844	<b>20,259</b>	16,358

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

For the six months period ended December 31, 2021

	<b>(Unaudited)</b> <b>Three months period ended</b>		<b>(Unaudited)</b> <b>Six months period ended</b>	
	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>
	Rupees ('000)			
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent company	<b>724</b>	504	<b>1,122</b>	1,495
Associated companies	<b>31,425</b>	4,764	<b>40,096</b>	14,319
<b>Rental Income</b>				
Associated companies		1,019		2,042
<b>Rental expenses</b>				
Parent company	<b>17,874</b>	13,621	<b>35,747</b>	27,242
Associated companies	<b>1,913</b>	1,057	<b>2,625</b>	2,114
<b>Dividend paid during the period</b>				
Parent company	-	4,493,860	<b>3,088</b>	4,493,860
Associated companies	-	5,555	<b>10,759</b>	5,555
<b>Dividend received during the period</b>				
Associated companies	<b>299,875</b>	199,917	<b>509,416</b>	371,042
<b>Other related parties</b>				
Remuneration to key management personnel including benefits and perquisites	<b>30,759</b>	32,684	<b>106,943</b>	96,087
Dividend to key management personnel	<b>157,406</b>	98,643	<b>165,973</b>	98,643
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	<b>26,973</b>	23,080	<b>59,301</b>	46,087
Approved Contributory Provident Funds	<b>9,266</b>	8,133	<b>16,277</b>	16,277
Contribution to Workers' Profit Participation Fund	<b>510,926</b>	410,104	<b>832,081</b>	702,231

**Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Unaudited)**  
For the six months period ended December 31, 2021

**28. 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 19.

Revenue from two major customers of the Company constitutes 75% of the total revenue during the period ended December 31, 2022 (December 31, 2021: 73%).

**29. Non- adjusting item after the statement of financial position date**

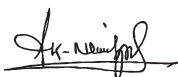
The Board of Directors in its meeting held on February 27, 2023 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2023.

**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 February 27, 2023.



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
North Dhurnal	Pakistan Oilfields Limited	60.00
Gurgalot	Oil & Gas Development Company Limited	20.00
Chahbali	Oil & Gas Development Company Limited	30.00
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
Nareli	Mari Petroleum Company Limited	32.00
Taung	Mari Petroleum Company Limited	40.00

### 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*
Mami Khel South	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj West	MOL Pakistan Oil and Gas Co. B.V	25.00*

\* Pre-Commerciality interest





## **Pakistan Oilfields Limited**

POL House, Morgah, Rawalpindi- 46600, Pakistan.

Tel: +92 51 5487589-97, Fax +92 51 5487598-99

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