



# PAKISTAN OILFIELDS LIMITED

Ref: POL/FIN-CORP/PSX/17/062

January 24, 2018

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

Dear Sir,

## **FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

We have to inform you that the Board of Directors of our company in their meeting held on January 24, 2018 at 10:00 am at POL House, Morgah, Rawalpindi, recommended the following:

### **i. CASH DIVIDEND**

An Interim Cash Dividend for the half year ended December 31, 2017 at Rs. 17.50 per share i.e. 175 %.

### **ii. BONUS SHARE**

It has been recommended by the Board of Directors to issue Interim bonus shares in proportion of Nil shares for every Nil shares held i.e. Nil %.

### **iii. RIGHT SHARES**

The Board has recommended issuing Nil % Right Shares.

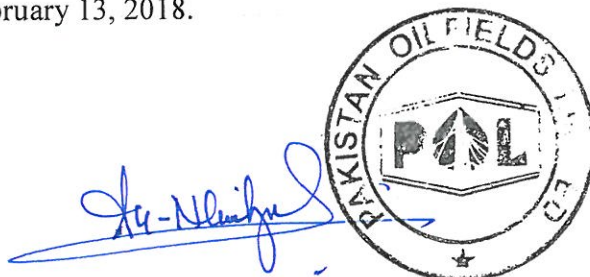
### **iv. ANY OTHER ENTITLEMENT / CORPORATE ACTION**

“Nil”

### **v. ANY OTHER PRICE-SENSITIVE INFORMATION**

The financial results of the Company Separate Financial Statements and Consolidated Financial Statements are attached as per Annexure – 1 and 2.

The above entitlement will be paid to the shareholders whose names will appear in the register of member on February 13, 2018.



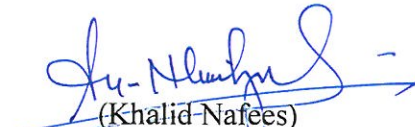
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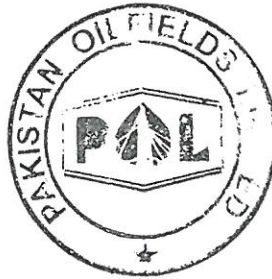
## BOOK CLOSURE

The Share Transfer Books of the Company will be closed from February 14, 2018 to February 20, 2018 (both days inclusive). Transfers received at registered address of the Company Pakistan Oilfields Limited, POL House, Morgah, Rawalpindi at the close of business on February 13, 2018 will be treated in time for the purpose of above entitlement to the transferees.

We will be sending you 200 copies of printed Accounts for distribution amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,  
For Pakistan Oilfields Limited

  
(Khalid Nafees)  
Company Secretary



CC:

Director Enforcement & Monitoring Department - for information  
Securities & Exchange Commission of Pakistan  
7th Floor, NIC Building, Jinnah Avenue,  
Blue Area, Islamabad.  
Fax No. 051-9100454

Director / HOD - for information  
Surveillance, Supervision and Enforcement Department  
Securities & Exchange Commission of Pakistan,  
NIC Building, 63-Jinnah Avenue,  
Blue Area, Islamabad.

**PAKISTAN OILFIELDS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**  
**AS AT DECEMBER 31, 2017**

	Note	December 31, 2017	June 30, 2017		Note	December 31, 2017	June 30, 2017
		Rs ('000)				Rs ('000)	
<b>SHARE CAPITAL AND RESERVES</b>				<b>FIXED ASSETS</b>			
Authorised capital 500,000,000 (June 30, 2017: 500,000,000) ordinary shares of Rs 10 each		<u>5,000,000</u>	<u>5,000,000</u>	Property, plant and equipment	8	9,688,277	9,854,534
Issued, subscribed and paid-up capital 236,545,920 (June 30, 2017: 236,545,920) ordinary shares of Rs 10 each		2,365,459	2,365,459	Development and decommissioning costs	9	14,198,781	13,372,854
Revenue reserves	4	27,978,171	29,130,466	Exploration and evaluation assets	10	<u>1,764,052</u>	<u>1,884,356</u>
Fair value gain on available-for-sale investments		<u>2,153</u>	<u>2,003</u>			25,651,110	25,111,744
		<u>30,345,783</u>	<u>31,497,928</u>	<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>	11	9,615,603	9,615,603
<b>NON CURRENT LIABILITIES</b>				<b>OTHER LONG TERM INVESTMENTS</b>	12	6,405	6,255
Long term deposits		847,498	846,958	<b>LONG TERM LOANS AND ADVANCES</b>		15,210	17,639
Deferred liabilities	5	<u>15,728,542</u>	<u>14,999,402</u>	<b>CURRENT ASSETS</b>			
		16,576,040	15,846,360	Stores and spares		3,568,971	3,897,472
<b>CURRENT LIABILITIES AND PROVISIONS</b>				Stock in trade		241,029	221,893
Trade and other payables	6	<u>7,464,311</u>	<u>5,903,348</u>	Trade debts	13	2,785,339	3,292,966
Provision for income tax		<u>4,252,660</u>	<u>4,403,945</u>	Advances, deposits, prepayments and other receivables	14	1,242,400	1,306,481
		11,716,971	10,307,293	Cash and bank balances	15	<u>15,512,727</u>	<u>14,181,528</u>
<b>CONTINGENCIES AND COMMITMENTS</b>						23,350,466	22,900,340
	7	<u>58,638,794</u>	<u>57,651,581</u>			<u>58,638,794</u>	<u>57,651,581</u>

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

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Chief Financial Officer

Chief Executive



Director

**PAKISTAN OILFIELDS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

	Note	Three months period ended		Six months period ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		Rs ('000)		Rs ('000)	
SALES		6,236,524	7,750,274	14,162,075	14,043,710
Sales tax		(236,976)	(669,563)	(921,723)	(1,238,809)
NET SALES	16	5,999,548	7,080,711	13,240,352	12,804,901
Operating costs	17	(2,155,456)	(2,092,518)	(4,128,838)	(4,117,217)
Excise duty		(76,493)	(67,958)	(146,925)	(129,970)
Royalty		(428,061)	(576,017)	(1,090,560)	(1,073,697)
Amortisation of development and decommissioning costs		(978,425)	(865,125)	(1,490,237)	(1,425,839)
		(3,638,435)	(3,601,618)	(6,856,560)	(6,746,723)
GROSS PROFIT		2,361,113	3,479,093	6,383,792	6,058,178
Exploration costs	18	(467,960)	(125,834)	(740,408)	(190,331)
		1,893,153	3,353,259	5,643,384	5,867,847
Administration expenses		(51,956)	(33,260)	(89,935)	(70,940)
Finance costs	19	(487,042)	(194,958)	(675,442)	(389,778)
Other charges	20	(148,168)	(211,688)	(392,494)	(383,358)
		(687,166)	(439,906)	(1,157,871)	(844,076)
		1,205,987	2,913,353	4,485,513	5,023,771
Other income	21	1,316,189	231,229	1,564,962	947,836
PROFIT BEFORE TAXATION		2,522,176	3,144,582	6,050,475	5,971,607
Provision for taxation	22	(294,997)	(806,334)	(1,289,122)	(1,315,889)
PROFIT FOR THE PERIOD		2,227,179	2,338,248	4,761,353	4,655,718
Earnings per share					
- Basic and diluted (Rupees)		9.42	9.88	20.13	19.68

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

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Chief Financial Officer



Chief Executive

Director

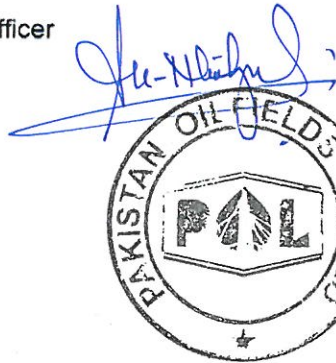
**PAKISTAN OILFIELDS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
	Rs ('000)		Rs ('000)	
PROFIT FOR THE PERIOD	2,227,179	2,338,248	4,761,353	4,655,718
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:				
Items that may be subsequently reclassified to profit or loss				
Fair value adjustment on available-for-sale investments - net of tax	150	170	150	170
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,227,329</u>	<u>2,338,418</u>	<u>4,761,503</u>	<u>4,655,888</u>

The annexed notes 1 to 26 form an integral part of this condensed Interim financial information.

ATS

Chief Financial Officer



Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

	Six months period ended	
	December 31, 2017	December 31, 2016
	Rs ('000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	13,938,346	12,377,985
Operating and exploration costs paid	(2,687,200)	(3,073,761)
Royalty paid	(1,267,532)	(938,301)
Taxes paid	<u>(1,431,895)</u>	<u>(593,894)</u>
Cash provided by operating activities	<u>8,551,719</u>	<u>7,772,029</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed assets additions	<u>(2,712,057)</u>	<u>(3,098,625)</u>
Proceeds from disposal of property, plant and equipment	439	10,142
Income on bank deposits and held-to-maturity investments	319,906	212,108
Dividend income received	609,878	555,675
Cash used in investing activities	<u>(1,781,834)</u>	<u>(2,320,700)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<u>(5,893,058)</u>	<u>(4,724,518)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>454,372</u>	<u>(4,469)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,331,199	722,342
CASH AND CASH EQUIVALENTS AT JULY 1	<u>14,181,528</u>	<u>10,763,801</u>
CASH AND CASH EQUIVALENTS AT DECEMBER 31	<u><u>15,512,727</u></u>	<u><u>11,486,143</u></u>

Cash and cash equivalent comprises of cash and bank balances.

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

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Chief Financial Officer



Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

ANNEXURE - 1

	Share capital	Revenue reserves			Fair value gain on available-for-sale investments	Total
		Insurance reserve	Investment reserve	Unappropriated profit		
Rs ('000)						
Balance at June 30, 2016	2,365,459	200,000	1,557,794	26,028,483	1,995	30,153,731
Total comprehensive income for the period:						
Profit for the period	-	-	-	4,655,718	-	4,655,718
Other comprehensive income	-	-	-	-	170	170
	-	-	-	4,655,718	170	4,655,888
Transactions with owners:						
Final dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	(4,730,918)	-	(4,730,918)
Balance at December 31, 2016	2,365,459	200,000	1,557,794	25,953,283	2,165	30,078,701
Total comprehensive income for the period:						
Profit for the period	-	-	-	5,022,788	-	5,022,788
Other comprehensive income	-	-	-	(55,210)	(162)	(55,372)
	-	-	-	4,967,578	(162)	4,967,416
Transactions with owners:						
Interim dividend @ Rs 15 per share - Year ended June 30, 2017	-	-	-	(3,548,189)	-	(3,548,189)
Balance at June 30, 2017	2,365,459	200,000	1,557,794	27,372,672	2,003	31,497,928
Total comprehensive income for the period:						
Profit for the period	-	-	-	4,761,353	-	4,761,353
Other comprehensive income	-	-	-	-	150	150
	-	-	-	4,761,353	150	4,761,503
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	(5,913,648)	-	(5,913,648)
Balance at December 31, 2017	2,365,459	200,000	1,557,794	26,220,377	2,153	30,345,783

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

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Chief Financial Officer

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Chief Executive

Director

**PAKISTAN OILFIELDS LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE**  
**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

**1. LEGAL STATUS AND OPERATIONS**

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

**2. STATEMENT OF COMPLIANCE**

The condensed interim financial information of the Company for the six month period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated October 04, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) companies whose financial year, including interim period, closes on or before December 31, 2017 shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

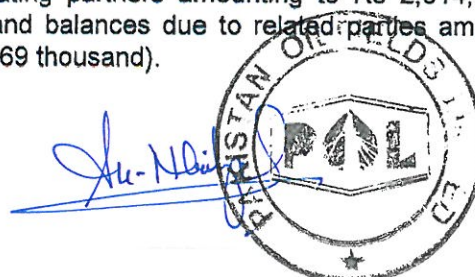
**3. ACCOUNTING POLICIES**

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2017.

	December 31, 2017	June 30, 2017
	Rs ('000)	
<b>4. REVENUE RESERVES</b>		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	26,220,377	27,372,672
	<u>27,978,171</u>	<u>29,130,466</u>
<b>5. DEFERRED LIABILITIES</b>		
Provision for deferred income tax	6,419,612	6,411,100
Provision for decommissioning cost	9,300,758	8,578,227
Provision for staff compensated absences	8,172	10,075
	<u>15,728,542</u>	<u>14,999,402</u>
<b>6. TRADE AND OTHER PAYABLES</b>		

These include balances due to joint operating partners amounting to Rs 2,014,772 thousand (June 30, 2017: Rs 2,158,196 thousand) and balances due to related parties amounting to Rs 410,607 thousand (June 30, 2017: Rs 130,469 thousand).

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**7. CONTINGENCIES AND COMMITMENTS**

	December 31, 2017	June 30, 2017
	Rs ('000)	
<b>7.1 Contingencies:</b>		
a) Guarantees issued by banks on behalf of the company	3,083	3,083
b) The Company is currently contesting applicability of super tax @ 3% of taxable profit from oil and gas operation under Petroleum Concession Agreement (PCAs) and has filed a writ petition in Islamabad High Court on the grounds that the Company being an exploration and production company falls under Special tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petition will be decided in favour of the company, accordingly provision of Rs 522 million has not been made in this respect in the financial statements of years ended June 30, 2015, June 30, 2016 and June 30, 2017.		

	December 31, 2017	June 30, 2017
	Rs ('000)	
<b>7.2 Commitments:</b>		
Share in joint operations	7,141,372	7,622,953
Own fields	1,947,799	2,774,835
Letter of credit issued by banks on behalf of the company	14,050	56,868

**8. PROPERTY, PLANT AND EQUIPMENT**

## Operating assets

Opening net book value	8,941,806	9,629,028
Additions during the period / year	358,188	925,625
Disposals during the period / year	(392)	(34,911)
Depreciation for the period / year	(765,478)	(1,577,936)
Closing net book value	<u>8,534,124</u>	<u>8,941,806</u>

## Capital work in progress - at cost

1,154,153	912,728
<u>9,688,277</u>	<u>9,854,534</u>

**9. DEVELOPMENT AND DECOMMISSIONING COSTS**

## Development cost

Opening net book value	12,913,828	12,649,020
Additions during the period / year	162,216	2,039,456
Wells cost transferred from exploration and evaluation assets	2,070,532	944,410
Amortisation for the period / year	(1,444,539)	(2,719,058)
Closing net book value	<u>13,702,037</u>	<u>12,913,828</u>

## Decommissioning cost

Opening net book value	459,026	1,935,893
Additions during the period / year	83,416	121,754
Revision due to change in estimates	-	(1,507,610)
Amortisation for the period / year	(45,698)	(91,011)
Closing net book value	<u>496,744</u>	<u>459,026</u>

<u>14,198,781</u>	<u>13,372,854</u>
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	December 31, 2017	June 30, 2017
	Rs ('000)	
<b>10. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	1,884,356	900,813
Additions during the period / year	1,950,228	2,899,238
Wells cost transferred to development cost	(2,070,532)	(944,410)
Dry and abandoned wells cost charged to the profit and loss account	-	(971,285)
	<u>1,764,052</u>	<u>1,884,356</u>

	December 31, 2017		June 30, 2017	
	Percentage holding	Amount	Percentage holding	Amount
		Rs ('000)		Rs ('000)
<b>11. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST</b>				
<b>Subsidiary company</b>				
Unquoted				
Capgas (Private) Limited	51	1,530	51	1,530
<b>Associated companies</b>				
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)	10	4,500	10	4,500
		<u>9,615,603</u>		<u>9,615,603</u>

	December 31, 2017	June 30, 2017
	Rs ('000)	
<b>12. OTHER LONG TERM INVESTMENTS</b>		
Available-for-sale investments - at market value	<u>6,405</u>	<u>6,255</u>

**13. TRADE DEBTS**

These include Rs 2,092,259 thousand (June 30, 2017: Rs 1,442,801 thousand) receivable from related parties.

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

These include balances due from joint operating partners amounting to Rs 67,851 thousand (June 30, 2017: Rs 352,183 thousand) and balances due from related parties amounting to Rs 84,782 thousand (June 30, 2017: Rs 137,333 thousand).

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	December 31, 2017	June 30, 2017
	Rs ('000)	
<b>15. CASH AND BANK BALANCES</b>		
Bank balance on		
Short term deposits	13,241,275	12,615,073
Interest/ mark-up bearing saving accounts	2,267,550	1,543,023
Current accounts	412	20,534
	<u>15,509,237</u>	<u>14,178,630</u>
Cash in hand	3,490	2,898
	<u>15,512,727</u>	<u>14,181,528</u>

Bank balances include foreign currency balances of US \$ 83,364 thousand (June 30, 2017: US \$ 73,533 thousand).

	Three months period ended		Six months period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs ('000)		Rs ('000)	
<b>16. NET SALES</b>				
Crude oil	4,106,680	3,174,792	7,358,610	5,593,952
Gas - note 16.1	140,402	2,319,673	2,749,936	4,410,577
POLGAS - Refill of cylinders	1,708,581	1,554,577	3,054,217	2,736,136
Solvent oil	43,885	31,669	77,589	64,236
	<u>5,999,548</u>	<u>7,080,711</u>	<u>13,240,352</u>	<u>12,804,901</u>

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 \$ 34.2 million (Rs 3,390 million) 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. These statements are pending finalization by the parties to the agreement. During the period, 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 amendments in Petroleum Policy 2012 and has imposed windfall levy on Oil/Condensate. 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's 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 and the Company will challenge the imposition of WLO in the court of law. The impact of WLO on conversion of TAL block till to date is approximately US \$ 134 million (Rs13,687 million) and value of enhanced gas price revenue is US \$ 63 million (Rs 6,404 million). On prudent basis effect of adjustment on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 for the period July 1, 2015 to June 30, 2017 previously accounted for amounting to Rs 2,225 million has been reversed. Similarly, effect of related adjustment for the period July 1, 2017 to December 31, 2017 amounting to Rs 786 million has also been reversed. Entire revenue on account of enhanced gas price incentive of Rs 6,404 million till December 31, 2017 related to conversion of TAL Block from Petroleum policy 1997 to Petroleum policy 2012 will be accounted for upon resolution of this matter as per the accounting policy of the Company.

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	Three months period ended		Six months period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs ('000)		Rs ('000)	
<b>17. OPERATING COSTS</b>				
Operating cost - own fields	286,049	310,167	610,726	603,772
- share in joint operations	651,991	486,191	1,209,092	1,145,188
Well work over	(24,516)	76,323	(28,551)	122,636
POLGAS - Cost of gas/LPG, carriage etc	912,429	841,059	1,609,864	1,534,489
Pumping and transportation cost	10,402	9,636	17,882	16,060
Depreciation	365,787	382,879	728,961	764,873
	<u>2,202,142</u>	<u>2,106,255</u>	<u>4,147,974</u>	<u>4,187,018</u>
Opening stock of crude oil and other products	194,343	431,585	221,893	375,521
Closing stock of crude oil and other products	(241,029)	(445,322)	(241,029)	(445,322)
	<u>2,155,456</u>	<u>2,092,518</u>	<u>4,128,838</u>	<u>4,117,217</u>
<b>18. EXPLORATION COSTS</b>				
Geological and geophysical cost	<u>467,960</u>	<u>125,834</u>	<u>740,408</u>	<u>190,331</u>
<b>19. FINANCE COSTS</b>				
Provision for decommissioning cost				
- Unwinding of discount	96,740	189,604	247,572	379,208
- Exchange loss	389,485	4,668	426,027	9,337
Banks' commission and charges	817	686	1,843	1,233
	<u>487,042</u>	<u>194,958</u>	<u>675,442</u>	<u>389,778</u>
<b>20. OTHER CHARGES</b>				
Workers' profit participation fund	133,523	167,842	322,147	317,359
Workers' welfare fund	14,645	43,846	70,347	65,999
	<u>148,168</u>	<u>211,688</u>	<u>392,494</u>	<u>383,358</u>
<b>21. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and held to maturity investments	180,876	132,158	331,860	214,431
Exchange gain/(loss) on financial assets	421,617	8,565	454,372	(4,469)
<b>Dividend from subsidiary and associated companies</b>	609,878	-	609,878	555,675
<b>Other income</b>				
Rental income (net of related expenses)	30,139	11,352	64,209	36,656
Crude oil / Gas transportation income (net of related expenses)	35,355	49,036	49,518	83,856
Gas processing fee	34,544	26,658	50,978	48,970
Profit/ (loss) on sale of property, plant and equipment	(85)	(572)	47	7,780
Profit on sale of stores and scrap	1,318	2,938	1,326	2,945
Others	2,547	1,094	2,774	1,992
	<u>1,316,189</u>	<u>231,229</u>	<u>1,564,962</u>	<u>947,836</u>

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	Three months period ended		Six months period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rs ('000)		Rs ('000)	
<b>22. PROVISION FOR TAXATION</b>				
Current	225,585	774,460	1,280,610	1,131,019
Deferred	69,412	31,874	8,512	184,870
	<u>294,997</u>	<u>806,334</u>	<u>1,289,122</u>	<u>1,315,889</u>

**23. TRANSACTIONS WITH RELATED PARTIES**

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

**Sale of goods and services to:**

Subsidiary company	3,395	5,294	6,497	10,566
Associated companies	3,856,524	2,298,721	6,865,474	4,344,240

**Purchase of goods and services from:**

Parent company	39,064	11,322	55,598	24,197
Subsidiary company	3,236	1,507	4,140	3,090
Associated companies	299,853	282,547	511,948	487,202

**Dividend paid during the period**

Parent company	3,119,449	2,495,559	3,119,449	2,495,559
Associated company	9,488	7,591	9,488	7,591
Key management personnel	59,949	47,918	59,949	47,918

**Dividend received during the period**

Subsidiary company	-	-	-	10,327
Associated companies	609,978	-	609,978	545,348

**Other related parties**

Remuneration to key management personnel including benefits and perquisites	53,377	19,171	74,757	47,292
Contribution to staff retirement benefits plans Management Staff Pension Fund and Gratuity Fund	19,407	17,375	38,838	34,966
Approved Contributory Provident Funds	7,127	6,552	14,303	13,275
Contribution to Workers' Profit Participation Fund	133,523	167,842	322,147	317,359

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**24. OPERATING SEGMENTS**

The financial information has been prepared on the basis of a single reportable segment. Revenue from customers for products of the Company is disclosed in note 16.

Revenue from two major customers of the Company constitutes 65% of the total revenue during the period ended December 31, 2017 (December 31, 2016: 61%).

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

The Board of Directors in their meeting held on Jan 24, 2018 has declared an interim cash dividend @ Rs 17.50 per share, amounting to Rs. 4,139,554 thousand for the year ending June 30, 2018.

**26. DATE OF AUTHORISATION FOR ISSUE**

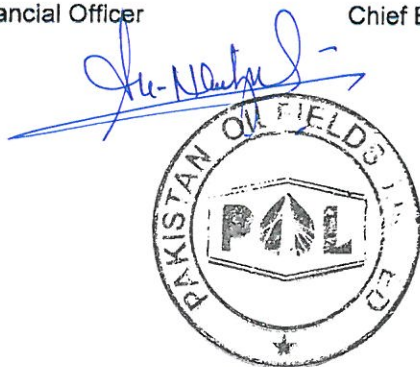
This condensed interim financial information was authorized for circulation to the shareholders by the Board of Directors of the Company on Jan 24, 2018.

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Chief Financial Officer

Chief Executive

Director



# PAKISTAN OILFIELDS LIMITED

Condensed Interim Consolidated Balance Sheet (Unaudited)

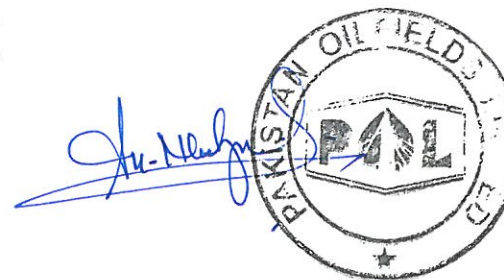
As at December 31, 2017

ANNEXURE - 2

	Note	Dec. 31, 2017	June 30, 2017
		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		2,365,459	2,365,459
Capital reserves	5	2,062,499	2,015,858
Revenue reserves	6	32,651,264	33,841,980
Fair value gain on available-for-sale investments		2,153	2,003
		37,081,375	38,225,300
<b>NON - CONTROLLING INTEREST</b>		119,026	106,317
		37,200,401	38,331,617
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		1,007,727	1,004,620
Deferred liabilities	7	16,552,597	15,823,456
		17,560,324	16,828,076
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	8	6,473,919	6,038,213
Provision for income tax		4,259,464	4,406,640
		10,733,383	10,444,853
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
		65,494,108	65,604,546

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

	Note	Dec. 31, 2017	June 30, 2017
		Rupees ( '000)	
<b>FIXED ASSETS</b>			
Property, plant and equipment	10	9,761,660	9,935,172
Development and decommissioning costs	11	14,198,781	13,372,854
Exploration and evaluation assets	12	1,764,052	1,884,356
Other intangible assets		250,699	283,363
		25,975,192	25,475,745
<b>LONG TERM INVESTMENT IN ASSOCIATED COMPANIES</b>			
	13	17,039,407	17,044,413
<b>OTHER LONG TERM INVESTMENTS</b>			
	14	6,405	6,255
<b>LONG TERM LOANS AND ADVANCES</b>			
		15,210	17,639
<b>CURRENT ASSETS</b>			
Stores and spares		3,569,651	3,898,248
Stock in trade		251,122	245,060
Trade debts	15	1,741,320	3,293,220
Advances, deposits, prepayments and other receivables	16	1,255,928	1,325,306
Cash and bank balances	17	15,639,873	14,298,660
		22,457,894	23,060,494
		65,494,108	65,604,546



CFO

Chief Executive

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Director

**PAKISTAN OILFIELDS LIMITED**

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the six months period ended December 31, 2017

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
		Rupees ( '000)		Rupees ( '000)	
<b>SALES</b>		<b>7,005,915</b>	7,954,361	<b>15,148,638</b>	14,437,271
Sales tax		(775,540)	(684,958)	(1,504,551)	(1,298,468)
<b>NET SALES</b>	<b>18</b>	<b>6,230,375</b>	7,269,403	<b>13,644,087</b>	13,138,803
Operating costs	19	(2,361,227)	(2,232,768)	(4,481,538)	(4,371,045)
Excise duty and development surcharge		(76,493)	(67,958)	(146,925)	(129,970)
Royalty		(428,061)	(576,017)	(1,090,560)	(1,073,697)
Amortisation of development and decommissioning costs		(978,425)	(865,125)	(1,490,237)	(1,425,839)
		(3,844,206)	(3,741,868)	(7,209,260)	(7,000,551)
<b>GROSS PROFIT</b>		<b>2,386,169</b>	3,527,535	<b>6,434,827</b>	6,138,252
Exploration costs	20	(467,960)	(125,834)	(740,408)	(190,331)
		1,918,209	3,401,701	5,694,419	5,947,921
Administration expenses		(57,173)	(40,280)	(99,700)	(84,462)
Finance costs	21	(487,042)	(195,110)	(675,442)	(390,039)
Other charges	22	(149,447)	(214,727)	(395,240)	(388,326)
		(693,662)	(450,117)	(1,170,382)	(862,827)
Other income	23	1,224,547	2,951,584	4,524,037	5,085,094
		705,007	233,997	953,610	397,865
Share in profits of associated companies - net of impairment loss		1,929,554	3,185,581	5,477,647	5,482,959
		510,599	112,828	604,848	623,157
<b>PROFIT BEFORE TAXATION</b>		<b>2,440,153</b>	3,298,409	<b>6,082,495</b>	6,106,116
Provision for taxation	24	(300,174)	(819,043)	(1,300,237)	(1,336,667)
<b>PROFIT FOR THE PERIOD</b>		<b>2,139,979</b>	2,479,366	<b>4,782,258</b>	4,769,449
Attributable to:					
Owners of Pakistan Oilfields Limited (POL)		2,134,060	2,465,504	4,769,549	4,746,786
Non - controlling interests		5,919	13,862	12,709	22,663
		2,139,979	2,479,366	4,782,258	4,769,449
Earnings per share - Basic and diluted (Rupees)		9.02	10.42	20.16	20.07

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

CFO



Chief Executive

Director