



Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P. O. Box 3942, Karachi-75530, Pakistan
Tel: 92-21-35681391-95, 35683853-57, 35657730-39
UAN: 92-21-111-568-568
Fax: 92-21-35680005 & 35682125
Website: www.ppl.com.pk

Our reference: CS/PSX-0204

Your reference:

Date: 28th October 2022

Ms. Asmaa Saleem Malik
Chief Listing Officer
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Madam,

Re: Report for the First Quarter Ended 30th September 2022

As required by Rule 5.6.9 (c) of PSX Rules please find attached the Company's quarterly report for the quarter ended 30th September 2022, for circulation among your members.

Yours truly,

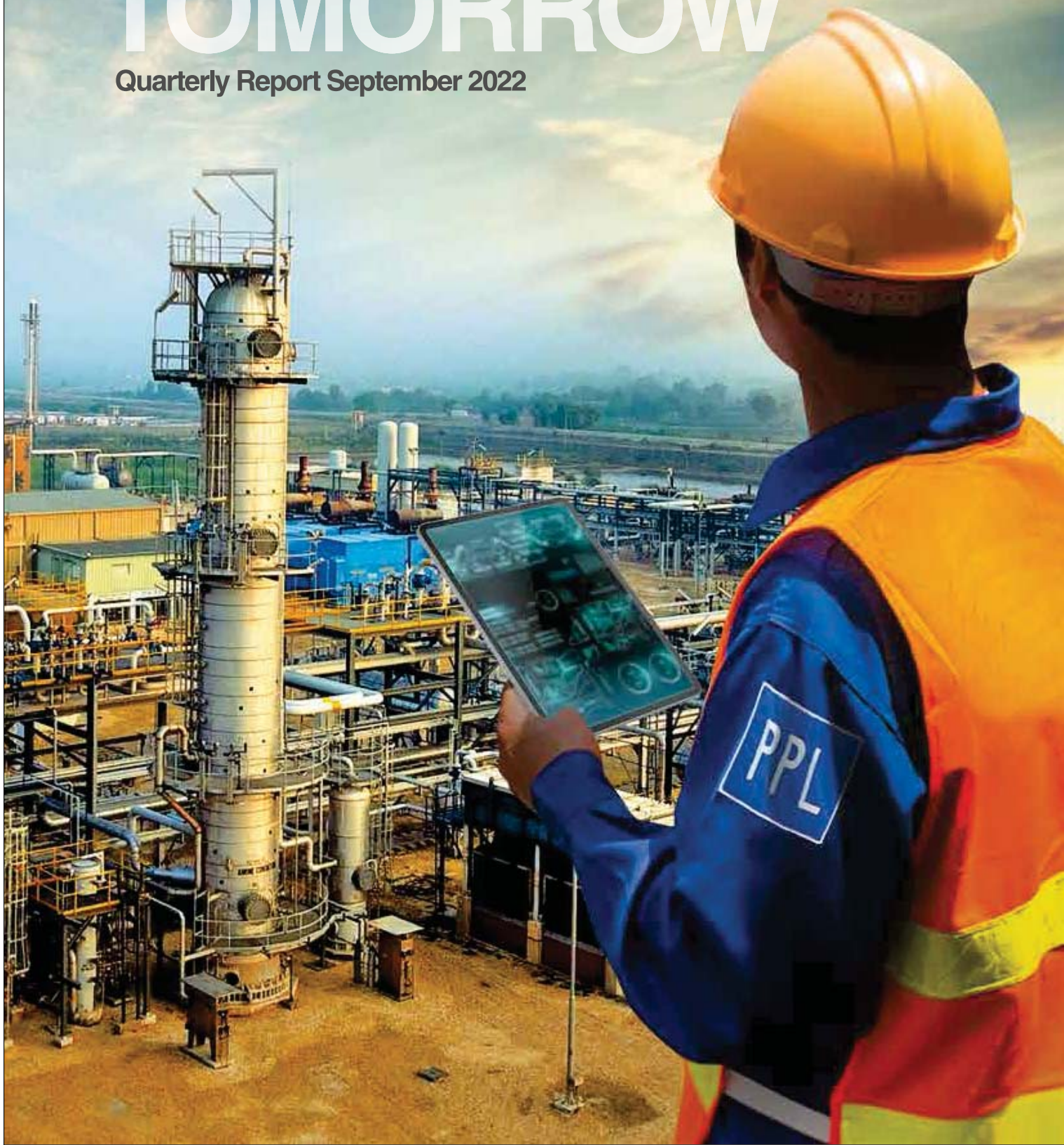
Ali Jaffar
Company Secretary

Enclosure: As above.



BETTER TOMORROW

Quarterly Report September 2022





COMPANY INFORMATION

Board of Directors

Mr. Shahab Rizvi
Chairman

Mr. Imran Abbasy
Chief Executive Officer /
Managing Director

Mr. Abdul Aziz Uqaili

Mr. Abid Sattar

Mr. Aftab Ahmad

Mr. Awais Manzur Sumra

Mr. Imtiaz A.H. Laliwala

Ms. Khurshid Bhaimia

Mr. Mian Imtiazuddin

Mr. Capt. (Retd.) Muhammad Mahmood

Mr. Syed Zakria Ali Shah

Company Secretary

Mr. Ali Jaffar

Registered Office

P.I.D.C. House
Dr. Ziauddin Ahmed Road
P.O. Box 3942
Karachi-75530

Contact Details

UAN: +92 (21) 111 568 568
Fax: +92 (021) 35680005 & 35682125
Website: www.ppl.com.pk

Registration Number

CUIN: 0000378

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank AL Habib Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Shares Registrar

Messrs. FAMCO Associates (Private) Limited
8-F, Next to Hotel Faran, Nursery Block-6
P.E.C.H.S., Shahra-e-Faisal
Karachi.
Tel: +92 (21) 34380101-05
Fax: +92 (21) 34380106

Legal Advisors

Messrs. Surr ridge & Beecheno

DIRECTORS' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the quarter ended September 30, 2022 and a brief review of the Company's operations.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the quarter ended September 30, 2022 are as follows:

Discoveries

Two discoveries in Shinawari-Samanasuk & Lockhart Formations have been made during the period under review in partner operated Tal Block, through a development well Tolanj West-2. In addition, one discovery has been made subsequent to the period end at Shahpur Chakar North X-1 in PPL operated Gambat South Block.

Drilling Activities

Following wells were drilled in 1st quarter of 2022-23:

- PPL Operated Exploration well Shahpur Chakar (Gambat South) on July 05, 2022
- Partner Operated Development well Latif-21 on September 28, 2022

Geophysical Surveys

In PPL operated blocks, 3D seismic data of 81 sq. km and 2D seismic data of 232 line km were acquired during the current period.

Financial Highlights

The key financial results of the Company for the quarter ended September 30, 2022 are as follows:

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	Rs Million	
Sales revenue (net)	72,611	43,154
Profit before taxation	45,871	23,272
Taxation	(19,257)	(6,281)
Profit after taxation	26,614	16,991
Basic and Diluted Earnings Per Share (Rs)	9.78	6.24

Sales revenue

Sales revenue increased by Rs 29,457 million during the current period as compared to the corresponding period. The increase is due to positive variance on account of price (including change in exchange rate) amounting to Rs 27,996 million, coupled with positive volume variance of Rs 1,461 million.

Positive price variance is due to increase in average international crude oil prices from US\$ 72.58 / bbl in the corresponding period to US\$ 101.82 / bbl during the current period, coupled with devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 224.50 as compared to PKR 164.64 during the corresponding period).

Positive volume variance is mainly attributable to Dhok Sultan, Kandhkot and Latif fields, partially offset by lower production volumes from Sui, Tal, Adhi and Nashpa fields.

A comparison of the Company's share of sales volumes from all operated and partner-operated fields is given below:

	Unit	Quarter ended September 30, 2022	Quarter ended September, 2021
Natural Gas	MMscf	59,716	54,600
Crude Oil / Natural Gas Liquids / Condensate	BBL	1,164,667	1,201,526
Liquefied Petroleum Gas (LPG)	Tonnes	30,116	29,282
Barytes	Tonnes	2,701	27,424

Profitability

Profitability increased by ~57% as compared to the corresponding period. The main drivers are increase in sales revenue (as explained above) and decrease in exploration expenses, on account of no dry wells charged during the current period, partially offset by higher taxation, royalties & other levies and other charges.

Increase in taxation is mainly due to higher profitability and imposition of super tax at the rate of 4% as compared to corresponding period, while royalties & other levies increased in line with higher sales revenue during the current period.

Further, increase in other charges is largely on account of higher provision for windfall levy on oil / condensate and WPPF charge in the current period.

Liquidity management and cash flow position

Overall collections from customers improved as compared to the corresponding period however, trade debts increased by ~10% on account of higher sales revenue, which stood at Rs 401 billion as at September 30, 2022 as compared to Rs 366 billion as at June 30, 2022. Accordingly, Circular Debt continues to be considered as a critical risk in the achievement of the Company's strategic objectives. The Company remained actively engaged with all stakeholders including relevant Ministries for both temporary relief to meet short-term cash flow requirements, as well as long-term permanent solution to Circular Debt.

Best Corporate and Sustainability Report (BC&SR) awards for Annual Report 2021

The Company has been conferred an award for its Annual Report 2021 at the BC&SR Awards ceremony held on September 27, 2022 in Karachi. The company's Annual Report secured second position in the Fuel & Energy sector.

The event was jointly organised by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

FOCUS AREAS

Exploration

At present, the Company's portfolio, together with its subsidiaries and associate, consists of forty-two (42) exploratory blocks, out of which twenty-six (26) are operated (including one offshore block in Pakistan and offshore Block-5 in Abu Dhabi, being operated by Pakistan International Oil Limited), and remaining sixteen (16), including one onshore block in Yemen, are partner operated. In addition, GoP has provisionally awarded four blocks to the Company, out of which two (2) are operated and two (2) are partner operated. Update on major activities is as follows:

Exploration South Assets

In Gambat South Block, a gas and condensate discovery was announced subsequent to the period end in exploratory well Shahpur Chakar North X-1. Based on initial testing in the Lower Goru formation, the well flowed gas at the rate of 15.2 MMscfd along with condensate 321 bbl / day.

In Shah Bandar Block, preparations are underway to spud exploratory well Jhim East X-1.

In Sorah Block, 3D seismic data acquisition is in progress, while in Kotri Block, Reservoir Characterisation & Seismic Inversion Study is in progress.

Exploration Frontier Assets

In Kharan East and Nausherwani blocks, 2D seismic survey is in progress. A total of 232 line km data has been acquired during the current period.

Exploration North Assets

In Dhok Sultan block, Seismic Fracture Reservoir Characterisation Study is in progress, and in Hisal Block, parameter testing has been carried out for 3D seismic data acquisition and preparations are underway to start seismic data recording.

Offshore Block 5 - Abu Dhabi

Since the award of the Block in August 2021, 3D seismic acquisition and time processing has been completed and data received. Depth processing is underway. Detailed appraisal plan was submitted to ADNOC in February 2022, which was recently approved by ADNOC. Planning and preparation for drilling of three appraisal wells during 2023 is underway, whereas contract has been awarded for critical long lead items.

Partner-Operated Exploration Blocks

In Latif Block, exploratory well Mithrau-1 was drilled and completed. Testing is currently underway.

In Ziarat Block, 3D seismic data acquisition is in progress with a cumulative coverage of 212 sq. km.

Producing Fields

Sui

Bottom-hole Pressure Survey was conducted for well Sui-87 to evaluate Pab West Reservoir's potential. In addition, the Static and Dynamic models for new well i.e., Sui-115 (P) has been finalised, whereas finalisation of surface and subsurface locations is in progress.

Moreover, maintenance and enhancement of reliability activities were undertaken at Purification Plant and Gas Compression Station, including inspection and maintenance of gas turbines, gas genset and gas dehydration units. Fabrication work is in progress for revamping of existing SML Compressors while, workover / Sidetrack at well Sui-43(M) was completed and the well is currently plugged & suspended.

Kandhkot

Maintenance of Gas Gathering Main line & Right of Ways were carried out, while Corrosion Inhibitor injection was performed in non-chrome production tubing & well downhole equipment to protect from possible floods. Besides these, restoration of eight water based mud pits were carried out and perforation acid wash & wellbore clean-up jobs were performed at effluent wells.

During the period, gas sales averaged around ~164 MMscfd due to significant improvement in gas off-takes by the customer i.e., GENCO-II as compared to last quarter.

Adhi

Production from well Adhi South-7 commenced and flowed oil at the rate of ~500 bbl / day along with ~0.5 MMscfd gas, while drilling of well Adhi South-5 was successfully completed and hydraulic fracture job is being planned for establishing reservoir potential.

Gambat South

With respect to Zafir-GPF (Rehabilitation of GPF-III), the Company is vigorously pursuing to resolve litigation issues so that the site construction work can be commenced at earliest. In respect of Gambat South GPF-IV compression project, compressors have arrived at site. However, site construction activities have been delayed due to force majeure notice submitted by the contractor, which is under review by management.

Kotri

Extended Well Test (EWT) of Yasar X-1 continued till July 14, 2022 and was prematurely called off due to severe weather conditions and will be continued after GoP's approval of EWT extension period and favourable site conditions.

Dhok Sultan

Dhok Sultan Oil Handling & Condensate Stabilisation facility has been successfully commissioned and is operating at production rate of ~1,600 bbl / day oil, ~3 MMscfd gas and ~18 MT / day LPG. Further, Bottom-hole Pressure Survey of well Dhok Sultan X-1 was carried out to estimate hydrocarbons reserves in place.

Bolan Mining Enterprises (BME)

GoB regulatory approvals are awaited. BME (Baryte, Lead and Zinc) management approval for hiring Project Management Consultancy services has been obtained, however placement of contract and commitment will be made after signing of operating agreement.

Sales of barytes witnessed a significant decline during the current period due to adverse effects of heavy monsoon rains and floods from the start of July 2022 till mid-September 2022.

Partner-Operated Assets

In Tal Block, development well Tolanj West-2 has been successfully completed with two gas / Condensate discoveries in Shinawari-Samanasuk & Lockhart Formations. During testing, Shinawari-Samanasuk flowed ~2.25 MMscfd gas while Lockhart flowed ~8.6 MMscfd gas, whereas the primary / development target Lumshiwai flowed ~14 MMscfd gas.

Further, during the quarter, as disclosed in note 5.1.1 to the financial statements, a fire incident occurred at a warehouse located in Tal Block. A detailed survey and assessment of the damaged inventory is being carried out by the Operator. Fortunately, the incident did not result in any loss of human life nor in the discontinuance of the production from the field.

In Kirthar Block, development well Rizq-4 was successfully completed. The well has been tested at ~6.8 MMscfd of gas at choke size of 36/64" and wellhead flowing pressure of ~1030psig.

In Latif block, development well Latif-21 was spud-in on September 28, 2022 and drilling is under progress.

In Qadirpur, Front End Compressors revamped units were commissioned and their performance testing is in progress.

Reconstitution of Reko Diq Project

The Company, along with other State Owned Enterprises, held meetings with the key stakeholders during the period under review in respect of the definitive agreements. The legislation, along with these documents, is subject to judicial review. The Company will seek required approvals, including shareholders' approval, for investment in an associated undertaking in due course.

Enterprise Risk Management Framework

In order to mature the Corporate ERM Framework, first major revision has been approved by the Board of Directors in its meeting held on September 20, 2022. The revision entails all the process learnings since Framework's first issuance in 2016 and other critical components in accordance with relevant international standards & frameworks regarding ERM process.

Corporate Social Responsibility

Despite recent disaster caused by heavy rains and floods, the Company continued to work for uplift of living conditions of communities in its operational areas across the country, however, pace of infrastructure schemes remained slow due to non-availability of road communication and technical manpower. In this respect, construction of a school building was completed in District Kashmore, while 100 students were provided dress making, mobile repairing & electrician training at Vocational Training Institute, Sui.

Further, Public Welfare Hospital, Sui continued providing healthcare facilities, including dental, gynecological, diagnostic and emergency services with free-of-cost medicines and in-patient meals, benefitting over 30,000 patients from District Dera Bugti. Moreover, the company continued the operations of Mobile Medical Units at Kandhkot, Gambat South, Mazarani, Dhok Sultan and Public Dispensary Mastala near Adhi Field.

During the period, the Company has contributed an aggregate sum of ~Rs 70 million for rehabilitation of the flood affected population across the country, and also distributed ration bags in surrounding areas of the Company's operated fields / blocks.

Quality, Health, Safety and Environment (QHSE)

During the period, Safety Talks were conducted and circulated across the organisation for improving QHSE awareness among the staff. Multiple Initial Environmental Examination (IEE) Studies were carried out, and NOCs / extensions from Environmental Protection Agencies were successfully acquired to fully support company's strategic development work program. Further, Independent Monitoring Consultant (IMC) was deployed at various exploration and drilling sites to verify IEE NOC compliance. Further, ISO certifications were renewed by external agency pursuant to QHSE internal and external management system audits conducted at different Fields.

In addition, 6 million safe man-hours were completed (including company and contractors) by end of September 2022.

Human Resources

In line with the business requirements of the Company, the skills and competencies of staff are being developed through effective training programs to enhance their potential and improve their work efficiencies, whereas a 2-year on-the-job training program is being carried out to provide opportunities to talented young professionals.

Industrial Relations

Conducive working environment and cordial industrial relations prevailed at all locations of the Company.

ACKNOWLEDGEMENT

We would like to thank all stakeholders including GoP for their trust and confidence, which has enabled us to remain on track in the achievement of our strategic objectives. The Company is continuing to do well and is geared up to tackle the evolving circumstances as they come. We would also take this opportunity to appreciate our employees for their perseverance and commitment to deliver despite challenges.



DIRECTOR



**MANAGING DIRECTOR /
CHIEF EXECUTIVE OFFICER**

Karachi: October 27, 2022

NOCs/توسیع کامیابی سے حاصل کی گئیں۔ اس کے علاوہ IEE NOC کی تعمیل کی توثیق کرنے کے لیے غیر جانبدار تجزیاتی مشیروں کو مختلف دریافتی اور کھدائی کے مقامات پر تعینات کیا گیا تھا۔ مزید برآں، مختلف فیڈز میں کیے گئے کیواچ ایس ای کے اندرونی اور بیرونی انتظام کے آڈٹ کے مطابق بیرونی ایجنسی کے ذریعے ISO سرٹیفیکیشن کی تجدید کی گئی۔

اس کے علاوہ ستمبر 2022 کے اختتام تک 6 ملین محفوظ انسانی گھنٹے (بشمول کمپنی اور ٹھیکے دار) مکمل کیے گئے۔

انسانی وسائل

کمپنی کی کاروباری ضروریات کے مطابق، عملے کی صلاحیتوں میں اضافے اور ان کے کام کرنے کی صلاحیتوں کو بہتر بنانے کے لیے مؤثر تربیتی پروگراموں کے ذریعے ان کی مہارتوں اور قابلیت کو فروغ دیا جا رہا ہے، جب کہ باصلاحیت نوجوان پیشہ ور افراد کو مواقع فراہم کرنے کے لیے 2 سالہ دوران ملازمت تربیتی پروگرام جاری ہے۔

صنعتی تعلقات

کمپنی کے تمام شعبوں میں سازگار کام کا ماحول اور خوش گوار صنعتی تعلقات قائم ہیں۔

اعتراف

ہم اپنے تمام شراکت داروں بالخصوص حکومت پاکستان کے شکرگزار ہیں، جن کے غیر متزلزل یقین اور اعتماد نے ہمیں اپنی حکمت عملی کے مقاصد کے حصول کی راہ پر گامزن رہنے کے قابل بنایا ہے۔ کمپنی مسلسل اچھی کارکردگی کا مظاہرہ کر رہی ہے اور ابھرتے ہوئے حالات سے نمٹنے کے لیے تیار ہے۔ ساتھ ہی ہم اپنے ملازمین کی لگن اور ثابت قدمی کے لئے ان کے مشکور ہیں جسکی بدولت انہوں نے مشکل حالات میں بھی بھرپور کارکردگی کا مظاہرہ کیا ہے۔



میجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر



ڈائریکٹر

کراچی: 27 اکتوبر، 2022

ریکوڈک (Reko Dig) منصوبے کی تشکیل نو

زیر جائزہ مدت کے دوران کمپنی نے دیگر ریاستی ملکیتی کاروباری اداروں کے ساتھ حتمی معاہدوں کے سلسلے میں اہم شراکت داروں سے ملاقاتیں کیں۔ ان دستاویزات کے ساتھ قانون سازی، عدالتی جائزے سے مشروط ہے۔ کمپنی مقررہ وقت میں متعلقہ منصوبے میں سرمایہ کاری کے لیے مطلوبہ منظوری حاصل کرے گی۔

انٹرنیشنل فریم ورک (ای آر ایم)

کارپوریٹ ای آر ایم فریم ورک کو پختہ کرنے کے لیے، پہلی اہم نظر ثانی کو بورڈ آف ڈائریکٹرز نے اپنے 20 ستمبر 2022 کو ہونے والے اجلاس میں منظور کر لیا ہے۔ اس نظر ثانی میں 2016 میں فریم ورک کے پہلے اجراء سے لے کر اب تک کے سارے عمل سے سیکھے گئے نتائج اور ای آر ایم کے عمل سے متعلق بین الاقوامی معیارات اور فریم ورک کے مطابق دیگر اہم اجزاء شامل ہیں۔

کاروباری سماجی ذمہ داری

شدید بارشوں اور سیلاب کی وجہ سے حالیہ تباہی کے باوجود، کمپنی نے ملک بھر میں اپنے آپریشنل علاقوں کے اندر لوگوں کے حالات کو بہتر بنانے کے لیے کام جاری رکھا، تاہم، سڑک موصلیات اور ٹیکنیکی افرادی قوت کی عدم دستیابی کے باعث بنیادی ڈھانچے کی اسکیموں کی رفتار سست رہی۔ اس سلسلے میں ضلع کشمور میں اسکول کی عمارت کی تعمیر مکمل کر لی گئی جب کہ ووکیشنل ٹریننگ انسٹی ٹیوٹ سوئی میں 100 طلباء کو ڈریس بنانے، موبائل فون ریپئرنگ کرنے اور الیکٹریشن کی تربیت فراہم کی گئی۔

مزید برآں، پبلک ویلفیئر ہسپتال، سوئی نے دانتوں کے علاج، امراض نسوان، تشخیص امراض اور مفت ادویات کے ساتھ ساتھ ہسپتال میں داخل مریضوں کے کھانے اور ایمرجنسی سروسز سمیت صحت کی دیکھ بھال کی سہولیات فراہم کرنے کا سلسلہ جاری رکھا جس سے ضلع ڈیرہ بگٹی کے 30,000 مریضوں کو فائدہ پہنچا۔ اس کے علاوہ، کمپنی نے کندھ کوٹ، گمبٹ ساؤتھ، مزارانی، ڈھوک سلطان اور آدھی فیلڈ کے قریب پبلک ڈسپنری مستالہ میں موبائل میڈیکل یونٹس کا آپریشن بدستور جاری رکھا۔

زیر جائزہ مدت کے دوران، کمپنی نے ملک بھر میں سیلاب سے متاثرہ آبادی کی بحالی کے لیے تقریباً 70 ملین روپے کی مجموعی رقم کے عطیات دیئے اور کمپنی کے زیر انتظام فیلڈز/ بلاکس کے آس پاس کے علاقوں میں راشن بیگ بھی تقسیم کیے ہیں۔

معیار، صحت، حفاظت اور ماحولیات (کیو ایچ ایس ای)

زیر جائزہ مدت کے دوران، عملے کے مابین کیو ایچ ای کی آگاہی کو بہتر بنانے کے لیے کمپنی کے تمام عملے کے لئے حفاظتی مراسلات بھیجے گئے۔ کمپنی کی حکمت عملی کے تحت ترقیاتی کاموں کے مطابق ابتدائی ماحولیاتی تجزیاتی تحقیق (IEE) کی گئی اور ماحولیاتی تحفظ کی ایجنسیوں سے

بولان مائننگ انٹرپرائزز (پی ایم ای)

حکومت بلوچستان کی انضباطی منظوریوں کا انتظار ہے۔ منصوبے کی انتظامی مشاورت کی خدمات حاصل کرنے کے لیے پی ایم ای (بیر اسٹ، لیڈ اور زنک) انتظامیہ کی منظوری حاصل کر لی گئی ہے، تاہم، آپریننگ معاہدے پر دستخط کے بعد کام کے عزم اور ٹھیکے کا تعین کیا جائے گا۔

جولائی 2022 کے آغاز سے ستمبر 2022 کے وسط تک مومن سون کی شدید بارشوں اور سیلاب کے منفی اثرات کی وجہ سے موجودہ مدت کے دوران بیر اسٹس کی فروخت میں نمایاں دیکھی گئی۔

پارٹنر آپریٹڈ اثاثے

ٹل بلاک میں، پیداواری کنونٹس ٹولج ویسٹ-2 کو کامیابی کے ساتھ دوگیس / کنڈنسیٹ دریافتوں کے ساتھ شنواری۔ سمناسک اور لوکھارٹ فارمیشنز میں مکمل کیا گیا ہے۔ جانچ کے دوران، شنواری۔ سمناسک سے تقریباً یومیہ 2.25 ایم ایم ایس سی ایف گیس اور لوکھارٹ سے تقریباً یومیہ 18.6 ایم ایم ایس سی ایف گیس حاصل ہوئی، جب کہ بنیادی / پیداواری ہدف لمشیوال سے تقریباً یومیہ 14 ایم ایم ایس سی ایف گیس حاصل ہوئی۔

اس کے علاوہ، سہ ماہی کے دوران، جیسا کہ مالی گوشواروں کے نوٹ 5.1.1 میں ظاہر کیا گیا ہے، ٹل بلاک میں قائم ایک گودام میں آگ لگنے کا واقعہ پیش آیا۔ آپریٹر کی جانب سے تباہ شدہ انوینٹری کا مفصل سروے اور تشخیص کی جارہی ہے۔ خوش نصیبی سے اس واقعے کے نتیجے میں کوئی انسانی جانی نقصان نہیں ہوا اور نہ ہی فیلڈ سے پیداوار منقطع ہوئی ہے۔

کیرتھر بلاک میں، پیداواری کنواں رزق-4 کامیابی کے ساتھ مکمل کیا گیا۔ "36/64 کے چوک سائز اور تقریباً 1030 psig دباؤ پر کنونٹس کی جانچ سے یومیہ 16.8 ایم ایم ایس سی ایف گیس حاصل ہوئی۔

28 ستمبر 2022 کو لطیف بلاک میں پیداواری کنونٹس لطیف-21 کی کھدائی کا آغاز ہوا جو ابھی جاری ہے۔

قادر پور میں فرنٹ اینڈ کمپریسرز کے از سر نو تجدید شدہ یونٹس سے پیداوار کا آغاز کر دیا گیا ہے اور ان کی کارکردگی کی جانچ جاری ہے۔

کنڈھ کوٹ

گیس جمع کرنے والی مرکزی لائن اور رائٹ آف ویز کی مرمت کی گئی، جب کہ مکہ سیلاب سے محفوظ رکھنے کے لیے نان کروم پروڈکشن ٹیوبنگ اور کنوئیں میں موجود آلات میں زنگ سے بچاؤ کے لئے کوروسن انہیٹر انجکشن لگائے گئے۔ ان امور کے علاوہ، پانی پر مشتمل 8 مٹی کے گڑھوں کی بحالی کی گئی اور رواں کنوؤں پر پروفیشن کے لئے تیزاب کاری اور کنوئیں کا سورخ صاف کرنے کا کام انجام دیا گیا۔

اس مدت کے دوران، گزشتہ سہ ماہی کے مقابلے میں صارف Genco-II کی جانب سے گیس کی خریداری میں نمایاں بہتری کی وجہ سے گیس کی یومیہ فروخت اوسطاً 164 ایم ایم ایس سی ایف رہی۔

آدہی

کنوئیں آدہی ساؤتھ-7 سے پیداوار کا آغاز ہوا اور تقریباً 10.5 ایم ایم ایس سی ایف گیس کے ساتھ 500 بیرل یومیہ کی شرح سے تیل حاصل ہوا، جب کہ آدہی ساؤتھ-5 کی کھدائی کامیابی کے ساتھ مکمل ہوگئی اور ذخائر کے امکانات کو پختہ کرنے کے لئے ہائیڈرولک فریکچر کے کام کی منصوبہ بندی کی جا رہی ہے۔

گمبٹ ساؤتھ

ظافر-GPF (GPF-III کی بحالی) کے حوالے سے، کمپنی قانونی چارہ جوئی کے مسائل کو حل کرنے کی بھرپور کوشش کر رہی ہے تاکہ سائٹ کی تعمیر کا کام جلد از جلد شروع کیا جاسکے۔ گمبٹ ساؤتھ GPF-IV کمپنیشن منصوبے کے لئے کمپریسر سائٹ پر پہنچ چکے ہیں۔ تاہم، ٹھیکے دار کی جانب سے جمع کرائے گئے آفتِ سماوی کے نوٹس کی وجہ سے سائٹ کی تعمیراتی سرگرمیاں تاخیر کا شکار ہوگئی ہیں جس کا انتظامیہ جائزہ لے رہی ہے۔

کوٹری

یسر-1 X-1 کنوئیں کی ابتدائی پیداواری جانچ (EWT) 14 جولائی 2022 تک جاری رہی جسے موسم کی شدید صورتِ حال کے باعث قبل از وقت منسوخ کر دیا گیا۔ حکومتِ پاکستان کی جانب سے EWT کی توسیع کی مدت کی منظوری اور جائے وقوع پر سازگار حالات کی صورت میں اسے جاری رکھا جائے گا۔

ڈھوک سلطان

ڈھوک سلطان آئل ہینڈلنگ اور کنڈنسٹ اسٹیبلائزیشن کی سہولت سے کامیابی کے ساتھ پیداوار شروع کر دی گئی ہے اور یہ تقریباً یومیہ 1600 بیرل تیل، 3 ایم ایم ایس سی ایف گیس اور 18 میٹرک ٹن LPG کی پیداواری شرح دے رہا ہے۔ مزید برآں، ڈھوک سلطان X-1 کا باٹم ہول پریشر سروے کیا گیا تاکہ موجودہ ہائیڈروکاربن کے ذخائر کا اندازہ لگایا جاسکے۔

شمالی دریافتی اثاثے

ڈھوک سلطان بلاک میں، سائز مک فریکچر ریزروائر خصلت نگاری کی تحقیق جاری ہے اور حصال بلاک میں 3D سائز مک ڈیٹا کے حصول کے لیے پیمانے کی جانچ کی گئی ہے اور سائز مک ڈیٹا ریکارڈنگ شروع کرنے کی تیاریاں جاری ہیں۔

آف شور بلاک 5 - ابوظہبی

اگست 2021 میں بلاک کے اجراء کے بعد سے، 3D سائز مک کا حصول اور ٹائم پروسیڈنگ مکمل ہو چکی ہے اور ڈیٹا موصول ہو گیا ہے۔ گہرائی میں سائز مک کی پروسیڈنگ جاری ہے۔ مفصل تشخیصی منصوبہ فروری 2022 میں ADNOC کو پیش کیا گیا تھا جسے اُس نے حال ہی میں منظور کیا۔ 2023 کے دوران 3 تجزیاتی کنوؤں کی کھدائی کے لیے منصوبہ بندی اور تیاری کی جارہی ہے۔ جب کہ اہم طویل مدتی سامان کے لیے ٹھیکہ دیا جا چکا ہے۔

پارٹنر آپریٹڈ دریافتی بلاکس

لطیف بلاک میں، دریافتی کنواں میٹھر و-1 کی کھدائی مکمل ہو گئی جس کی جانچ جاری ہے۔

زیارت بلاک میں 3D سائز مک ڈیٹا کا حصول جاری ہے، جس میں 212 مربع کلومیٹر کی مجموعی احاطہ کیا جائے گا۔

پیداواری فیلڈز

سوئی

پب ویسٹ ریزروائر کے امکانات کا جائزہ لینے کے لیے کنوئیں سوئی-87 کے لیے باٹم ہول پریشر سروے کیا گیا۔ اس کے علاوہ نئے کنوئیں سوئی-115 (P) کے لیے جامد اور متحرک ماڈلز کو حتمی شکل دے دی گئی ہے، جب کہ زمین کی سطح پر اور ریزر میں مقامات کو حتمی شکل دینے کا عمل جاری ہے۔

مزید برآں، پیوریفیکیشن پلانٹ اور گیس کمپریشن اسٹیشن پر مرمت اور پیداوار کے تسلسل کو یقینی بنانے کے لئے سرگرمیوں میں اضافے کا آغاز کیا گیا جس میں گیس ٹربائن، گیس جین سیٹ اور گیس ڈی ہائیڈریشن یونٹس کے معائنے اور مرمت شامل ہے۔ موجودہ ایس ایم ایل کمپریشن کی از سر نو تعمیر کے لیے فیبریکیشن کا کام جاری ہے جب کہ کنوئیں سوئی-43 (M) پر ورک اوور / سائڈ ٹریک مکمل کر لیا گیا ہے اور کنوئیں کو فی الحال معطل کر دیا گیا ہے۔

بہترین کارپوریٹ اور پائیداری رپورٹ (BC&SR) ایوارڈز برائے سالانہ رپورٹ 2021
 27 ستمبر 2022 کو کراچی میں منعقدہ BC&SR ایوارڈز کی تقریب میں کمپنی کو اس کی سالانہ رپورٹ 2021 کے لیے ایوارڈ سے نوازا
 گیا ہے۔ ایندھن اور توانائی کے شعبے میں کمپنی کی سالانہ رپورٹ نے دوسری پوزیشن حاصل کی۔

اس تقریب کا اہتمام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹی ٹیوٹ آف کوسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان نے
 مشترکہ طور پر کیا تھا۔
 اہم امور

دریافتی سرگرمیاں

اس وقت، کمپنی کے پورٹ فولیو میں اپنے ماتحت اور معاون اداروں کے ساتھ مل کر 42 دریافتی بلاکس شامل ہیں۔ جن میں سے 26 (بشمول
 پاکستان میں ایک آف شور بلاک اور ابوظہبی میں آف شور بلاک-5 جو پاکستان انٹرنیشنل آئل لمیٹڈ کے زیر انتظام ہے) آپریٹڈ ہیں اور
 باقی 16 پارٹنر آپریٹڈ ہیں جن میں یمن میں ایک آن شور بلاک بھی شامل ہے۔ اس کے علاوہ، حکومت پاکستان نے کمپنی کو عارضی طور پر 4 بلاکس
 دیئے ہیں جن میں سے 2 کمپنی آپریٹڈ اور 2 پارٹنر آپریٹڈ ہیں۔ اہم سرگرمیوں کی تازہ ترین صورت حال درج ذیل ہے:

جنوبی دریافتی اثاثے

گمبٹ ساؤتھ بلاک میں، شاہ پور چاکرنا تھ-1-X کے دریافتی کنونٹس سے مدت کے اختتام کے بعد گیس اور کنڈنسیٹ کی دریافت کا اعلان کیا
 گیا۔ لوئر گوروفارمیشن میں ابتدائی جانچ کی بنیاد پر، کنونٹس سے حاصل کردہ پیداوار یومیہ 15.2 ایم ایم ایس سی ایف گیس اور 321 بیرل
 کنڈنسیٹ رہی۔

شاہ بندر بلاک میں، جھم ایسٹ-1-X کے دریافتی کنونٹس کی کھدائی کی تیاریاں جاری ہیں۔

صورہ بلاک میں، 3D سائز مک ڈیٹا کا حصول جاری ہے جب کہ کوٹری بلاک میں ذخائر کی خصلت نگاری اور سائز مک انورژن تحقیق جاری ہے۔

سرحدی دریافتی اثاثے

خاران ایسٹ اور نوشیروانی بلاکس میں، 2D سائز مک سروے جاری ہے۔ مجموعی طور پر موجودہ مدت کے دوران 232 لائن کلومیٹر ڈیٹا حاصل کیا
 جا چکا ہے۔

تمام آپریٹڈ اور پارٹنر آپریٹڈ فیلڈز سے فروخت کے حجم میں کمپنی کے حصے کا تقابلی جائزہ حسب ذیل ہے:

سہ ماہی کا اختتام 30 ستمبر 2021	سہ ماہی کا اختتام 30 ستمبر 2022	یونٹ	
54,600	59,716	ایم ایم ایس سی ایف	قدرتی گیس
1,201,526	1,164,667	بی بی ایل	خام تیل/ قدرتی گیس مائع (این جی ایل)/ کنڈنسیٹ
29,282	30,116	ٹن	مائع پٹرولیم گیس (ایل پی جی)
27,424	2,701	ٹن	پیراٹس

منافع

کمپنی کی منفعت میں تقابلی عرصے کے مقابلے میں تقریباً 57 فیصد اضافہ ہوا ہے۔ اس کے اہم محرکات میں فروخت آمدن میں اضافے (جیسا کہ اوپر بیان کیا گیا ہے) کے ساتھ ساتھ دریافتی اخراجات میں کمی ہے جو کہ موجودہ مدت کے دوران خشک کنوؤں کے نہ ہونے کی وجہ سے ہے۔ جسے جزوی طور پر زیادہ ٹیکس، رائلٹیز اور دیگر لیویز اور چارجز نے زائل کیا ہے۔

ٹیکس میں اضافہ بنیادی طور پر تقابلی مدت کے مقابلے میں زائد منافع اور 4 فیصد کی شرح سے سپر ٹیکس کے نفاذ کی وجہ سے ہے، جب کہ رائلٹی اور دیگر محصولات میں اضافہ موجودہ مدت کے دوران زیادہ فروخت آمدن کی بناء پر ہوا ہے۔

مزید برآں، دیگر اخراجات میں اضافہ کافی حد تک تیل/کنڈنسیٹ پروڈکٹ فال لیوی (محصول) کی مد میں ہونے والے اضافے کے ساتھ ساتھ موجودہ عرصے میں WPPF کے اخراجات کی وجہ سے بھی ہے۔

سیالیت/لیکوئڈیٹی کی انتظام کاری اور کیش فلو کی صورتحال

اس مدت کے دوران کچھلی مدت کے مقابلے میں صارفین کی جانب سے مجموعی وصولیوں میں بہتری ہوئی تاہم، زیادہ فروخت آمدن کی وجہ سے تجارتی قرضوں میں تقریباً 10 فیصد اضافہ ہوا جو 30 جون 2022 تک 366 ارب روپے سے بڑھ کر 30 ستمبر 2022 تک 401 ارب روپے ہو گئے۔ اس حوالے سے گردش قرضہ کمپنی کی حکمت عملی کے مقاصد کے حصول میں بڑی رکاوٹ ہے۔ کمپنی تمام شراکت داروں بشمول متعلقہ وزارتوں کے ساتھ عارضی ریلیف کے لئے مختصر مدت کی کیش فلو کی ضروریات کو پورا کرنے اور گردش قرضے کے طویل مدتی مستقل حل کے لیے فعال طور پر مصروف عمل رہی ہے۔

30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

سہ ماہی کا اختتام 30 ستمبر 2021	سہ ماہی کا اختتام 30 ستمبر 2022	
ملین روپے		
43,154	72,611	فروخت آمدن (خالص)
23,272	45,871	قبل از ٹیکس منافع
(6,281)	(19,257)	ٹیکس
16,991	26,614	بعد از ٹیکس منافع
6.24	9.78	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

فروخت آمدن

کچھلی مدت کے مقابلے میں موجودہ مدت کے دوران فروخت آمدن میں 29,457 ملین روپے کا اضافہ ہوا۔ یہ اضافہ قیمت کی مد میں مثبت تغیر (بشمول زرمبادلہ کی شرح میں تبدیلی) کی وجہ سے ہے جو 1,461 ملین روپے کے مثبت حجم کے تغیر کے ساتھ 27,996 ملین روپے رہا۔

قیمت کے مثبت تغیر کی وجہ عالمی منڈی میں خام تیل کی اوسط بین الاقوامی قیمتوں میں ہونے والا اضافہ ہے جو تقابلی سال میں 172.58 امریکی ڈالر فی بیرل کے مقابلے میں موجودہ سال کے دوران 101.82 امریکی ڈالر فی بیرل ہو گئیں۔ اس کے ساتھ ساتھ پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں ہونے والی کمی بھی ہے (موجودہ عرصے کے دوران زرمبادلہ کی اوسط شرح 224.50 روپے فی امریکی ڈالر ہو گئی جبکہ تقابلی سال کے دوران یہ شرح 164.64 روپے فی امریکی ڈالر تھی)۔

بنیادی طور پر حجم میں مثبت تغیر، ڈھوک سلطان، کندھ کوٹ اور لطیف فیلڈز کی وجہ سے رہا جسے جزوی طور پر سوئی، ٹیل، آدھی اور ناشپا فیلڈز سے کم پیداواری حجم نے زائل کیا۔

ڈائریکٹرز کا عبوری جائزہ

آپ کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے غیر آڈٹ شدہ مجتمع عبوری مالیاتی گوشوارے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آپریٹل اور مالی جھلکیاں

آپریٹل جھلکیاں

30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کی اہم امور کی جھلکیاں مندرجہ ذیل ہیں:

دریافتیں

زیر غور مدت کے دوران پارٹنر آپریٹڈ ٹیل بلاک کے ایک پیداواری کنوئیں ٹولج ویسٹ-2 سے دو دریافتیں، شنواری سمناسک اور لوکھارٹ فارمیشنز میں ہوئیں ہیں۔ اس کے علاوہ، پی پی ایل آپریٹڈ گمبٹ ساؤتھ بلاک میں شاہ پورچا کرنا تھ 1-X سے مدت کے اختتام کے بعد ایک دریافت ہوئی ہے۔

کھدائی کی سرگرمیاں

مندرجہ ذیل کنوئیں 2022-23 کی پہلی سہ ماہی میں کھودے گئے:

5 جولائی 2022 کو پی پی ایل آپریٹڈ شاہ پورچا کر (گمبٹ ساؤتھ) میں ایک دریافتی کنواں

28 ستمبر 2022 کو پارٹنر آپریٹڈ پیداواری کنواں لطیف-21

ارضی طبعی سروے

موجودہ مدت کے دوران پی پی ایل کے آپریٹڈ بلاکس میں 81 مربع کلومیٹر کا 3D سائز مک ڈیٹا اور 232 لائن کلومیٹر کا 2D سائز مک ڈیٹا حاصل کیا گیا۔

PAKISTAN PETROLEUM LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	September 30, 2022	June 30, 2022
Note	Unaudited	Audited
	(Rupees in thousand)	
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	5 141,660,520	137,840,377
Intangible assets	96,946	113,116
	<u>141,757,466</u>	<u>137,953,493</u>
Long-term investments	6 8,573,591	5,975,953
Deposit with GoP for equity stake in Reko Diq	7 34,921,546	34,106,250
Long-term loans	57,754	61,689
Long-term deposits	7,676	7,676
	<u>185,318,033</u>	<u>178,105,061</u>
CURRENT ASSETS		
Stores and spares	5,665,642	5,495,842
Trade debts	8 400,952,139	365,791,716
Loans and advances	479,718	558,389
Trade deposits and short-term prepayments	258,746	287,196
Interest accrued	545,292	264,349
Current maturity of long-term loans	27,929	27,929
Current maturity of long-term deposits	1,683,750	1,505,250
Current maturity of long-term receivables	122,051	122,051
Other receivables	2,793,677	2,656,717
Short-term investments	9 70,350,838	66,407,345
Cash and bank balances	4,100,955	3,723,282
	<u>486,980,737</u>	<u>446,840,066</u>
TOTAL ASSETS	<u><u>672,298,770</u></u>	<u><u>624,945,127</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	27,209,836	27,209,836
Reserves	434,730,818	407,664,863
	<u>461,940,654</u>	<u>434,874,699</u>
NON-CURRENT LIABILITIES		
Provision for decommissioning obligation	38,435,213	32,650,443
Deferred liabilities	3,410,830	3,328,024
Deferred taxation - net	29,797,468	28,780,165
	<u>71,643,511</u>	<u>64,758,632</u>
CURRENT LIABILITIES		
Trade and other payables	10 88,385,015	87,026,658
Unclaimed dividends	989,781	1,001,150
Current maturity of lease liabilities	1,351,890	1,434,170
Taxation - net	47,987,919	35,849,818
	<u>138,714,605</u>	<u>125,311,796</u>
TOTAL LIABILITIES	<u>210,358,116</u>	<u>190,070,428</u>
TOTAL EQUITY AND LIABILITIES	<u><u>672,298,770</u></u>	<u><u>624,945,127</u></u>
CONTINGENCIES AND COMMITMENTS		
	11	

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements


Chief Financial Officer


Director


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<i>Note</i>	Quarter ended September 30, 2022	Quarter ended September 30, 2021
----- (Rupees in thousand) -----			
Revenue from contracts with customers	12	72,610,751	43,153,610
Operating expenses	13	(11,475,656)	(10,165,747)
Royalties and other levies		(12,532,784)	(6,309,414)
		(24,008,440)	(16,475,161)
Gross profit		48,602,311	26,678,449
Exploration expenses	14	(1,479,974)	(4,718,714)
Administrative expenses		(1,190,954)	(870,832)
Finance costs		(337,256)	(284,178)
Reversal of provision for doubtful debts - net		-	41,929
Share of loss of associate	6.2	(35,735)	(9)
Other charges	15	(4,530,836)	(2,110,378)
		41,027,556	18,736,267
Other income	16	4,842,959	4,535,826
Profit before taxation		45,870,515	23,272,093
Taxation	17	(19,256,933)	(6,281,580)
Profit after taxation		26,613,582	16,990,513
Basic and diluted earnings per share (Rs)	19	9.78	6.24

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


Chief Financial Officer


Director


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	----- (Rupees in thousand) -----	
Profit after taxation	26,613,582	16,990,513
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement gain / (loss) on defined benefit plans - net (note 3.2)	-	-
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign associate	452,373	-
Other comprehensive income	452,373	-
Total comprehensive income for the period	<u>27,065,955</u>	<u>16,990,513</u>

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


 Chief Financial Officer


 Director


 Chief Executive Officer

PAKISTAN PETROLEUM LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
<i>Note</i>		
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	46,369,332	36,564,749
Receipts of other income	1,828,569	837,186
Payments to suppliers / service providers and employees - net	(12,667,433)	(6,973,045)
Payments of indirect taxes and Government levies including royalties	(21,774,013)	(15,980,465)
Income tax paid	(6,101,526)	(3,192,547)
Finance costs paid	(54,521)	-
Long-term loans and others	3,935	3,231
Net cash generated from operating activities	<u>7,604,343</u>	<u>11,259,109</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(3,267,620)	(3,863,579)
Proceeds from sale of property, plant and equipment	58	14,882
Investments - net	17,561,614	(29,325,631)
Equity investment in PIOL	(2,181,000)	(4,161,250)
Long-term deposits	(178,500)	(51,268)
Deposit with GoP for equity stake in Reko Diq	(536,174)	-
Finance income received	2,173,202	1,287,506
Net cash generated from / (used in) investing activities	<u>13,571,580</u>	<u>(36,099,340)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(82,280)	(433)
Dividends paid	(11,369)	(1,972)
Net cash used in financing activities	<u>(93,649)</u>	<u>(2,405)</u>
Net increase / (decrease) in cash and cash equivalents	21,082,274	(24,842,636)
Cash and cash equivalents at beginning of the period	32,929,876	69,909,652
Cash and cash equivalents at end of the period	<u>54,012,150</u>	<u>45,067,016</u>

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


Chief Financial Officer


Director


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total reserves	Total
	Ordinary	Convertible preference				
	(Rupees in thousand)					
Balance as at June 30, 2021 (Audited)	27,209,723	113	1,428	363,316,460	363,317,888	390,527,724
Total comprehensive income for the period						
Profit after taxation	-	-	-	16,990,513	16,990,513	16,990,513
Other comprehensive income for the quarter ended September 30, 2021, net of tax	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2021	-	-	-	16,990,513	16,990,513	16,990,513
Conversion of preference shares into ordinary shares	6	(6)	-	-	-	-
Balance as at September 30, 2021	27,209,729	107	1,428	380,306,973	380,308,401	407,518,237
Balance as at July 01, 2022 (Audited)	27,209,730	106	1,428	407,663,435	407,664,863	434,874,699
Total Comprehensive income for the period						
Profit after taxation	-	-	-	26,613,582	26,613,582	26,613,582
Other comprehensive income for the quarter ended September 30, 2022, net of tax	-	-	-	452,373	452,373	452,373
Total comprehensive income for the quarter ended September 30, 2022	-	-	-	27,065,955	27,065,955	27,065,955
Conversion of preference shares into ordinary shares	1	(1)	-	-	-	-
Balance as at September 30, 2022	27,209,731	105	1,428	434,729,390	434,730,818	461,940,654

The annexed notes 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


Chief Financial Officer


Director


Chief Executive Officer

Notes to and Forming Part of the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2022

1. LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi.
- 1.2 These condensed unconsolidated interim financial statements are the separate condensed interim financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.

Wholly-owned subsidiaries as of the date of statement of financial position are as follows:

- a) PPL Europe E&P Limited (PPLE);
- b) PPL Asia E&P B.V. (PPLA); and
- c) The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

2. BASIS OF PREPARATION

- 2.1 These condensed unconsolidated 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 as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual unconsolidated financial statements.

These condensed unconsolidated interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements as at and for the year ended June 30, 2022 and should be read in conjunction with the unconsolidated financial statements of the Company as at and for the year ended June 30, 2022.

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

- 2.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022, which has been further extended for the Company by SECP, through letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, till June 30, 2023. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these condensed unconsolidated interim financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 8 to these condensed unconsolidated interim financial statements).

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements as at and for the year ended June 30, 2022.
- 3.2 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed unconsolidated interim financial statements.

Notes to and Forming Part of the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2022

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation and reporting of these condensed unconsolidated interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and apply judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates, assumptions and judgments made by the management in the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements as at and for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2022.

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	89,295,802	92,959,042
Additions during the period / year - net	6,064,316	8,895,232
	<u>95,360,118</u>	<u>101,854,274</u>
Disposals during the period / year (NBV)	(49)	(2,646)
Adjustments / reclassifications during the period / year (NBV)	-	4,374,775
Depreciation / amortisation charged during the period / year	<u>(5,004,806)</u>	<u>(16,930,601)</u>
	90,355,263	89,295,802
Capital work-in-progress - note 5.1	<u>51,305,257</u>	<u>48,544,575</u>
	<u>141,660,520</u>	<u>137,840,377</u>
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	12,767,136	11,370,642
Exploration and evaluation (E&E) assets	19,855,854	19,103,985
Development and production (D&P) assets	6,204,980	5,307,617
Lands, buildings and civil constructions	69,054	69,397
Capital stores for drilling and development - note 5.1.1	<u>12,408,233</u>	<u>14,984,156</u>
Less: Impairment loss	-	(2,198,810)
Less: Written-off	-	(92,412)
	<u>12,408,233</u>	<u>12,692,934</u>
	<u>51,305,257</u>	<u>48,544,575</u>

- 5.1.1 On September 21, 2022, a fire incident occurred at a warehouse located in the Company's partner operated field - Tal Block. A detailed survey and assessment of the damaged inventory is being carried out by the Operator of the field. Pending completion thereof, no adjustment has been made in this regard pertaining to Tal Block's inventory, included in capital stores for drilling and development, amounting to Rs 1,336 million.

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC	1	1
- PPLE (net of impairment)	3,798,094	3,798,094
- PPLA (net of impairment) - note 6.1	-	-
	<u>3,798,095</u>	<u>3,798,095</u>

**Notes to and Forming Part of the Condensed Unconsolidated Interim
Financial Statements (Unaudited)**

For the quarter ended September 30, 2022

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
- Associate		
Unquoted company		
- Pakistan International Oil Limited (PIOL) - note 6.2		
Equity held: 25%		
No. of shares: 3,500,000 (June 30, 2022: 2,500,000) of USD 10/- each	4,775,496	2,177,858
	<u>8,573,591</u>	<u>5,975,953</u>
6.1	With respect to PPLA's 100% interest in Block 8 - Iraq, the Midland Oil Company - Iraq vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the Exploration, Development and Production Service Contract and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Company has commenced appropriate actions to complete the close-out proceedings.	
6.2	During the period, the Company has made an equity investment in PIOL amounting to USD 10 million (Rs 2,181.000 million) (June 2022: USD 25 million (Rs 4,161.250 million)) which has increased the total equity investment of the Company in the associate to USD 35 million (Rs 6,342.250 million). These investments have been recorded net of cumulative share of loss of associate amounting to Rs 2,642,812 million (June 2022: Rs 2,607.077 million), charged to profit or loss up to the period ended September 30, 2022, and cumulative exchange gain on translation of foreign associate, as at reporting date, amounting to Rs 1,076.058 million (June 2022: Rs 623.685 million) recorded through other comprehensive income to translation reserve. The loss for the period mainly pertains to exploration and appraisal expenditure incurred by PIOL.	
7.	DEPOSIT WITH GOP FOR EQUITY STAKE IN REKO DIQ	
	- Reconstitution of Reko Diq Project	
	As disclosed in note 7 to the unconsolidated financial statements for the year ended June 30, 2022, various definitive agreements are being finalised and judicial validation and legislative process is underway in line with the Framework Agreement. Since the conditions set out in the Framework Agreement were not satisfied by June 30, 2022, an interest amounting to USD 3.5 million @ US Prime plus 2% (Rs 815 million), as at September 30, 2022, is applicable, representing the share of interest on the Company's initial deposit of USD 187.5 million (Rs 34,106 million). This has resultantly increased the deposit amount to USD 191 million (Rs 34,922 million).	
	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
8.	TRADE DEBTS	
	Unsecured and considered good	
	Related parties - note 20	
	Central Power Generation Company Limited (GENCO-II) - note 8.3	
	5,295,564	4,523,630
	Sui Northern Gas Pipelines Limited (SNGPL)	
	202,670,336	186,469,523
	Sui Southern Gas Company Limited (SSGCL)	
	172,458,057	154,037,032
	Pak-Arab Refinery Limited (PARCO)	
	820,749	837,009
	Pakistan Refinery Limited (PRL)	
	933,928	731,279
	ENAR Petroleum Refining Facility (EPRF)	
	284,240	307,977
	Oil & Gas Development Company Limited (OGDCL)	
	24,845	51,344
	<u>382,487,719</u>	<u>346,957,794</u>
	Non-related parties	
	Attock Refinery Limited (ARL)	
	17,645,912	17,937,791
	National Refinery Limited (NRL)	
	686,210	525,436
	Others	
	132,298	370,695
	<u>18,464,420</u>	<u>18,833,922</u>
	<u>400,952,139</u>	<u>365,791,716</u>
	Unsecured and considered doubtful	
	Non-related parties	
	Cnergyico Pk Limited (CNERGY)	
	253,002	253,002
	formerly Byco Petroleum Pakistan Limited (Byco)	
	169,454	169,454
	EGAS Pvt. Ltd. (EGAS)	
	(422,456)	(422,456)
	Less: Provision for doubtful debts - note 8.2	
	<u>400,952,139</u>	<u>365,791,716</u>

Notes to and Forming Part of the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2022

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
8.1	The ageing of trade debts is as follows:	
Neither past due nor impaired	49,807,837	42,614,761
Past due but not impaired:		
Related parties		
- within 90 days	34,683,275	26,411,636
- 91 to 180 days	30,339,250	29,445,958
- over 180 days	283,324,362	264,163,060
	348,346,887	320,020,654
Non-related parties		
- within 90 days	1,692,161	2,176,815
- 91 to 180 days	125,768	780
- over 180 days	979,486	978,706
	2,797,415	3,156,301
	400,952,139	365,791,716

- 8.2** Trade debts include overdue amount of Rs 347,845 million (June 30, 2022: Rs 319,886 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 3,299 million (June 30, 2022: Rs 3,291 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.2 to these condensed unconsolidated interim financial statements, SECP has deferred the applicability of ECL model for the Company till June 30, 2023 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CNERGY and EGAS as a result of disputes disclosed in notes 12.5 and 12.6 to the unconsolidated financial statements for the year ended June 30, 2022.

Based on the measures being undertaken by the GoP including inter-corporate circular debt, the Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these condensed unconsolidated interim financial statements, except for provision against receivable from CNERGY and EGAS.

- 8.3** As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS and GIDC amounting to Rs 70,173 million (June 30, 2022: Rs 66,959 million) and Rs 4,399 million (June 30, 2022: Rs 4,999 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Company at the date of statement of financial position.

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
9. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks - note 9.1	1,827,500	847,500
- Foreign currency term deposits with banks - note 9.2	14,778,363	13,132,888
- Local currency treasury bills - note 9.1 & 9.3	46,799,958	52,426,957
	63,405,821	66,407,345
At fair value through profit or loss		
- Mutual Funds - note 9.4	6,945,017	-
	70,350,838	66,407,345

Notes to and Forming Part of the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2022

- 9.1** These carry profit ranging from 11.00% to 16.04% (June 30, 2022: 7.54% to 17.66%) per annum and are due to mature latest by September 2023. As disclosed in note 17.3 to the unconsolidated financial statements for the year ended June 30, 2022, treasury bills amounting to Rs 1,715 million were pledged as collateral to a financial institution for issuance of bank guarantee amounting to Rs 1,536 million in favour of the Nazir of Sindh High Court. During the period, the pledged treasury bills were matured and released, and the collateral was replaced with local currency term deposit amounting to Rs 1,700 million against the said bank guarantee. The above collateral is still valid as at September 30, 2022.
- 9.2** These represent foreign currency term deposits with banks amounting to USD 63,250 million (June 30, 2022: USD 63,907 million) having effective interest rate ranging from 2.50% to 10.25% (June 30, 2022: 1.40% to 10.55%) per annum and are due to mature latest by August 2023.
- 9.3** These carry profit ranging from 13.75% to 15.85% (June 30, 2022: 10.62% to 14.65%) per annum and are due to mature latest by August 2023. These bills were issued by GoP and sold through State Bank of Pakistan.
- 9.4** These represent investments in money market mutual funds. During the period, average annualised return is 15.96% (June 30, 2022: 8.93%).

	September 30, 2022 Unaudited	June 30, 2022 Audited
	(Rupees in thousand)	
10. TRADE AND OTHER PAYABLES		
Creditors	786,685	861,400
Accrued liabilities	12,746,196	10,711,643
Security deposits / advances from LPG distributors	657,461	525,326
Retention money	111,691	102,607
Sales tax - net	2,214,646	1,827,391
Royalties	7,953,331	10,924,354
Lease extension bonus	31,978,400	30,159,897
Current accounts with joint operations	9,079,023	12,691,458
Staff retirement benefit funds	623,054	1,206,915
Provision for windfall levy on oil / condensate	19,805,937	17,445,937
Federal excise duty - net	110,321	125,910
Workers' Profits Participation Fund (WPPF)	2,152,861	-
Others	165,409	443,820
	88,385,015	87,026,658

- 10.1** As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS and GIDC amounting to Rs 70,173 million (June 30, 2022: Rs 66,959 million) and Rs 4,399 million (June 30, 2022: Rs 4,999 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II at the reporting date.

11. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in commitments as disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2022, except for the following:

- 11.1** Total amount outstanding under letters of credit (net share) as at September 30, 2022 is Rs 1,111 million (June 30, 2022: Rs 3,386 million).

**Notes to and Forming Part of the Condensed Unconsolidated Interim
Financial Statements (Unaudited)**

For the quarter ended September 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
12. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	51,287,295	31,446,346
Gas supplied to Sui villages	325,516	204,935
Internal consumption of gas	185,794	122,319
Crude oil / Condensate / Natural Gas Liquids	24,967,596	15,905,536
LPG	5,267,654	3,666,523
Barytes	27,537	284,758
	<u>82,061,392</u>	<u>51,630,417</u>
Government levies / discounts		
Federal excise duty	(429,578)	(394,512)
Sales tax	(8,880,289)	(7,940,819)
Petroleum Levy	(140,611)	(136,721)
Discounts (Barytes)	(163)	(4,755)
	<u>(9,450,641)</u>	<u>(8,476,807)</u>
	<u>72,610,751</u>	<u>43,153,610</u>
13. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	2,578,046	2,207,266
Operators' personnel	725,036	634,698
Depreciation	1,624,118	1,895,116
Amortisation of decommissioning assets	779,843	496,826
Amortisation of D&P assets	2,567,934	2,649,508
Plant operations	899,865	722,503
Well interventions	746,887	265,125
Field services	636,474	489,698
Crude oil transportation	212,119	211,027
Travelling and conveyance	87,545	148,847
Training & development	23,915	7,951
PCA overheads	46,311	40,207
Insurance expenses	174,853	151,747
Free supply of gas to Sui villages	325,516	204,935
Social welfare / community development	47,194	40,293
	<u>11,475,656</u>	<u>10,165,747</u>
14. EXPLORATION EXPENSES		
14.1 Exploration expenses for the period also include cost of dry / abandoned wells amounting to nil (September 2021: Rs 4,018 million).		
	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
15. OTHER CHARGES		
WPPF charge	2,162,841	979,023
Provision for Windfall levy on oil / condensate	2,360,000	1,094,000
Others	7,995	37,355
	<u>4,530,836</u>	<u>2,110,378</u>

Notes to and Forming Part of the Condensed Unconsolidated Interim Financial Statements (Unaudited)

For the quarter ended September 30, 2022

	Quarter ended September 30, 2022 (Rupees in thousand)	Quarter ended September 30, 2021
16. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	163,722	89,165
Income on local currency term deposits	146,833	307,905
Income on foreign currency term deposits	220,428	170,830
Income from investment in treasury bills	1,884,105	386,723
Exchange gain on foreign currency - net	2,364,240	3,119,427
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	39,057	390,460
	<u>4,818,385</u>	<u>4,464,510</u>
Income from assets other than financial assets		
Rental income on assets	1,270	1,191
Gain on disposal of property, plant and equipment (net)	9	14,882
Others	23,295	55,243
	<u>24,574</u>	<u>71,316</u>
	<u>4,842,959</u>	<u>4,535,826</u>
17. TAXATION		
Current	18,239,627	7,373,431
Deferred	1,017,306	(1,091,851)
	<u>19,256,933</u>	<u>6,281,580</u>
17.1	Current and deferred tax includes provision for super tax imposed by the GoP at the rate of 4% amounting to Rs 1,645.753 million and Rs 97.850 million, respectively, on the taxable income of the Company during the period.	
	Quarter ended September 30, 2022 (Rupees in thousand)	Quarter ended September 30, 2021
18. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 18.1	49,911,195	41,509,691
Cash and bank balances	4,100,955	3,557,325
	<u>54,012,150</u>	<u>45,067,016</u>
18.1	Short-term investments as disclosed in note 9 amount to Rs 70,351 million (September 2021: Rs 88,200 million). However, certain investments which were not considered highly liquid comprising foreign currency term deposits with banks amounting to Rs 8,236 million (September 2021: Rs 28,566 million), local currency term deposits with banks amounting to Rs 1,828 million (September 2021: Rs 168 million), treasury bills amounting to Rs 3,431 million (September 2021: Nil) and mutual funds amounting to Rs 6,945 million (September 2021: Rs 17,956 million) are not considered as cash and cash equivalents.	
	Quarter ended September 30, 2022	Quarter ended September 30, 2021
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	26,613,582	16,990,513
Dividend on convertible preference shares (Rs '000)	(32)	(32)
Profit attributable to ordinary shareholders (Rs '000)	<u>26,613,550</u>	<u>16,990,481</u>
Weighted average number of ordinary shares in issue	<u>2,720,973,015</u>	<u>2,720,972,391</u>
Basic earnings per share (Rs)	<u>9.78</u>	<u>6.24</u>
19.1.1	Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.	

**Notes to and Forming Part of the Condensed Unconsolidated Interim
Financial Statements (Unaudited)**

For the quarter ended September 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	<u>26,613,582</u>	<u>16,985,546</u>
Weighted average number of ordinary shares in issue	<u>2,720,973,015</u>	<u>2,720,972,391</u>
Adjustment of convertible preference shares	<u>10,513</u>	<u>11,137</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
Diluted earnings per share (Rs)	<u>9.78</u>	<u>6.24</u>

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these unconsolidated financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
Sales of gas / oil / barytes to state controlled entities (including Government Levies)		
GENCO-II	5,304,590	2,305,097
SSGCL	21,386,603	12,792,566
SNGPL	24,596,102	16,348,683
EPRF	377,248	-
OGDCL	-	9,687
	<u>51,664,543</u>	<u>31,456,033</u>
Long-term receivables, trade debts and other receivables from State controlled entities as at September 30	<u>380,902,702</u>	<u>281,067,845</u>
Transactions and balances with subsidiaries		
Receivable from PPLA as at September 30	<u>367,469</u>	<u>240,465</u>
Interest paid on loan from PPLE	<u>-</u>	<u>60</u>
Payment of employees cost on secondment to PPLA	<u>11,239</u>	<u>18,116</u>
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	<u>1,683,750</u>	<u>1,256,625</u>
Transactions and balances with Associated Companies		
Sales of crude oil / condensate to PARCO	<u>1,123,835</u>	<u>3,413,463</u>
Sales of crude oil / condensate to PRL	<u>812,219</u>	<u>699,021</u>
Payment to Total PARCO Pakistan Limited (Total PARCO)	<u>263</u>	<u>27,972</u>
Membership / sponsorship fee paid to Petroleum Institute of Pakistan	<u>5,715</u>	<u>975</u>
Purchase of medicines from Sanofi-Aventis Pakistan Limited	<u>1,241</u>	<u>728</u>
Annual supervision fee paid to Audit Oversight Board	<u>-</u>	<u>500</u>
Equity investment in PIOL	<u>2,181,000</u>	<u>4,161,250</u>
Receivable from PIOL as at September 30	<u>194,601</u>	<u>1,795</u>
Service fee (G&A overheads) charged to PIOL	<u>2,592</u>	<u>-</u>
Payment of employees cost on secondment to PIOL	<u>62,930</u>	<u>-</u>
Payment to MPCL against gas processing services received	<u>26,559</u>	<u>-</u>

**Notes to and Forming Part of the Condensed Unconsolidated Interim
Financial Statements (Unaudited)**

For the quarter ended September 30, 2022

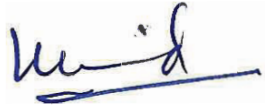
	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
Transactions and balances with Joint Operations		
Payments of cash calls to joint operations	9,377,642	9,200,112
Expenditures incurred by the joint operations	5,707,614	6,817,523
Under advance balances relating to joint operations as at September 30	8,503,979	8,299,538
Current account receivables relating to joint operations as at September 30	1,513,416	1,406,396
Current account payables relating to joint operations as at September 30	272,760	139,452
Income from rental of assets to joint operations	1,270	1,191
Purchase of goods from BME (net)	1,915	38,490
Reimbursement of employee cost on secondment to BME	4,899	4,479
Dividend income from BME	-	250,000
Other related parties		
Unclaimed dividend pertaining to BESOS	700,200	210,060
Transactions with retirement benefit funds	295,078	273,792
Remuneration to key management personnel	655,953	654,637
Payment to PPL Welfare Trust for CSR activities	24,000	21,000
Payment of rental to Pakistan Industrial Development Corporation	43,349	39,408
Payment of rental to Karachi Port Trust	5,555	-
Payment of insurance premium to National Insurance Company Limited (NICL)	231,050	85,265
Insurance claim received from NICL	135	295
Fuel purchased from Pakistan State Oil Company Limited	26,572	122,368
Payment for chartered flights to Pakistan International Airlines Corporation Limited	13,129	29,453
Deposits with National Bank of Pakistan as at September 30	112,957	106,097
Reimbursement to OGDCL on account of the Company's share of expenses incurred for Reko Diq project	19,855	-
20.1	Aggregate amount charged in these condensed unconsolidated interim financial statements in respect of fees to ten non-executive directors was Rs 12.25 million (September 2021: Rs 9.875 million to nine non-executive directors).	
20.2	The Company has provided parent company guarantee amounting to USD 5.3 million (Rs 1,241 million) {September 2021: USD 5.3 million (Rs 903 million)} to GoP in respect of PPLE's exploration licences in Pakistan i.e. Barkhan, Harnai and Ziarat.	
20.3	The Company has a receivable of Rs 7.59 million from OGDCL, MPCL and GHPL (Rs 2.46 million, Rs 2.76 million and Rs 2.37 million receivable, respectively) with respect to the payments made by the Company on their behalf for expenses related to PIOL.	
20.4	The Company has a receivable of Rs 5.67 million from GHPL on account of payments made by the Company on its behalf with respect to the Reko Diq project.	

**Notes to and Forming Part of the Condensed Unconsolidated Interim
Financial Statements (Unaudited)**

For the quarter ended September 30, 2022

21. DATE OF AUTHORISATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorised for issue on October 27, 2022 by the Board of Directors of the Company.



Chief Financial Officer



Director




Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	September 2022 Unaudited (Rupees in thousand)	June 30 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	143,623,153	139,578,251
Intangible assets		96,946	113,116
		<u>143,720,099</u>	<u>139,691,367</u>
Long-term investments	6	4,775,497	2,177,859
Deposit with GoP for equity stake in Reko Diq	7	34,921,546	34,106,250
Long-term loans		57,754	61,689
Long-term deposits		7,676	7,676
		<u>183,482,572</u>	<u>176,044,841</u>
CURRENT ASSETS			
Stores and spares		5,665,642	5,495,842
Trade debts	8	401,239,961	366,251,547
Loans and advances		479,718	558,389
Trade deposits and short-term prepayments		262,882	290,833
Interest accrued		566,680	282,262
Current maturity of long-term loans		27,929	27,929
Current maturity of long-term deposits		1,683,750	1,505,250
Current maturity of long-term receivables		122,051	122,051
Other receivables		3,273,274	3,038,181
Short-term investments	9	74,720,673	69,634,343
Cash and bank balances		4,171,969	5,427,273
		<u>492,214,529</u>	<u>452,633,900</u>
TOTAL ASSETS		<u>675,697,101</u>	<u>628,678,741</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	27,209,836
Reserves		434,815,379	407,494,659
		<u>462,025,215</u>	<u>434,704,495</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		39,066,051	33,196,343
Deferred liabilities		3,410,830	3,328,024
Deferred taxation - net		29,797,468	28,780,165
		<u>72,274,349</u>	<u>65,304,532</u>
CURRENT LIABILITIES			
Trade and other payables	10	90,253,164	89,664,907
Unclaimed dividends		989,781	1,001,150
Current maturity of lease liabilities		1,351,890	1,434,170
Taxation - net		48,802,702	36,569,487
		<u>141,397,537</u>	<u>128,669,714</u>
TOTAL LIABILITIES		<u>213,671,886</u>	<u>193,974,246</u>
TOTAL EQUITY AND LIABILITIES		<u>675,697,101</u>	<u>628,678,741</u>
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	Quarter ended September 30, 2022 ----- (Rupees in thousand) -----	Quarter ended September 30, 2021
Revenue from contracts with customers	12	72,820,296	43,596,233
Operating expenses	13	(11,612,419)	(10,431,888)
Royalties and other levies		(12,573,286)	(6,437,251)
		<u>(24,185,705)</u>	<u>(16,869,139)</u>
Gross Profit		48,634,591	26,727,094
Exploration expenses	14	(1,744,503)	(4,857,113)
Administrative expenses		(1,202,118)	(881,512)
Finance costs		(352,639)	(296,040)
Reversal of provision for doubtful debts		-	41,929
Share of loss in associate	6.1	(35,735)	(9)
Other charges	15	(4,530,836)	(2,112,090)
		<u>40,768,760</u>	<u>18,622,259</u>
Other income	16	4,818,137	4,543,907
Profit before taxation		45,586,897	23,166,166
Taxation	17	(19,256,933)	(6,306,404)
Profit after taxation		<u>26,329,964</u>	<u>16,859,762</u>
Basic and diluted earnings per share (Rs)	19	<u>9.68</u>	<u>6.20</u>

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	----- (Rupees in thousand) -----	
Profit after taxation	26,329,964	16,859,762
Other comprehensive income / (loss):		
Items that will not be subsequently reclassified to profit or loss		
Remeasurement gain / (loss) on defined benefit plans - net	3.2	-
Items that may be reclassified to consolidated statement of profit or loss		
Exchange differences on translation of subsidiaries & associate	990,756	181,569
Other comprehensive income	990,756	181,569
Total comprehensive income for the period	<u>27,320,720</u>	<u>17,041,331</u>

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022 (Rupees in thousand)	Quarter ended September 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	46,825,556	36,883,938
Receipts of other income	1,828,569	837,881
Payments to suppliers / service providers and employees - net	(14,082,895)	(7,031,673)
Payments of indirect taxes and Government levies including royalties	(21,891,479)	(16,126,615)
Income tax paid	(6,103,381)	(3,214,076)
Finance costs paid	(54,521)	-
Long-term loans - net	3,935	3,291
Net cash generated from operating activities	<u>6,525,784</u>	<u>11,352,746</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(3,343,563)	(3,919,070)
Proceeds from sale of property, plant and equipment	58	14,882
Investments - net	17,340,998	(30,480,951)
Equity investment in PIOL	(2,181,000)	(4,161,250)
Deposit with GoP for equity stake in Reko Diq	(536,174)	-
Long-term deposits	(178,500)	(51,268)
Finance income received	2,207,858	1,293,054
Net cash generated from / (used in) investing activities	<u>13,309,677</u>	<u>(37,304,603)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(82,280)	(433)
Dividends paid	(11,369)	(1,972)
Net cash used in financing activities	<u>(93,649)</u>	<u>(2,405)</u>
Net increase / (decrease) in cash and cash equivalents	<u>19,741,812</u>	<u>(25,954,262)</u>
Cash and cash equivalents at beginning of the period	37,249,402	72,802,434
Net foreign exchange differences	537,069	(252,423)
Cash and cash equivalents at end of the period	<u>18</u> <u>57,528,283</u>	<u>46,595,749</u>

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total reserves	Total
	Ordinary	Convertible preference				
----- (Rupees in thousand) -----						
Balance as at July 01, 2021 (Audited)	27,209,723	113	1,428	361,720,561	361,721,989	388,931,825
Total comprehensive income for the period						
Profit after taxation	-	-	-	16,859,762	16,859,762	16,859,762
Other comprehensive income for the quarter ended September 30, 2021, net of tax	-	-	-	181,569	181,569	181,569
Total comprehensive income for the quarter ended September 30, 2021	-	-	-	17,041,331	17,041,331	17,041,331
Transactions with owners:						
Conversion of preference shares into ordinary shares	6	(6)	-	-	-	-
Balance as at September 30, 2021	27,209,729	107	1,428	378,761,892	378,763,320	405,973,156
Balance as at July 01, 2022 (Audited)	27,209,730	106	1,428	407,493,231	407,494,659	434,704,495
Total Comprehensive income for the period						
Profit after taxation	-	-	-	26,329,964	26,329,964	26,329,964
Other comprehensive income for the quarter ended September 30, 2022, net of tax	-	-	-	990,756	990,756	990,756
Total comprehensive income for the quarter ended September 30, 2022	-	-	-	27,320,720	27,320,720	27,320,720
Transactions with owners:						
Conversion of preference shares into ordinary shares	1	(1)	-	-	-	-
Balance as at September 30, 2022	27,209,731	105	1,428	434,813,951	434,815,379	462,025,215

The annexed notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the quarter ended September 30, 2022

1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil and natural gas resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited. The registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPLE's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom.

1.3 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources and currently it owns 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). During the period, MdOC vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Holding Company has commenced appropriate actions to complete the close-out proceedings. Accordingly, a claim amounting to USD 11.564 million has been lodged by PPLA with MdOC through a letter dated October 13, 2022, in respect of Specific Costs plus interest thereon, reimbursable under the EDPSC. The effects of the claim will be recognised in the financial statements on acceptance and completion of all other close-out proceedings.

1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The Subsidiary is engaged in administering the trusts formed for the benefits of the employees of the Holding Company.

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the quarter ended September 30, 2022

2. BASIS OF PREPARATION

- 2.1 These condensed consolidated 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 as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements as at and for the year ended June 30, 2022 and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended June 30, 2022.

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

- 2.2 The SECP through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC under Companies Act, 2017. Accordingly, the Holding Company has not consolidated the PPPFTC in its condensed consolidated interim financial statements for the quarter ended September 30, 2022.
- 2.3 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022, which has been further extended for the Holding Company by SECP, through letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, till June 30, 2023. Consequently, the Holding Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these condensed consolidated interim financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management of the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 8 to these condensed consolidated interim financial statements).

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements as at and for the year ended June 30, 2022.
- 3.2 The Holding Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed consolidated interim financial statements.

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the quarter ended September 30, 2022

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation and reporting of these condensed consolidated interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and apply judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

Estimates, assumptions and judgments made by the management in the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements as at and for the year ended June 30, 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2022.

	September 30, 2022	June 30, 2022
	Unaudited	Audited
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	90,161,512	93,750,767
Additions during the period / year - net	6,071,761	9,008,483
	96,233,273	102,759,250
Disposals during the period / year (NBV)	(49)	(2,646)
Adjustments / reclassifications during the period / year (NBV)	116,941	4,591,325
Depreciation / amortisation charged during the period / year	(5,052,656)	(17,186,417)
	91,297,509	90,161,512
Capital work-in-progress - note 5.1	52,325,644	49,416,739
	143,623,153	139,578,251
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	12,767,136	11,370,642
Exploration and Evaluation (E&E) assets	20,792,378	19,103,985
Development and production (D&P) assets	6,204,980	6,127,177
Lands, buildings and civil constructions	69,054	69,397
Capital stores for drilling and development - note 5.1.1	12,492,096	15,036,760
Less: Impairment loss	-	(2,198,810)
Less: Written-off	-	(92,412)
	12,492,096	12,745,538
	52,325,644	49,416,739

- 5.1.1** On September 21, 2022, a fire incident occurred at a warehouse located in the Holding Company's partner operated field - Tal Block. A detailed survey and assessment of the damaged inventory is being carried out by the Operator of the field. Pending completion thereof, no adjustment has been made in this regard pertaining to Tal Block's inventory, included in capital stores for drilling and development, amounting to Rs 1,336 million.

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the quarter ended September 30, 2022

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiary		
- PPPFTC	1	1
- Associate		
Unquoted company		
Pakistan International Oil Limited (PIOL) - note 6.1		
Equity held: 25%		
No. of shares: 3,500,000 (June 30, 2022: 2,500,000) of USD 10/- each	4,775,496	2,177,858
	<u>4,775,497</u>	<u>2,177,859</u>

6.1 During the period, the Holding Company has made an equity investment in PIOL amounting to USD 10 million (Rs 2,181.000 million) {June 2022: USD 25 million (Rs 4,161.250 million)} which has increased the total equity investment of the Holding Company in the associate to USD 35 million (Rs 6,342.250 million). These investments have been recorded net of cumulative share of loss of associate amounting to Rs 2,642.812 million (June 2022: Rs 2,607.077 million), charged to profit or loss up to the period ended September 30, 2022, and cumulative exchange gain on translation of foreign associate, as at reporting date, amounting to Rs 1,076.058 million (June 2022: Rs 623.685 million) recorded through other comprehensive income to translation reserve. The loss for the period mainly pertains to exploration and appraisal expenditure incurred by PIOL.

7. DEPOSIT WITH GOP FOR EQUITY STAKE IN REKO DIQ

- Reconstitution of Reko Diq Project

As disclosed in note 8 to the consolidated financial statements for the year ended June 30, 2022, various definitive agreements are being finalised and judicial validation and legislative process is underway in line with the Framework Agreement. Since the conditions set out in the Framework Agreement were not satisfied by June 30, 2022, an interest amounting to USD 3.5 million @ US Prime plus 2% (Rs 815 million), as at September 30, 2022, is applicable, representing the share of interest on the Holding Company's initial deposit of USD 187.5 million (Rs 34,106 million). This has resultantly increased the deposit amount to USD 191 million (Rs 34,922 million).

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
 FINANCIAL STATEMENTS (UNAUDITED)
 For the quarter ended September 30, 2022

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
8. TRADE DEBTS		
Unsecured and considered good		
Related parties - note 20		
Central Power Generation Company Limited (GENCO-II) - note 8.3	5,295,564	4,523,630
Sui Northern Gas Pipelines Limited (SNGPL)	202,743,126	186,517,610
Sui Southern Gas Company Limited (SSGCL)	172,591,482	154,160,444
Pak-Arab Refinery Limited (PARCO)	820,749	837,009
Pakistan Refinery Limited (PRL)	933,928	731,279
ENAR Petroleum Refining Facility (EPRF)	284,240	307,977
Oil & Gas Development Company Limited (OGDCL)	24,845	51,344
	<u>382,693,934</u>	<u>347,129,293</u>
Non-related parties		
Attock Refinery Limited (ARL)	17,669,358	18,113,087
National Refinery Limited (NRL)	686,210	525,436
Others	190,459	483,731
	<u>18,546,027</u>	<u>19,122,254</u>
	<u>401,239,961</u>	<u>366,251,547</u>
Unsecured and considered doubtful		
Non-related parties		
Cnergyico Pk Limited (CENERGY) <i>formerly Byco Petroleum Pakistan Limited (Byco)</i>	253,002	253,002
EGAS Pvt. Ltd. (EGAS)	169,454	169,454
Less: Provision for doubtful debts - note 8.2	(422,456)	(422,456)
	<u>-</u>	<u>-</u>
	<u>401,239,961</u>	<u>366,251,547</u>
8.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	49,942,653	42,904,607
Past due but not impaired:		
Related parties		
- within 90 days	34,755,905	26,486,816
- 91 to 180 days	30,359,946	29,455,447
- over 180 days	283,340,686	264,176,265
	<u>348,456,537</u>	<u>320,118,528</u>
Non-related parties		
- within 90 days	1,712,071	2,176,815
- 91 to 180 days	125,768	780
- over 180 days	1,002,932	1,050,817
	<u>2,840,771</u>	<u>3,228,412</u>
	<u>401,239,961</u>	<u>366,251,547</u>

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
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- 8.2** Trade debts include overdue amount of Rs 347,955 million (June 30, 2022: Rs 319,984 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 3,342 million (June 30, 2022: Rs 3,363 million) overdue receivable from refineries (i.e. ARL, CENERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Holding Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.3 to these condensed consolidated interim financial statements, SECP has deferred the applicability of ECL model for the Holding Company till June 30, 2023 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CENERGY and EGAS as a result of disputes disclosed in notes 13.5 and 13.6 to the consolidated financial statements for the year ended June 30, 2022.

Based on the measures being undertaken by the GoP including inter-corporate circular debt, the Holding Company considers the overdue amounts to be fully recoverable and therefore, no further provision for doubtful debts has been made in these condensed consolidated interim financial statements, except for provision against receivable from CENERGY and EGAS.

- 8.3** As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS and GIDC amounting to Rs 70,173 million (June 30, 2022: Rs 66,959 million) and Rs 4,399 million (June 30, 2022: Rs 4,999 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Holding Company at the date of statement of financial position.

September 30, 2022	June 30, 2022
Unaudited	Audited
(Rupees in thousand)	

9. SHORT-TERM INVESTMENTS

At amortised cost

- Local currency term deposits with banks - note 9.1	2,091,500	847,500
- Foreign currency term deposits with banks - note 9.2	18,884,198	16,359,886
- Local currency treasury bills - note 9.1 & 9.3	46,799,958	52,426,957
	<u>67,775,656</u>	<u>69,634,343</u>

At fair value through profit or loss

- Mutual Funds - note 9.4	6,945,017	-
	<u>74,720,673</u>	<u>69,634,343</u>

- 9.1** These carry profit ranging from 11.00% to 16.04% (June 30, 2022: 7.54% to 17.66%) per annum and are due to mature latest by September 2023. As disclosed in note 27.1.6 (b) to the consolidated financial statements for the year ended June 30, 2022, treasury bills amounting to Rs 1,715 million were pledged as collateral to a financial institution for issuance of bank guarantee amounting to Rs 1,536 million in favour of the Nazir of Sindh High Court. During the period, the pledged treasury bills were matured and released, and said collateral was replaced with local currency term deposit amounting to Rs 1,700 million against the said bank guarantee. The above collateral is still valid as at September 30, 2022.
- 9.2** These represents foreign currency term deposits with banks amounting to USD 80.825 million (June 30, 2022: USD 66.882 million) having effective interest rate ranging from 1.50% to 10.25% (June 30, 2022: 1.40% to 10.55%) per annum and are due to mature latest by August 2023.
- 9.3** These carry profit ranging from 13.75% to 15.85% (June 30, 2022: 10.62% to 14.65%) per annum and are due to mature latest by August 2023. These bills were issued by GoP and sold through State Bank of Pakistan.
- 9.4** These represent investments in money market mutual funds. During the period, average annualised return is 15.96% (June 30, 2022: 8.93%).

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For the quarter ended September 30, 2022

	September 30, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
10. TRADE AND OTHER PAYABLES		
Creditors	786,685	861,400
Accrued liabilities	13,118,306	11,044,050
Security deposits / advances from LPG distributors	657,461	525,326
Retention money	111,691	102,607
Sales tax - net	2,221,345	1,833,074
Royalties	7,977,949	10,975,541
Lease extension bonus	31,978,400	30,159,897
Current accounts with joint operations	9,408,634	13,922,988
Staff retirement benefit funds	623,054	1,206,915
Provision for windfall levy on oil / condensate	19,805,937	17,495,473
Federal excise duty - net	110,321	125,910
Workers' Profit Participation Fund (WPPF)	2,152,861	-
Contractual obligations for Iraq EDPSC	1,099,755	967,540
Others	200,765	444,186
	<u>90,253,164</u>	<u>89,664,907</u>
10.1	As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS and GIDC amounting to Rs 70,173 million (June 30, 2022: Rs 66,959 million) and Rs 4,399 million (June 30, 2022: Rs 4,999 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II at the reporting date.	
11. CONTINGENCIES AND COMMITMENTS		
	There are no major changes in the status of contingencies and in commitments as disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2022, except for the following:	
11.1	Total amount outstanding under letters of credit (net share) as at September 30, 2022 is Rs 1,111 million (June 30, 2022: Rs 3,386 million).	
	Quarter ended September 30, 2022 (Rupees in thousand)	Quarter ended September 30, 2021
12. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	51,429,784	31,541,165
Gas supplied to Sui villages	325,516	204,935
Internal consumption of gas	185,794	122,319
Crude oil / Condensate / Natural Gas Liquids	25,055,536	16,304,355
LPG	5,267,654	3,666,523
Barytes	27,537	284,758
	<u>82,291,821</u>	<u>52,124,055</u>
Government levies / discounts		
Federal excise duty	(429,578)	(394,512)
Sales tax	(8,901,173)	(7,991,834)
Petroleum levy	(140,611)	(136,721)
Discounts (Barytes)	(163)	(4,755)
	<u>(9,471,525)</u>	<u>(8,527,822)</u>
	<u>72,820,296</u>	<u>43,596,233</u>

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For the quarter ended September 30, 2022

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
13. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	2,578,046	2,207,266
Operator's personnel	764,504	663,521
Depreciation	1,661,170	2,037,237
Amortisation of decommissioning assets	779,843	496,826
Amortisation of D&P assets	2,578,732	2,668,451
Plant operations	906,149	726,698
Well interventions	745,919	264,700
Field services	676,765	525,999
Crude oil transportation	214,906	245,722
Travelling and conveyance	87,545	148,847
Training & development	23,915	7,951
PCA overheads	47,362	41,695
Insurance expenses	174,853	151,747
Free supply of gas to Sui villages	325,516	204,935
Social welfare / community development	47,194	40,293
	<u>11,612,419</u>	<u>10,431,888</u>
14. EXPLORATION EXPENSES		
14.1 Exploration expenses for the period also include cost of dry / abandoned wells amounting to nil (September 2021: Rs 4,018 million).		
	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
15. OTHER CHARGES		
WPPF charge	2,162,841	980,735
Provision for windfall levy on oil / condensate	2,360,000	1,094,000
Provision for obsolete / slow moving stores & spares	7,995	-
Others	-	37,355
	<u>4,530,836</u>	<u>2,112,090</u>
16. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	163,722	89,165
Income on local currency term deposits	146,833	307,905
Income on foreign currency term deposits	256,066	178,473
Income from investment in treasury bills	1,884,105	386,723
Exchange gain on foreign currency - net	2,303,780	3,119,865
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	39,057	390,460
	<u>4,793,563</u>	<u>4,472,591</u>
Income from assets other than financial assets		
Rental income on assets	1,270	1,191
Gain on disposal of property, plant and equipment (net)	9	14,882
Others	23,295	55,243
	<u>24,574</u>	<u>71,316</u>
	<u>4,818,137</u>	<u>4,543,907</u>

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	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
17. TAXATION		
Current	18,239,627	7,398,255
Deferred	1,017,306	(1,091,851)
	<u>19,256,933</u>	<u>6,306,404</u>

17.1 Current and deferred tax includes provision for super tax imposed by the GoP at the rate of 4% amounting to Rs 1,645.753 million and Rs 97.850 million, respectively, on the taxable income of the Holding Company during the period.

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
18. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 18.1	53,356,314	42,376,181
Cash and bank balances	4,171,969	4,219,568
	<u>57,528,283</u>	<u>46,595,749</u>

18.1 Short-term investments as disclosed in note 9 amount to Rs 74,721 million (September 2021: Rs 90,697 million). However, certain investments which were not considered highly liquid comprising foreign currency term deposits with banks amounting to Rs 9,007 million (September 2021: Rs 30,197 million), local currency term deposits with banks amounting to Rs 1,982 million (September 2021: Rs 168 million), treasury bills amounting to Rs 3,431 million (September 2021: Nil) and mutual funds amounting to Rs 6,945 million (September 2021: Rs 17,956 million) are not considered as cash and cash equivalents.

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	26,329,964	16,859,762
Dividend on convertible preference shares (Rs '000)	(32)	(32)
Profit attributable to ordinary shareholders (Rs '000)	<u>26,329,932</u>	<u>16,859,730</u>
Weighted average number of ordinary shares in issue	<u>2,720,973,015</u>	<u>2,720,972,391</u>
Basic earnings per share (Rs)	<u>9.68</u>	<u>6.20</u>

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19.1.1 Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	<u>26,329,964</u>	<u>16,859,762</u>
Weighted average number of ordinary shares in issue	<u>2,720,973,015</u>	2,720,972,391
Adjustment for convertible preference shares	<u>10,513</u>	11,137
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
Diluted earnings per share (Rs)	<u>9.68</u>	<u>6.20</u>

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Holding Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these consolidated financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
Sales of gas / oil / barytes to State controlled entities (including Government levies)		
GENCO-II	5,304,590	2,305,097
SSGCL	21,459,154	12,839,371
SNGPL	24,666,041	16,396,696
EPRF	377,248	-
OGDCL	-	9,687
	<u>51,807,033</u>	<u>31,550,851</u>
Long-term receivables, trade debts and other receivables from state controlled entities as at September 30	<u>381,108,917</u>	<u>281,207,700</u>

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	Quarter ended September 30, 2022	Quarter ended September 30, 2021
	(Rupees in thousand)	
Transactions and balances with Associated Companies		
Sales of crude oil / condensate to PARCO	1,123,835	3,413,463
Sales of crude oil / condensate to PRL	812,219	699,021
Payment to Total PARCO Pakistan Limited	263	27,972
Membership / sponsorship fee paid to Petroleum Institute of Pakistan	5,715	975
Purchase of medicines from Sanofi-Aventis Pakistan Limited	1,241	728
Annual supervision fee paid to Audit Oversight Board	-	500
Equity investment in PIOL	2,181,000	4,161,250
Receivable from PIOL as at September 30	194,601	1,795
Service fee (G&A overheads) charged to PIOL	2,592	-
Payment of employees cost on secondment to PIOL	62,930	-
Payment to MPCL against gas processing services received	26,559	-
Transactions and balances with Joint Operations		
Payments of cash calls to joint operations	10,730,781	9,255,622
Expenditures incurred by the joint operations	6,040,954	7,002,417
Under advance balances relating to joint operations as at September 30	8,833,591	8,754,095
Current account receivables relating to joint operations as at September 30	1,513,416	1,406,396
Current account payables relating to joint operations as at September 30	272,760	139,452
Income from rental of assets to joint operations	1,270	1,191
Purchase of goods from BME (net)	1,915	38,490
Reimbursement of employee cost on secondment to BME	4,899	4,479
Dividend income from BME	-	250,000
Other related parties		
Unclaimed dividend pertaining to BESOS	700,200	210,060
Transactions with retirement benefit funds	295,078	273,792
Remuneration to key management personnel	655,953	654,637
Payment to PPL Welfare Trust for CSR activities	24,000	21,000
Payment of rental to Pakistan Industrial Development Corporation	43,349	39,408
Payment of rental to Karachi Port Trust	5,555	-
Payment of insurance premium to National Insurance Company Limited (NICL)	231,050	85,265
Insurance claim received from NICL	135	295
Fuel purchased from Pakistan State Oil Company Limited	26,572	122,368
Payment for chartered flights to Pakistan International Airlines Corporation Limited	13,129	29,453
Deposits with National Bank of Pakistan as at September 30	112,957	106,097
Reimbursement to OGDCL on account of the Holding Company's share of expenses incurred for Reko Diq project	19,855	-

20.1 Aggregate amount charged in these condensed consolidated interim financial statements in respect of fees paid / payable to ten non-executive directors was Rs 12.25 million (September 2021: Rs 9.875 million to nine non-executive directors).

In addition to the above, during the period an amount of Rs 0.125 million was paid to two directors of PPLA (September 2021: Rs 0.250 million to two directors of PPLA and PPLE each).

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the quarter ended September 30, 2022

- 20.2 The Holding Company has provided parent company guarantee amounting to USD 5.3 million (Rs 1,241 million) {September 2021: USD 5.3 million (Rs 903 million)} to GoP in respect of PPLE's exploration licences in Pakistan i.e. Barkhan, Harnai and Ziarat.
- 20.3 The Holding Company has a receivable of Rs 7.59 million from OGDCL, MPCL and GHPL (Rs 2.46 million, Rs 2.76 million and Rs 2.37 million receivable, respectively) with respect to the payments made by the Holding Company on their behalf for expenses related to PIOL.
- 20.4 The Holding Company has a receivable of Rs 5.67 million from GHPL on account of payments made by the Holding Company on its behalf with respect to the Reko Diq project.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed consolidated interim financial statements were authorised for issue on October 27, 2022 by the Board of Directors of the Holding Company.


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER



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